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 **GST NO:** 37AABCP9362L1ZV **CIN No. :** L74100AP1999PLC031191 **E-mail :** info@seil.co.in

5th September, 2019

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 Sir,

Sub:- Submission of Annual Report under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report 2018-19 of Steel Exchange India Limited for your reference and records.

Thanking you,

Yours Faithfully,

For **Steel Exchange India Limited**

Raveendra Babu M

Raveendra Babu M
Company Secretary
M.No: A34409

Steel Exchange India Limited Hyderabad

CCto: The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700 001
Encl: Annual Report 2018-19 of the Company

STEEL EXCHANGE INDIA LIMITED

VIZAG PROFILES GROUP

20th ANNUAL REPORT
2018 - 2019

BOARD OF DIRECTORS

B. SATISH KUMAR	Chairman & Managing Director
B. RAMESH KUMAR	Joint Managing Director, CFO
B. SURESH 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
B RAMESH KUMAR

COMPANY SECRETARY
RAVEENDRA BABU M

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
State Bank of India, Mid Corporate Commercial Branch, Visakhapatnam
Punjab National Bank, Large Corporate Branch, Banajara Hills, Hyderabad
Syndicate Bank, Mid Corporate Branch, Dabagardens, Visakhapatnam
Canara Bank, Industrial Finance Branch, Hyderguda, Hyderabad
Bank of India, Mid Corporate Banking Branch, Visakhapatnam

IDBI Bank Limited, Specialized Corporate Branch, Visakhapatnam
The Karur Vysya Bank Limited, Main Branch, Dabagardens, Visakhapatnam
The Lakshmi Vilas Bank Ltd., Gajuwaka Branch, Visakhapatnam
Andhra Bank, Specialized SME Branch, Gajuwaka, Visakhapatnam
Dhanlaxmi Bank Limited, Main Branch, CBM Compound, 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
Email:venturecipl@gmail.com

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 Towers, 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 (Galvanised Wire Products):

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

Integrated Steel Plant (ISP) - Sponge Iron Division, Rolling Division, SMS Billet Unit and 60 MW Power Plant :

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

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20TH ANNUAL GENERAL MEETING

Date : 30th September, 2019

Day : Monday

Time : 11.30 A.M.

Place : The Plaza, # 6-3-870, Tourism Plaza,
Greenlands, Begumpet,
Hyderabad - 500 016
Phone: 040 - 4949 5959

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of M/s. Steel Exchange India Limited will be held on **Monday, the 30th day of September 2019 at 11.30 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, 2019 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, 2019, Statement of Profit and Loss, Cash Flow Statement together with related notes for the year ended 31st March, 2019, 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. To appoint Statutory Auditors of the Company and fix their remuneration and in this regards pass the Following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Bhavani & Co., Chartered Accountants (Firm Registration No. 012139S) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this 20th Annual General Meeting until the conclusion of 25th Annual General Meeting to be held in the year 2024, at such remuneration plus applicable taxes, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business:

5. To re-appoint Shri B Satish Kumar (DIN: 00163676) as Chairman and Managing Director of the company and in this regard, pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Shri B Satish Kumar (DIN: 00163676) as Chairman and Managing Director of the company, for a further period of 3 (Three) years from the expiry of his present term of office, that is, with effect from 01st March, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To re-appoint Shri B Suresh Kumar (DIN: 00206473) as Joint Managing Director of the company and in this regard, pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in

force), approval of the members be and is hereby accorded to re-appoint Shri B Suresh Kumar (DIN: 00206473) as Joint Managing Director of the company, for a further period of 3 (Three) years from the expiry of his present term of office, that is, with effect from 27th October, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To revise the remuneration of Mr. B Ramesh Kumar (DIN: 00206293), Joint Managing Director cum CFO of the Company and in this regards pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196 and 197and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Part I and Section II of Part II of Schedule V (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard, approval of the members of the Company be and is hereby accorded to payment of such remuneration to Shri B Ramesh Kumar (DIN: 00206293) Joint Managing Director cum CFO of the Company with effect from 1st April, 2018 till his remaining tenure ending on 08th February, 2021, as set out in the statement annexed to the Notice.

   RESOLVED FURTHER THAT the remuneration paid / payable to Shri B Ramesh Kumar, Joint Managing Director cum CFO of the company with retrospective effect from April 1, 2018, was approved by the Nomination and Remuneration Committee, Audit Committee on their meetings held on 29th May, 2019."

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To ratify the Remuneration of the Cost Auditors of the Company and in this regards, pass the following Resolution as **Ordinary Resolution.**

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), the remuneration of Rs.3.5 Lakhs to be paid to the Cost Auditors viz. CMA D Zitendra Rao Practicing Cost Accountants for the financial year 2019-2020 as approved by the Board of Directors, be and is hereby ratified.

9. To re-appoint Shri C Siva Prasad (DIN: 01904785) as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and subject to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the consent of the members of the Company be and is hereby accorded for re-appointment of Shri C Siva Prasad (DIN:01904785), as Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024, who shall not be liable to retirement by rotation and who have submitted the declaration that he meets the criteria of independence as provided for in Section 149 of the Companies Act, 2013.

   "FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things and give such directions as may be necessary in the best interest of the company for giving effect to aforesaid Resolutions but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion".

10. To re-appoint Shri R Ramachandra Rao (DIN: 00226945) as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and subject to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 as amended from time to time, the consent of the members of the Company be and is hereby accorded for re-appointment of Shri R Ramachandra Rao (DIN:00226945), as Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024, who shall not be liable to retirement by rotation and who have submitted the declaration that he meets the criteria of independence as provided for in section 149 of the Companies Act, 2013.

"FURTHER RESOLVED that the Board of Directors be and are hereby authorised to do all such acts, deeds and things and give such directions as may be necessary in the best interest of the company for giving effect to aforesaid Resolutions but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion".

11. To re-appoint Shri K Krishna Rao (DIN:00382726) as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and subject to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the consent of the members of the Company be and is hereby accorded for re-appointment of Shri K Krishna Rao (DIN:00382726), as Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024, who shall not be liable to retirement by rotation and who have submitted the declaration that he meets the criteria of independence as provided for in section 149 of the Companies Act, 2013.

"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things and give such directions as may be necessary in the best interest of the company for giving effect to aforesaid Resolutions but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion".

12. To re-appoint Shri G Venkata Narayana Reddy (DIN:05358117) as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and subject to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the consent of the members of the Company be and is hereby accorded for reappointment of Shri G Venkata Narayana Reddy (DIN:05358117), as Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024, who shall not be liable to retirement by rotation and who have submitted the declaration that he meets the criteria of independence as provided for in section 149 of the Companies Act, 2013.

"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things and give such directions as may be necessary in the best interest of the company for giving effect to aforesaid Resolutions but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion".

13. To Approve Related Party Transactions of the Company, in this regard, pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with SAWP Steel Limited and Vizag Profiles Private Limited, related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for Sale, Purchase of Goods or Services and lease rent, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.500 Crore for the financial year 2019-20."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

By Order of the Board of Directors
For Steel Exchange India Limited

Place: Visakhapatnam
Date: 14.08.2019

Raveendra Babu M
Company Secretary
M.No: A34409

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 13 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") and Secretarial Standards-2, of the persons seeking re-appointment as Managing Director/Joint Managing Director/Directors under Item Nos. 2,3,5,6,7, 9,10,11 and 12 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 /herself and such proxy need not be a member of the company.
3. The Proxy form duly completed must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
5. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 24th day of September, 2019 to Monday, the 30th day of September, 2019 (both days inclusive).
7. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Venture Capital & Corporate Investments Private Limited / Investor Service Department of the Company immediately. Members holding shares in physical form are also requested to convert their shares in electronic form (Demat) as per SEBI (LODR) Regulations, 2018 no. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and BSE circular no. LIST/COMP/15/2018-19 dated 05.07.2018 request for effecting transfer of shares in physical form has stopped with effect from 01.04.2019 unless the shares are held in dematerialized form with a depository
8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are Interested under section 189 of Companies Act, 2013 will be available for inspection at the register office of the company.
9. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.

10. Pursuant to prohibition imposed vide Secretarial Standards on General Meetings (SS-2) issued by ICSI and the MCA Circular, no gifts shall be distributed at the meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated submission of the permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital & Corporate Investments Private Limited / Investor Service Department of the Company.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' to M/s. Venture Capital & Corporate Investments Pvt. Ltd., or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
13. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email addresses are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
15. 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 3.00 p.m. and 6.00 p.m. 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.
16. 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 20th 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 Friday, 27th September, 2019 at 9.00 a.m. and ends on Sunday, 29th September, 2019 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 Monday, 23rd September, 2019 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:

	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. E.g. 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).

(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, 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.**

(xxi) The facility for voting, either through electronic voting system or polling paper shall also be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting

(xxii) The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

I. 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.

II. 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 48 hours 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.

III. 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 48 hours 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 20th Annual General Meeting of the Company.

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

Item No 5

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 7, 2019 approved the re-appointment of Mr. Bandi Satish Kumar (DIN:00163676) as Chairman & Managing Director of the Company for a further period of three years with effect from 01st March, 2019 in accordance with the provisions contained in Section 196 and 197 read with Section 203 and Schedule V of the Companies Act, 2013 and on terms and conditions including remuneration and perquisites etc., as mentioned below.

1. Salary : Rs. 5, 50,000/- Per Month
2. Commission : Nil
3. Perquisites/ Allowances :

i) Medical Reimbursement:

Reimbursement of expenses incurred in India and/or abroad for Medical treatment of self and his family, subject to a ceiling one month's salary in a year or three month's salary over a period of three years.

ii) Leave Travel Concession:

Reimbursement of actual travelling expenses for self and his family, once in a year for proceeding on leave in accordance with the rules of the Company.

Explanation: For (i) and (ii) Family means the spouse, dependent children and the dependent parents.

Explanation:

For (i) and (ii) Family means the spouse, dependent children and the dependent parents

iii) Motor Car and Telephone:

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Private use of car and personal long distance calls on telephone shall be billed by the Company.

iv) Other Perquisites:

Subject to the overall ceiling on remuneration the Chairman & Managing Director, he may be given any other allowances, benefits and perquisites as the Board of Directors from time to time, decide, whose value together with the perquisites mentioned above, shall not exceed 10% of the salary per month."

The Board of Directors recommends the resolution in relation to the reappointment of the Chairman & Managing Director for the approval of the members of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Except Mr. B. Satish Kumar himself, Mr. B. Suresh Kumar and Mr. B. Ramesh Kumar and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in this resolution set out at item no. 5.

Approval of the members is required by way of Special Resolution for appointment and payment of remuneration. The disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 is provided at Annexure to this Notice.

Item No.6

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on August 14, 2019 approved the re-appointment of Mr. Bandi Suresh Kumar (DIN:00206473) as Joint Managing Director of the Company for a further period of three years with effect from October 27th, 2019 in accordance with the provisions contained in Section 196 and 197 read with Schedule V of the Companies Act, 2013 and on terms and

conditions including remuneration and perquisites etc., as mentioned below.

1. Salary : Rs. 5,00,000/- Per Month

2. Commission : Nil

3. Perquisites/ Allowances :

I) Medical Reimbursement:

Reimbursement of expenses incurred in India and/or abroad for Medical treatment of self and his family, subject to a ceiling one month's salary in a year or three month's salary over a period of three years.

ii) Leave Travel Concession:

Reimbursement of actual travelling expenses for self and his family, once in a year for proceeding on leave in accordance with the rules of the Company.

Explanation: For (i) and (ii) Family means the spouse, dependent children and the dependent parents.

iii) Motor Car and Telephone:

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Private use of car and personal long distance calls on telephone shall be billed by the Company.

iv) Other Perquisites:

Subject to the overall ceiling on remuneration the Joint Managing Director, he may be given any other allowances, benefits and perquisites as the Board of Directors from time to time, decide, whose value together with the perquisites mentioned above, shall not exceed 10% of the salary per month."

The Board of Directors recommends the resolution in relation to the re-appointment of Joint Managing Director for the approval of the members of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Except Mr. B. Suresh Kumar himself, Mr. B. Satish Kumar and Mr. B. Ramesh Kumar and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in this resolution set out at item no. 6.

Approval of the members is required by way of Special Resolution for appointment and payment of remuneration. The disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 is provided at Annexure to this Notice.

Item No. 7

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 07th February, 2019 approved the revision in remuneration of Mr. Bandi Ramesh Kumar (DIN: 00206293) Joint Managing Director cum CFO of the Company with retrospective effect from 01.04.2018, for the remaining period of his tenure up to 08th February, 2021 in accordance with the provisions contained in Section 196 and 197 Schedule V of the Companies Act, 2013 and on terms and conditions including remuneration and perquisites etc., as mentioned below.

Salary: In the scale of ₹ 1, 50,000 /- to ₹ 5,00,000/- per month with retrospective effect from 01st April, 2018.

1. Salary : Rs. 5, 00,000/- Per Month

2. Commission : Nil

3. Perquisites/ Allowances :

I) Medical Reimbursement:

Reimbursement of expenses incurred in India and/or abroad for Medical treatment of self and his family, subject to a ceiling one month's salary in a year or three month's salary over a period of three years.

ii) Leave Travel Concession:

Reimbursement of actual travelling expenses for self and his family, once in a year for proceeding on leave in accordance with the rules of the Company.

Explanation: For (i) and (ii) Family means the spouse, dependent children and the dependent parents.

iii) Motor Car and Telephone: Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Private use of car and personal long distance calls on telephone shall be billed by the Company.

iv) Other Perquisites: Subject to the overall ceiling on remuneration the Joint Managing Director, he may be given any other allowances, benefits and perquisites as the Board of Directors from time to time, decide, whose value together with the perquisites mentioned above, shall not exceed 10% of the salary per month."

The Board of Directors recommends the resolution in relation to the revision of remuneration payable to the Joint Managing Director for the approval of the members of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Except Mr. B. Ramesh Kumar himself, Mr. B. Satish Kumar and Mr. B. Suresh Kumar and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in this resolution set out at item no. 7.

Approval of the members is required by way of Special Resolution for appointment and payment of remuneration. The disclosure pursuant to Secretarial Standards-2 is provided at Annexure to this Notice.

Item No. 8

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 CMA D Zitendra Rao, Practicing Cost Accountant as Cost Auditor of the Company for the financial year 2019-20 at remuneration of Rs.3.5 Lakhs plus applicable taxes and reimbursement of out of pocket expenses by the Board of Directors of the Company to conduct the audit of the cost accounting records of the company.

Certificate dated 22.05.2019 issued by the CMA D Zitendra Rao, Practicing Cost Accountant regarding his eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company on all working days between 10.00 A.M to 12.00 Noon up to the date of the AGM and shall also available at the meeting.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company. Accordingly, the Resolution for ratification of the fee of the Cost Auditors as set out at Item no. 8 of the Notice is submitted for approval of the Shareholders

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. 9 to 12

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 15th Annual General Meeting held on 31st December, 2014, Shri C Siva Prasad, Shri R Ramachandra Rao, Shri K Krishna Rao and Shri G Venkata Narayana Reddy were appointed as Independent Directors of the Company for a period of 5 (five) consecutive years for a term upto 31st December, 2019. Since, Shri C Siva Prasad, Shri R Ramachandra Rao, Shri K Krishna Rao and Shri G Venkata Narayana Reddy will complete their initial term as Independent Directors of the Company on 31st December, 2019; they are eligible for re-appointment for one more term.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 14th August, 2019, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on their skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by them during their tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri C Siva Prasad, Shri R Ramachandra Rao, Shri K Krishna Rao and Shri G Venkata Narayana Reddy as Independent Non-Executive Directors of the Company, for the second term of 5 (Five) years w.e.f. 31st December, 2019 upto 30th December, 2024. Further the said re-appointed independent directors shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Shri C Siva Prasad, Shri R Ramachandra Rao, Shri K Krishna Rao and Shri G Venkata Narayana Reddy, being eligible for re-appointment as Independent Directors for the second term providing their consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Shri C Siva Prasad, Shri R Ramachandra Rao, Shri K Krishna Rao and Shri G Venkata Narayana Reddy confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 9, 10, 11 and 12, are provided in the "Annexure" to the Notice pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standards on General Meetings, issued by the Institute of Company Secretaries of India (SS-2).

The Board recommends the Resolutions for your approval as Special Resolutions.

Except Shri C Siva Prasad, Shri R Ramachandra Rao, Shri K Krishna Rao, and Shri G Venkata Narayana Reddy, being appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 to 12.

Item No. 13

Your Company requires sufficient raw materials for smooth operations of the company and to ensure stability of supplies in terms of quality and logistics, your Company proposes to enter into transaction(s) with M/s. Vizag Profiles Pvt. Ltd. and M/s. SAWP Steel Ltd., which are associated entities of the company.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company. Accordingly, transaction(s) entered into with the both entities comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

Disclosures as required under rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014:

Name of the related party	Vizag Profiles Pvt. Ltd.	SAWP Steel Ltd.
Name of the Director or KMP who is related, if any	Shri B Suresh Kumar Shri B Suresh Shri V V Krishna Rao	Mr. Mohit Sai Kumar Bandi, S/o. Mr. Bandi Ramesh Kumar, and other relatives of directors holding more than 20percent of total shareholding in M/s. SAWP Steel Limited
Nature of relationship	Group Company/Common Directors	Holding more than 20 percent of Shareholding by Director and immediate relative of Director.
Nature, material terms, monetary value and part iculars of the contract or arrangements	Sale, purchase or supply of goods or materials Availing or rendering of services and Leasing of property	Sale, purchase or supply of goods or materials Availing or rendering of services and Leasing of property
Any o ther information relevant or important for the members to take a decision on the proposed resolution.	Raw material available with related party in-house and of desired quality at market price.	Raw material available with related party in - house and of desired quality at market price.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) to be entered into by your Company with Vizag Profiles Pvt. Ltd. and SAWP Steel Ltd. in the financial year 2019-20.

Annexure to the Notice

Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 in respect of Directors Appointment/re-appointment/fixation of remuneration in the ensuing Annual General Meeting

Statement as required under Schedule V of the Companies Act, 2013

I. General Information		
1	Nature of industry	The Company is a leading manufacturer of Steel with "Simhadri TMT" Bars and Power Production.
2	Date or expected date of commencement of commercial production	24.02.1999
3	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	(Rupees in Lakhs)

Description	**2018-2019**	**2017-2018**
Income from operations	102394.13	93114.82
Other Income	533.51	836.54
Total Expenditure	104645.00	110661.91
Interest	996.55	13552.06
Depreciation	2962.12	2899.87
Profit/(loss) before Tax	(1717.35)	(16710.54)
Provision for Tax	Nil	Nil
a) Current Tax	Nil	Nil
b) Deferred Tax	1950.51	4456.23
Net Profit/(loss)	**(3679.23)**	**(17012.40)**

5	Export Performance and net foreign exchange	Nil
6	Foreign investments or collaborators, if any	Nil

II. Information on about the appointee				
		B. Satish Kumar	**B. Ramesh Kumar**	**B. Suresh Kumar**
1	Background details	He is a mechanical engineering graduate from NIT, Kurukshetra and has done his MBA from University of Queensland, Australia. He has over 25 years of industry experience and has held key positions in white goods &engineering goods manufacturing sector, oil rig and transport business, handling field level projects in logistics, value chain management and functional applications of ERP solutions in the engineering industry and oil industry segments.	He is an electrical engineering graduate from NITK-Surathkal. He started his career in Bhadrachalam Paper boards (ITC Group Company) as a Management Trainee. Thereafter he worked with Vizag Steel Plant (RINL) at Visakhapatnam from 1990 till 2000. During this period he worked in various capacities serving departments like maintenance, materials management, marketing and systems. He is associated with Steel Exchange India Limited since inception in different capacities and presently as Chief Financial Officer	He is a mechanical engineering graduate from, Amravati University. He worked in Sirpur Paper Mills Limited before venturing into steel trading. He has more than 20 years of experience in steel industry
2	Past Remuneration	66.00 Lakhs per year	18.00 Lakhs per year	60.00 Lakhs per year
3	Recognition or awards	N.A	N.A	N.A
4	Job profile and his suitability	As Managing Director of the Company he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Managing Director of the Company	As Joint Managing Director cum CFO of the Company he is responsible for the Plant operations and Accounts and Finance of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Joint Managing Director cum CFO of the Company	As Joint Managing Director of the Company he is responsible for the corporate and business operations of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Joint Managing Director of the Company

		B. Satish Kumar	B. Ramesh Kumar	B. Suresh Kumar
5	Remuneration proposed	The remuneration details are provided in the respective explanatory statement to the special business.	The revised remuneration details are provided in the respective explanatory statement to the special business.	The remuneration details are provided in the respective explanatory statement to the special business.
6	Comparative remuneration Profile with respect to Indus try, size of the company, pro file of the position and person	Taking into consideration the size of the Company, the profile of Mr. B Satish Kumar, and the responsibilities shouldered on him and the industry bench marks, the proposed remuneration is reasonable, justified and commensurate with the remuneration packages paid in the comparable Companies.	Taking into consideration the size of the Company, the profile of Mr. B Ramesh Kumar and the responsibilities shouldered on him and the industry bench marks, the proposed revised remuneration is reasonable, justified and commensurate with the remuneration packages paid in the comparable Companies.	Taking into consideration the size of the Company, the profile of Mr. B Suresh Kumar and the responsibilities shouldered on him and the industry bench marks, the proposed remuneration is reasonable, justified and commensurate with the remuneration packages paid in the comparable Companies.
7	Pecuniary relationship directly or indirectly with company or relationship with the managerial personnel, if any	Brother of Mr. B Ramesh kumar, Joint Managing director cum CFO and Mr. B Suresh Kumar, Joint Managing Director of the Company	Brother of Mr. B Satish kumar, Managing Director and Mr. B Suresh Kumar, Joint Managing Director of the company.	Brother of Mr. B Satish Kumar, Managing Director and Mr. B Ramesh Kumar, Joint Managing Director cum CFO of the Company

III. Other Information

1	Reasons of loss or inadequate profits	The Company has been under financial stress since the year 2016-17 due to various external factors beyond the control of the Company including continued recession in steel markets and non-off take of surplus power by state utilities
2	Steps taken of proposed to be taken for improvement	The Company has initiated various steps to improve its operational performance/liquidity, including lowering its operating cost, Improved productivity and cost control measures have been put in place.
3	Expected increase in productivity and profits in measurable terms	The Company expects that the improvement in steel demand will enable increase in production levels and profitability. The management Continues to be optimistic towards the external economic environment and expects steel demand to become more consistent and robust in the current financial year. Further, various steps (including debt resolution scheme with lenders) taken would contribute in increased revenues and higher margins.

Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013

Name of the Director	Bavineni Suresh	V.V. Krishna Rao	B Satish Kumar	B Suresh Kumar	B Ramesh Kumar
Category	Non-Executive and Non Independent	Non-Executive and Non Independent	Executive Director	Executive Director	Executive Director & CFO
Din	00181832	00206884	00163676	00206473	00206293
Date of Birth	30.08.1968	10.06.1948	05.12.1960	19.04.1964	05.06.1962
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment	28.02.2000	12.01.2000	01.10.2007	24.02.1999	27.03.2015
Qualification	B. Tech. M.B.A	M.A.	B.E	B.E. (Mechanical)	B.E
Occupation	Business	Business	Business	Business	Business
Expertise	Rich Experience of more than 20 years in Finance and Steel Industries	More than 40 years o f Experience in Marketing and Steel industry.	More than 28 years of Experience in Project management, Strategic Planning and Leadership.	More than 23 year experience in Steel Industry	Rich Experience of more than 28 years in Steel and software Industries
Relationship with Directors	None	None	Brother of Mr. B Ramesh kumar and Mr. B Suresh Kumar	Brother of Mr. B. Satish Kumar and Mr. B. Ramesh Kumar	Brother of Mr. B. Satish Kumar and Mr. B. Suresh Kumar
Directorships in other companies as on March 31, 2019	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	1. Simhadri Pellets India Ltd 2. Umashiv Garments Pvt Ltd 3. Satyatej Vyapaar Pvt Ltd	1.Simhadri Pellets India Limited 2.Simhadri Wires Private Limited 3.Vizag Profiles Private Limited	1. Simhadri Pellets India Limited
Chairman/Member of the committee of the Board of Directors as on March 31,2019	Nil	Nil	Member in Stakeholders Relationship Committee of the Company	Nil	Nil
Number of Equity Shares held in the Company as on March 31,2019	11,38,350 Equity shares of Rs. 10/- each	6,43,736 Equity shares of Rs.10/- each	6,45,944 Equity Shares of Rs. 10/- each	15,49,950 Equity shares of Rs. 10/- each	3,19,418 Equity shares of Rs.10/- each

Name of the Director	C Siva Prasad	R Ramachandra Rao	K Krishna Rao	G Venkata Narayana Reddy
Category	Independent Director	Independent Director	Independent Director	Independent Director
Din	01904785	00226945	00382726	05358117
Date of Birth	25.12.1943	18.07.1959	15.07.1946	14.06.1952
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board of the Company	10.01.2008	30.01.2006	31.01.2009	30.07.2012
Qualification	B. com, FCA	MS (Communications)	B.E (Electrical)	M.E (Civil)
Expertise	More than 40 years of experience in the fields of Fundraising, Financial, Treasury Management, Budget and Budgetary.	More than 30 years of experience in the areas of Power quality, Communications, Aviation, Microwave, Electronics and Management	Rich Experience of more than 35 years in Steel and Power Industry	Rich Experience of more than 35 years in Steel Industry
Relationship with Directors	None	None	None	None
Directorships in other companies as on March 31, 2019	Velagapudi Steels Limited	1.Merlinhawk Associates Pvt Ltd 2.Merlinhawk Aerospace Pvt Ltd 3.Madaksira Vineyards Pvt Ltd	Nil	Nil
Chairman/Member of the committee of the Board of Directors as on March 31,2019	4	4	3	Nil
Number of Equity Shares held in the Company as on March 31,2019	Nil	Nil	Nil	Nil

Important Communication to Members:

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form, may register the same with:

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 - 23403725 or 040-40033501 Email: cs@seil.co.in, or csravindra.seil@gmail.com or seilsecretarial@gmail.com.

If you fail to update your mail id with the Company/Depository/RTA, then we can stop to send the physical copy of Annual Report from next year due to green initiative of Government of India to protect environment.

Board's Report

To the Members,

Your Directors have pleasure in presenting the 20thAnnual Report together with the Standalone Audited Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS:

The performance of the Company for the Financial Year ended March 31, 2019 is as under:

(₹ in Lakhs)

PARTICULARS	31-Mar-19	31-Mar-18
Total Revenue	102927.64	93951.36
Profit/ (Loss) before finance cost, depreciation and tax expense	2241.35	(5017.50)
Finance cost	996.55	13552.06
Profit / (Loss) before depreciation and tax expense	1244.81	(18569.56)
Depreciation	2962.16	2899.87
Profit/(Loss) before tax expense	(1717.36)	(21469.43)
Tax expense		
i. Tax expense of prior years	-----	-----
ii. Deferred Tax	(1950.51)	(4456.23)
Profit/(Loss) for the year	(3667.87)	(17013.20)
Add: Other Comprehensive Income	(11.37)	0.80
Total Comprehensive Income/ (Loss) for the year	**(3679.24)**	**(17012.40)**

Review of operations:

During the year under review, the total revenue of the company was Rs. 1029 crores as against the 939.51 Crores.Net Profit/Loss recorded at (36.67) Crores as against Net Profit/Loss of (170.13) crores in the Previous Year.

The Manufacturing Sales including power sales were Rs.880 Crores in the current year compared to 610.36 crores in the previous year. The trading sales during the year amounted to Rs.141.57 Crores compared to 317.36 Crores in the previous year.

State of Company's affairs and future outlook

The Company has been under financial stress since Financial Year 2016- 17 due to various external factors beyond the control of the Company including continued recession in steel markets and non-off take of surplus power by state utilities despite signing a PPA for 1 year in 2016-17. This has resulted in sharp drop in EBIDTA earnings and consequently the company has been unable to service its debt obligations.

On reference to the Lenders in 2016, debt resolution under the S4A scheme was sanctioned in August 2017 but the same was not implemented due to less anticipated earnings under the S4A scheme. Subsequently the Lenders agreed to consider debt resolution by way of debt restructuring. Though the company had submitted its proposal it had to revise the same considering the revised guidelines of RBI on debt resolutions in February 2018. Thereafter the company submitted proposals which were reviewed and revised as per the discussions with the Lenders and their approval is still awaited.

The operations of the company are being carried out with the support of operational creditors and thus the company is having large overdue payments of operational creditors.

The Company has initiated various steps to improve its operational performance/liquidity, including lowering its operating cost, improved productivity and cost control measures have been put in place. Various realignment initiatives ensured reduced debt burden on the Company resulting in overall reduction in finance cost.

Listing of Equity Shares

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees. The company has paid the listing fee for the financial year 2019-20.

Delisting from Calcutta Stock Exchange Limited (CSE)

The Company has made an application for voluntary delisting of equity shares from Calcutta Stock Exchange Limited (CSE) during the year 2017-18 and it's in work in progress and waiting for final order from CSE.

Unclaimed Suspense Account/Escrow Account:

In accordance with the procedure laid down in Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has transferred unclaimed shares of Equity shareholders (previously GSAL Shareholders)into one folio in the name of "Steel Exchange India Limited -Unclaimed Suspense Account" and maintain details of shareholders whose shares are credited to the said Unclaimed Suspense Account.

Subsidiaries, Joint Ventures or Associate Companies

Your company incorporated a wholly owned subsidiary company SEIL (Hong Kong) Ltd on 02nd June, 2015 which was in dormant stage due to non- commencement of business operations since its incorporation. Your company does not have any Joint Ventures or associate companies except this company.

Number of Meetings of the Board of Directors

During the year ended March 31, 2019, Four Board Meetings were held.

The dates on which the Board meetings were held are May 30, 2018, August 14, 2018, October 26, 2018 and February 07, 2019.

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(5) 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 (except in payment/provision of interest to lenders);

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, 2019 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, 2019 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).

Separate Meeting of Independent Directors

During the year under review, the Independent Directors held their separate meeting on 26th October, 2018 inter alia, to discuss:

- Review the performance of Independent Directors.

- Review the performance of the Non-Independent Directors.

- Review the performance of the committees and Board as a whole.

- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013

The company has not given any Loans / Guarantees and not made any Investments during the FY 2018-19, as specified under the provisions of section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the Financial Year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the Financial Year, which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS-24) has been made in the notes to the Financial Statements.

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of individual transactions with related parties are placed before the audit committee for the review from time to time.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 given in notes to accounts of the company wide note no 3.36.3 and also brief details are annexed to Boards Report as Annexure-1

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, 2019.

Dividend

The Board of Directors of the Company has not recommend Dividend for the financial year ended March 31, 2019.

Share Capital

During the period under review, there was no change in the Authorized Share Capital of the Company

The Authorized Share Capital of the Company is Rs.3,32,00,00,000/- (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.

There was no change in Paid up Share Capital of the Company during the year under review

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 and the Company has not issued any stock options to its employees.

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 during the year ended 31st March, 2019.

Extracts of Annual Return

The extract of Annual Return will be placed on the website of the Company after the conclusion of the ensuing Annual General Meeting. (www.seil.co.in)

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-2 to this Report.

Risk Management

The Board of Directors has not formed any risk management committee to identify, evaluate, mitigate and monitor the risk associated with the business carried by the company. The Audit committee/Board reviews the risk management plan and ensures its effectiveness.

Corporate Social Responsibility

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities during the year are given in the Annual Report on CSR activities in Annexure - 3 to this Report.

Committees of the Board

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee andCorporate 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 of 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 and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Bavineni Suresh and Shri Veeramachaneni Venkata Krishna Rao will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Accordingly, the resolutions seeking the approval of the members for the said re-appointments have been incorporated in the Notice of the AGM.

Shri C Siva Prasad, Shri R Ramachandra Rao, Shri K Krishna Rao and Shri G Venkata Narayana Reddy will be completing their five year term as Independent Directors on 30th December, 2019. Considering their professional qualification,vast experience in their related areas, the contribution made by them to the deliberations of the Board and the benefit thatwill accrue to the Company through their continued association with it, the resolutions seeking the approval of the members for the re-appointments of said Independent Directors have been incorporated in the Notice of the AGM.

ShriB Satish Kumar (DIN:00163676) was re-appointed as Chairman &Managing Director of the Company for a further period of three years with effect from 1st March, 2019 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.

Shri B Suresh Kumar (DIN: 00206473) was re-appointed as Joint Managing Director of the Company for a further period of three years with effect from October 27th, 2019 pursuant to the provisions of Sections 196 and 197 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.

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

As per the provisions of the Act, the period of office of M/s. Pavuluri& Co., Chartered Accountants (FRN 012194S), Statutory Auditors of the Company, expires at the conclusion of the ensuring Annual General Meeting.

It is proposed to appoint M/s. Bhavani & Co., Chartered Accountants (FRN 012139S) as Statutory Auditors of the Company, for a term of 5 (five) consecutive years. M/s. Bhavani & Co., Chartered Accountants, have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

The para-wise management response to the qualifications / observations made in the Independent Auditors Report is stated as under:

Attention is drawn to point No 8 of the Independent Auditors Report regarding Basis for Qualified Opinion. The detailed clarification of the same is provided in Note No. 3.11 of the Accounts of the Standalone Audited Financial Statements of the Company.

The Auditors observation in point No. 8of the Annexure to the Auditors report regarding Interest due to financial institution and banks aggregating Rs 181.07 Crwere due to severe liquidity crisis being faced by the Company on account of continued cash losses incurred.

The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion / negotiation With the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not ' provided for is estimated at Rs. 217.81 Crores for the year ended 31st March 2019 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2019.

Cost Audit/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.

The Cost Audit Report for year ended 31st March 2018 was reviewed by the Audit Committee at its meeting held on August 14, 2018 and has been filed with MCA on November 10, 2018.

Internal Auditors

The Board of Directors of the Company has appointed M/s. Bhavani & Co., Chartered Accountantsas Internal Auditors to perform Internal Audit of the operations of the Company for the Financial Year 2018-19 and the Internal Auditors have presented the observations to the Audit Committee at the meetings of the board held on 14.08.2018, 26.10.2018, 07.02.2019 and 29.05.2019 respectively.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditor is well defined in the company. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. BSS& Associates, Practicing Company Secretaries, Hyderabad to undertake the Secretarial Audit of your Company for the financial year 2018-19. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks. The Report in Form MR-3 is enclosed as Annexure-4.

Maintenance of Cost Records

The Company is required to maintain cost records of the Company as specified under Section 148 (1) of theCompanies Act, 2013. Accordingly, the Company has properly maintained cost records and accounts.

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.1.20 Crore or more, or posted for part of the year and in receipt of Rs.8.50 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 - 5

Details in respect of frauds reported by Auditors under Section 143(12) other than those which are reportable to the Central Government

There were no frauds reported by the Statutory Auditors under Sub-section 12 of Section 143 of the Companies Act, 2013 along with the Rules made there under.

Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Insurance

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

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

During the year under review the majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion / negotiation With the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not ' provided for is estimated at Rs.181.07 Crores for the year ended 31st March 2019 and the same has not been considered for preparation of the financial statements for the year ended 3lst March 2019. Except this there are no Material changes and commitments in the business operations of the Company from the financial year ended 31stMarch, 2019 to the date of signing of the Director's Report.

Prevention of Sexual Harassment at workplace

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. During the financial year 31st March, 2019, 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 employee strength is over 911 and strength of trainees is over 270 ason 31st March, 2019.

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

Place: Visakhapatnam
Date: 14.08.2019

B. Satish Kumar
Chairman and Managing Director
(DIN:00163676)

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) Form for 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 arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

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

There were no material contracts or arrangement or transactions at arm's length entered into during the year ended March 31, 2019.

On behalf of the Board of Directors
For Steel Exchange India Limited

Place: Visakhapatnam
Date: 14.08.2019

B. Satish Kumar
Chairman and Managing Director
(DIN: 00163676)

Annexure - 2

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, 2019	March 31, 2018
Used	215.05	342.78
Earned	Nil	Nil

On behalf of the Board of Directors
For Steel Exchange India Limited

Place: Visakhapatnam
Date: 14.08.2019

B. Satish Kumar
Chairman and Managing Director
(DIN: 00163676)

Annexure-3

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	Chivukula Sivaprasad	Independent Director	Chairman
2	Ramineni Ramachandra Rao	Independent Director	Member
3	Kodali Krishna Rao	Independent Director	Member

3. Average Net profit for last three Financial Years:

Net Profit (Rs. In Lakhs)	2017-18	2016-17	2015-16
	(17012.40)	(15725.58)	739.07
Average Net Profit for the preceding three Financial Years	N.A		

Prescribed CSR expenditure (2% of Average Net Profit):Nil(The Company is in financial stress since 2016-17 F.Y)

Details of CSR spend for the financial year:

a. Total amount spent for the financial year: Rs. 14.76 Lakhs

b. Amount unspent/Balance carried from previous years if any: Rs. 14.72 Lakhs

c. Manner in which the amount spent during the financial year is detailed below:

(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	10,000	10,000	10,000	10,000
2	Park Development	Rural Development	Local Area	Nil	Nil	Nil	Nil
3	Social Welfare	Social Welfare	Local Area	12,63,839	12,63,839	12,63,839	12,63,839
4	Healthcare	Medical	Local Area	2,02,193	2,02,193	2,02,193	2,02,193
5	Charitable Trust	Charity	Local Area	Nil	Nil	Nil	Nil
	Total			**14,76,032**	**14,76,032**	**14,76,032**	**14,76,032**

Reasons for not spending the amount:

The company is in financial stress since 2016-17 and facing liquidity issues during the current financial year also.Hence the unspent amount will be spend in future years for social activities

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

Sd/-
Chivukula Sivaprasad
Chairman of the Committee

Sd/-
Ramineni Ramachandra Rao
Member

Place: Visakhapatnam
Date:14.08.2019

Annexure-4

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended 31st March, 2019

[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, Laxmi Nivas Apts.
Hotel Green Park, Greenlands,
Hyderabad-500073

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 31, 2019, 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 31, 2019 according to the provisions of:

1) The Companies Act, 2013 (the 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; **Not applicable to the Company during the Audit Period;**
   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 in the 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, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the company's affairs.

For B S S & Associates
Company Secretaries

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

Place: Hyderabad
Date: 14-08-2019

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,Laxmi Nivas Apts.,
Hotel Green Park, Greenlands
Hyderabad-500073

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: 14-08-2019

Annexure-5

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

Sl.No.	Name of the Director/CFO/Company Secretary	(I) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	(ii)The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
1	B. SATISH KUMAR, MD	34.10	NIL
2	B. SURESH KUMAR, JMD	31.00	NIL
3	B.RAMESH KUMAR, JMD & CFO	31.00	NIL
4	V. V. KRISHNA RAO	NA	NIL
5	B. SURESH	NA	NIL
6	R. RAMACHANDRA RAO*	NA	NIL
7	C. SIVA PRASAD*	NA	NIL
8	K. KRISHNA RAO*	NA	NIL
9	G. VENKATA NARAYANA REDDY*	NA	NIL
10	SUJATA CHATTOPADHYAY*	NA	NIL
11	M RAVEENDRA BABU, COMPANY SECRETARY	NA	NIL

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

There was no increase in Remuneration paid to Managing Director and Joint Managing Directors of the company during the Financial Year ended 31.03.2019

(iii) The percentage increase in the median remuneration of employees in the financial year is 5.07%

(iv) The number of employees on the rolls of company as on 31.03.2019

There are 947 Employees including Trainees 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	Company posted Net Loss of Rs (36,79,23,918)

(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, 2019
1	Rs. 1,38,00,000	Rs (36,79,23,918)

(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, 2019		As at March 31, 2018	
1	Market Capitalization	BSE	Rs. 129.78 Crores	BSE	Rs. 188.44 Crores
		NSE	Rs. 124.23 Crores	NSE	Rs. 189.58 Crores
2	Price Earnings Ratio	BSE	-	BSE	-
		NSE	-	NSE	-

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 2019 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- BSE Limited: Rs.17.50 and NSE : 16.35

(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, 2019.

(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, 2019
1	Mr.Bandi Satish Kumar, Managing Director	Rs. 66,00,000	Rs (36,79,23,918)
2	Mr. Bandi Ramesh Kumar, CFO	Rs. 60,00,000	Rs (36,79,23,918)
3	Mr. Raveendra Babu M, Company Secretary	Rs. 12,00,000	Rs (36,79,23,918)

(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. 6,600,000	Contractual	27 years	01/03/2019	58 Years	NA	0.85%	Brother of Mr. Bandi Suresh Kumar and Mr.Bandi Ramesh Kumar
2	Mr.Bandi Suresh Kumar Joint Managing Director	Rs.6,000,000	Contractual	22years	27/10/2016	54 years	Vizag Profiles Pvt Ltd	2.04%	Brother of Bandi Satish Kumar and Mr.Bandi Ramesh Kumar
3	Mr.Bandi Ramesh Kumar Joint Managing Director& CFO	Rs.60,00,000	Contractual	25 Years	09/02/2018	56 Years	Simhadri Power Ltd	0.42%	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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations"). The report for the year ended on 31st March, 2019 is as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The core philosophy of the Company on corporate governance is conducting business in a fair and transparent manner and enhancing stakeholders' value. The Company will continue to focus on its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and interests. The Company believes in maintaining high standards of corporate behavior towards the communities that it is in touch with and the environment on which it has an impact, for orderly and responsible growth and creating long term value for its shareholders. The Company is committed to fair and ethical business practices with transparency, accountability for performance, compliance with applicable laws and timely disclosure of reliable information. The Company implemented the norms of governance as provided in Chapter IV and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS :

(a) Composition and category of directors (e.g. promoter, executive, non-executive, non-executive and independent, nominee director - institution represented and whether as lender or as equity investor):

The Board comprises ten directors, of which half of the total strength comprises non-executive and independent directors (including a Woman director).

The details of the Board of directors including their attendance at the meetings of Board and shareholders, directorships / chairmanships / memberships on the Boards/Committees of other Companies, as required under regulation no. 34 read with schedule V of SEBI (LODR) are as below.

S. No.	Name of the Director	Category	No. of Board Meetings attended out of 4 meetings held 2018-19	Whether attended last AGM	No. of Other Directorships and Committee Membership/Chairmanship as on 31.03.2019		
					Directorships	Committee Memberships	Committee Chairmanships
1	Bandi Satish Kumar	Executive Director (Promoter)	4	YES	1	1	Nil
2	Bandi Suresh Kumar	Executive Director (Promoter)	4	YES	1	Nil	Nil
3	Bandi Ramesh Kumar	Executive Director (Promoter)	4	YES	1	Nil	Nil
4	Veeramachaneni Venkata Krishna Rao	Non-Executive Director (Promoter)	4	YES	0	Nil	Nil
5	Bavineni Suresh	Non-Executive Director (Promoter)	4	YES	0	Nil	Nil
6	RamineniRamachandra Rao	Independent Director	3	NO	0	4	1
7	Kodali Krishna Rao	Independent Director	4	YES	0	3	Nil
8	Siva Prasad Chivukula	Independent Director	4	YES	1	4	3
9	Venkata Narayana Reddy Godi	Independent Director	4	YES	0	Nil	Nil
10	Sujata Chattopadhyay*	Independent Director	4	YES	5	2	1

* Ms. Sujata Chattopadhyay is Director in other 4 listed Companies, list of those Companies and category of Directorship are as follows:

Sl. No.	Name of the listed Company	Category of Directorship
1	IITL Projects Limited	Independent Director
2	Polygenta Technologies Limited	Independent Director
3	Industrial Investment Trust Limited	Independent Director
4	Vakrangee Limited	Independent Director

- 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 Director in more than seven listed entities in terms of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 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 2018-19 and dates on which held:

In compliance with the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015, the intervening period between two Board meetings was within the maximum gap of one hundred and twenty days.

During the year ended March 31, 2019, FourBoard Meetings were held as against the minimum requirement of four meetings.

The dates on which the Board meetings were held are May 30, 2018, August 14, 2018, October 26, 2018 and February 07, 2019.

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) Familiarization program imparted to 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 26th October 2018 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 by the management in respect of all laws applicable to the Company.

Directors' skills/expertise/competencies

The Company has mix of Directors on the Board who possess the requisite qualifications, experience and expertise across multiple domains which facilitates quality decision making and enables them to contribute effectively to the Company in their capacity as Directors of the Company, more specifically in the areas of:

a. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities)

b. Industry Knowledge and experience - knowledge of industry, sector and changes in industry specific policy

c. Professional Skills and experience in the areas of finance, Safety & Corporate Social Responsibility and allied fields, projects, general corporate management and strategy development and implementation to assist the ongoing aspects of the business.

In the opinion of the Board, all the independent directors fulfill the conditions specified in these regulations and are independent of the management.

3. Audit Committee:

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulatio18 of SEBI (LODR) Regulations, 2015.

(a) Brief description of terms of reference: The role of the Audit Committee is as prescribed under the Act and SEBI (LODR) Regulations, 2015 and includes the following:

i. Overseeing the Company's financial reporting process and the disclosure of

Its financial information to ensure that the financial statements are correct, suffi cient and credible;

ii. Recommendation of appointment etc., of the statutory auditors and their fee for audit and other services;

iii. Examination and review of annual financial statements/audit report with particular reference to directors' responsibility statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;

iv. Discussions with internal auditors on significant findings and with Statutory Auditors on the nature and scope of audit and on areas of concern;

v. Review of quarterly financial statements, uses and application of funds raised, performance of statutory and internal auditors, adequacy of internal control system and internal audit function;

vi. Review of management discussion and analysis report on financial condition and results of operations, significant related party transactions, internal control weaknesses reported by the statutory auditors and internal auditors and the appointment and remuneration of internal auditors;

vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Evaluation of internal financial controls and risk management systems; and

xi. Review of the functioning of the Whistle Blower mechanism.

Composition and attendance details of the Committee meetings are as follows:

The Audit Committee consists of Three Independent Directors. The Audit Committee has met Four times during the financial year 2018-19 on 30.05.2018, 14.08.2018, 26.10.2018 and 07.02.2019.

The constitution of the Audit Committee and attendance details during the financial year ended 31st March, 2019 are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Siva Prasad Chivukula	Chairman, IndependentDirector	4	4
Mr. Kodali Krishna Rao	Member,Independent Director	4	4
Mr. RamineniRamachandra Rao	Member, Independent Director	4	3

The representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings. The representatives of Statutory Auditors, Executives from Accounts, Finance and Secretarial department(s) attends the Audit Committee meetings. The Internal Auditors attend the Audit Committee meeting where internal audit report is discussed. The Internal Auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 28th September, 2018.

4. Nomination and Remuneration Committee

Brief description of terms of reference

The terms of reference of the Committee are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The Committee has been constituted to recommend / review the remuneration package of the Managing /Joint Managing Directors, nomination of Directors / Key Managerial Personnel and one level below the Board along with the heads of department apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices

Composition, name of members and Chairperson

The Nomination and Remuneration Committee has met one time during the financial year 2018-19 i.e., on 07th February, 2019. The constitution of the Committee and attendance details during the financial year ended 31st March, 2019, are given below:

Name of the Director	Designation	No. of Meeting Held	No. of Meeting attended
Siva Prasad Chivukula	Chairman, Independent Director	1	1
Kodali Krishna Rao	Member, Independent Director	1	1
Ramineni Ramachandra Rao	Member, Independent Director	1	0

5. Meeting of Independent Directors

A Separate meeting of the Independent Directors was held on 26.10.2018, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole and Chairman of the Company. Inputs and suggestions received from the Directors were considered at the Board meeting.

6. Remuneration of Directors

The Remuneration paid to the Managing and Joint Managing 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, 2019and number of shares held by all the Directors are as follows:

Name of the Director and Designation	Salary	Benefits/ allowance/ perquisites	Bonus / Commission	Pension	Stock Option**	Sitting Fees	No. of Shares held
Mr Bandi Satish Kumar, Managing Director	66,00,000	1,41,682	-	-	-	-	6,45,944
Mr. Bandi Suresh Kumar, Joint Managing Director	60,00,000	-	-	-	-	-	15,49,950
Mr. Bandi Ramesh Kumar, Joint Managing Director cum CFO	60,00,000	-	-	-	-	-	3,19,418
Mr. Veeramachaneni Venkata Krishna Rao, Non-Executive Director	-	-	-	-	--	-	6,43,736
Mr. Bavineni Suresh, Non-Executive Director	-	-	-	--	-	-	11,38,350
Mr. Ramineni Ramachandra Rao, Independent Director	-	-	--	-	-	60,000	-
Mr. Kodali Krishna Rao, Independent Director	-	-	--	-	-	80,000	-
Mr. Siva Prasad Chivukula, Independent Director	-	-	-	--	-	80,000	-
Mr.Venkatanarayana Reddy Godi, Independent Director	-	-	-	--	-	40,000	-
Ms. Sujata Chattopadhyay, Independent Director	-	-	-	-	-	1,20,000	-

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 Ind AS 24 are disclosed in the notes to accounts annexed to the financial statements.

7. Stake Holders Relationship Committee

The Committee comprises of three Members Mr. Ramineni Ramachandra Rao, Chairman, Mr. Bandi Satish Kumar, Member and Mr. Siva Prasad Chivukula, Member. The responsibilities of the Committee include Redressal of all shareholders complaints and grievances.

During the year ended 31.03.2019, One Stakeholders Relationship Committee Meeting was held on 07th February, 2019.

The constitution of the Stakeholders Relationship Committee and attendance details during the financial year ended 31st March, 2019 are given below:

Name of the Director	Designation	No. of Meeting Held	No. of Meeting attended
Ramineni Ramachandra Rao	Chairman, Independent Director	1	0
Siva Prasad Chivukula	Member ,Independent Director	1	1
Mr. Bandi Satish Kumar	Member, Managing Director	1	1

➢ **Terms of Reference**

- Stake Holders Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also look 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. Raveendra Babu Mannem was appointed as Company Secretary and Compliance officer Email-id for Investor Grievances: cs@seil.co.in

➢ **Number of Shareholders complaints received and resolved :**

- During the year ended March 31, 2019, the Company has received 9 complaints and resolved all 9 complaints and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

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

The CSR Committee provides guidance on CSR activities to be undertaken by the Company. The terms of reference for the CSR Committee include:

1. Formulate a CSR policy which shall indicate activities to be undertaken by the Company
2. Recommend the CSR policy to the Board
3. Recommend the amount of expenditure to be incurred on the activities
4. Monitor the policy from time to time as per the CSR policy.

During the year ended 31.03.2019, one CSR Committee Meeting was held on 07.02.2019.

The constitution of the CSR Committee and attendance details during the financial year ended 31st March, 2019 are given below:

Name of the Director	Designation	No. of Meeting Held	No. of Meeting attended
Chivukula Siva Prasad	Chairman, Independent Director	1	1
Ramineni Ramachandra Rao	Member ,Independent Director	1	0
Kodali Krishna Rao	Member,Independent Director	1	1

9. Compliance Officer

Mr. Raveendra Babu Mannem, Company Secretary is Compliance Officer of the Company for complying with requirements of Securities Laws.

10. Prevention of Insider Trading

As per the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. Raveendra Babu M, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. The Code of Conduct is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company. During the year under review there has been due compliance with the said code.

11. COMPLIANCE

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, as applicable and Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

12. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board, Committee and General Meeting. Draft minutes are circulated to Board / Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

13. COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF LISTING REGULATIONS

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiaries	NA
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b)- (i)	Website	Yes

14. 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
2018	28.09.2018	11.30A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2017	11.09.2017	10.00 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2016	30.09.2016	11.45 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016

Special Resolutions passed during the previous three Annual General Meetings:

a) 19th Annual General Meeting - September 28, 2018 - The following Special Resolution was passed:

(i) Continuation of Mr. Shiva Prasad Chivukula, Independent Director who has already attained the age of 75years as Independent Director from April 01, 2019 until the expiry of his existing term.

b) 18th Annual General Meeting - September 11, 2017 - The following Special Resolutions were passed:

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

ii) 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.

iii) To offer and issue of equity shares on preferential basis, against conversion of unsecured loans of the Company

c) 17th Annual General Meeting - September 30, 2016 - 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;

d) Postal Ballot: Nil during the year.

e) EGM: Nil during the Year.

15. DISCLOSURES:

a) Related Party Transactions: - All transactions entered into with related parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with related parties are in compliance with sec 188 of the companies act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the related Party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are disclosed in the Notes to Accounts - Note No.3.36.3 annexed to the financial statements

In terms of SEBI (LODR) Regulations, 2015, 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 companywww.seil.co.in.

Related party transactions have been disclosed in Notes to Accounts - Note No.3.36.3 annexed to the financial statements.

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

(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, 2019.

(g) Certificate by Practicing Company Secretary: The Company has received a certificate from Mr. S.Srikanth, Partner, B S S& Associates, Practicing Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority.

(h) Information on complaints in relation to Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as on end of the financial year: Nil

(i) M/s. Pavuluri &Co., Chartered Accountants (FRN 012194S) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees during the financial year ended 31.03.2019, on consolidated basis is given below:

Particulars	Amount in Rs.
Services as Statutory Auditors	45,00,000
Tax Audit	9,00,000
Services for tax matters	4,50,000
Other matters	10,50,000
Re-imbursement of out-of-pocket expenses	Nil
Total	**69,00,000**

16. RISK MANAGEMENT

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee/ Board reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.

17. 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, 2019. 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.

18. MEANS OF COMMUNICATION

(i) As part of compliance with Regulation 10, 33 and 47 of the Listing Regulations, the Company furnishes its quarterly financial results to the Stock Exchanges where its shares have been listed.

(ii) The Company's quarterly, half yearly and annual results are published in prominent daily newspapers such as 'Business Standards' (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.

19. MD/ CEO & CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, a Certificate from Managing Director/ CEO and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the

Board in the Meeting held on 14.08.2019 and the same is annexed to this report, also forms part of this Annual Report.

20. CERTIFIACTE 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.

21. GENERAL SHAREHOLDER' INFORMATION:

i) 20th Annual General Meeting:

Date	:	**Monday, 30th September, 2019**
Time	:	**11.30 A.M.**
Venue	:	**The Plaza, 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 16. Phone: 040 - 4949 5959**
ii) Financial Year	:	**1st April to 31st March**
Financial Calendar for 2019-20	:	The following are tentative dates:
First Quarter results	:	2nd Week of August, 2019
Second Quarter results	:	2nd week of November, 2019
Third Quarter results	:	2nd week of February, 2020
Annual results for 2019-20	:	4th Week of May, 2020
AGM for the year 2019-20	:	4th Week of September, 2020.
iii) Dates of Book Closure	:	24thSeptember, 2019 to 30th September, 2019 (Both days inclusive)
Dividend Payment Date	:	No dividend is recommended for the Year ended on 31st March 2019.
v) Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd, National Stock Exchange of India Limited The Calcutta Stock Exchange (CSE)(Delisting Under process)
vi) Stock Code/Symbol	:	BSE : 534748/STEELXIND NSE : STEELXIND CSE : 26498/PYXIS

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 2018-19, are given below:

Month &Year	Price in BSE		Price in NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-2018	30.00	23.60	29.95	23.95
May-2018	29.85	23.25	29.25	23.55
Jun-2018	25.95	14.30	26.35	14.05
Jul-2018	23.55	18.10	23.25	17.75
Aug-2018	28.00	19.05	28.60	19.10
Sep-2018	28.85	24.25	29.25	24.05
Oct-2018	25.00	17.15	25.20	16.90
Nov-2018	20.50	15.70	20.50	15.55
Dec-2018	18.00	13.60	16.85	14.35
Jan-2019	16.10	10.45	15.55	10.50
Feb-2019	17.09	9.90	15.95	10.15
Mar-2019	22.00	14.10	21.90	14.40

Source: www.bseindia.com and www.nseindia.com

viii) Registrar and 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, 2019:

STEEL EXCHANGE INDIA LIMITED				
Distribution Details On Face Value FOR THE PERIOD 31/3/2019 INE503B01013				
Nominal Value Number of equity shares	Shareholders		Equity Shares	
	Number of shareholders	shareholders %	No. of Equity Shares held	Shareholding %
Upto - 500	51867	91.73	3603178	4.74
501 - 1000	2452	4.33	2006945	2.64
1001 - 2000	1141	2.01	1716054	2.26
2001 - 3000	402	0.71	1016476	1.34
3001 - 4000	144	0.25	519972	0.68
4001 - 5000	124	0.21	588533	0.77
5001 - 10000	167	0.29	1197261	1.57
10001 and above	245	0.44	65336393	88
Total	**56542**	**100**	**75984812**	**100**

Pattern of shareholding by ownership as on 31st March 2019:

Category	No. of shares held	Percentage of shareholding
PROMOTER'S HOLDING		
1. Promoters		
- Indian Promoters	3,59,45,063	47.31
- Foreign Promoters	211,504	0.28
Sub-Total	**3,61,56,567**	**47.58**
PUBLIC SHAREHOLDING		
2. Mutual Funds and UTI	90	-
3. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	51	
4 Central Government/ State Government	3,09,342	0.40
5 Foreign Body Corporate	30,50197	4.01
6 India Public	3,64,68,565	47.99
Sub-Total	**3,98,28,245**	**52.42**
Total	**7,59,84,812**	**100.00**

xii) Dematerialisation of Shares and liquidity:

As on 31st March 2019, 7,12,96,676 equity shares representing 93.83% were held in dematerialized form and46, 88,136 equity shares representing 6.17% were in physical form. The Balance shares 1,86,08,750are 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) and National Stock Exchange of India Limited (NSE) The ISIN Number allotted for the Equity shares is INE503B01013.

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

As on 31st March 2019, there were no Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.

No convertible instruments were issued and allotted during the year 2018-19 and as such no outstanding instruments that have an impact on equity.

xiv) Unclaimed Dividend

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

xv) 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

xv) Address for Correspondence:

Investor correspondence may be addressed to:

Registrars and Share Transfer Agents'/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 - 23403725 Fax: +91 - 40 - 23413267, Email: cs@seil.co.in

For and on behalf of the Board of Directors
For Steel Exchange India Limited

Place: Visakhapatnam
Date: 14.08.2019

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

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

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions as provided under Schedule V of SEBI (LODR) Regulations, 2015.

The Board laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended March 31, 2019.

For and on behalf of the Board of Directors
For Steel Exchange India Limited

Place: Visakhapatnam
Date: 14.08.2019

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

MD/ CEO AND CFO CERTIFICATE

For FY ended March 31, 2019

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To
The Board of Directors,
Steel Exchange India Limited

a) we have reviewed financial statements and the cash flow statement for the **Financial Year ended 31st March, 2019** 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: Visakhapatnam
Date: 14.08.2019

Bandi Satish Kumar
Managing Director

Bandi Ramesh Kumar
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 2019, 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 Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 SEBI Listing Regulations, 2015.

We 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

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

Place: Visakhapatnam
Date : 14.08.2019

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Indian Economy

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's GDP is estimated to have increased 7.2 per cent in 2017- 18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrollment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US$ 405.64 billion in the week up to 15th March, 2019, according to data from the RBI. With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on year to US$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US$ 185.51 billion.

Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.

Net direct tax collection for 2018-19 had crossed ` 10 trillion (US$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at ` 10.70 trillion (US$ 154.69 billion) as of February 2019.

India's Foreign Direct Investment (FDI) equity inflows reached US$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms. India's revenue receipts are estimated to touch ` 28-30 trillion (US$ 385-412 billion), owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers. (Source: www.ibef.org)

Indian Steel Industry Scenario (As on April 2019)

India was the world's second largest steel producer, as of 2018. The country is slated to surpass USA to become the world's second largest steel consumer in 2019.

In FY18, India produced 104.98 million tonnes (MT) and 103.13 MT of finished steel and crude steel, respectively. Crude steel production between April 2018- February 2019 - Provisional (P) reached 97.15 million tonnes. India was also a net exporter of steel in FY18. Exports and imports of finished steel stood at 6.36 MT and 7.84 MT respectively in FY19 (P).

The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. Between April 2000 and December 2018, inflow of US$ 11.18 billion has been witnessed in the metallurgical industries as Foreign Direct Investment (FDI).

India's per capita consumption of steel grew to 68.9 kgs, during 2017-18. National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. (Source: www.ibef.org)

Global Steel Industry Scenario

In 2018, the world crude steel production reached 1789 million tonnes (mt) and showed a growth of 4.94% over 2017. China remained world's largest crude steel producer in 2018 (928 mt) followed by India (106 mt), Japan (104 mt) and the USA (87 mt). World Steel Association has projected Indian steel demand to grow by 7.3% in 2019 while globally steel demand has been projected to grow by 1.4% in 2019. Chinese steel use is projected to show flat growth in 2019. Per capita finished steel consumption in 2017 is placed at 212 kg for world and 523 kg for China by World Steel Association. The same for India was 69 kg in 2017. Per capita steel consumption for 2018 is yet to be published by WSA. (Source: www.steel.gov.in)

Indian Power Scenario

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power. Electricity production in India reached 1,142.0 Billion Units (BU) during FY19 (up to February 2019).

Renewable energy is fast emerging as a major source of power in India. The Government of India has set a target to achieve 175 GW installed capacity of renewable energy by FY22. Wind energy is the largest source of renewable energy in India, accounting for 47.44 per cent (35.14 GW) (As of December, 2018) of total installed renewable capacity (74.08 GW) (As of December, 2018). There are plans to double wind power generation capacity to 60 GW by 2022. India has also raised the solar power generation capacity addition target by five times to 100 GW by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. All the states and union territories of India are on board to fulfill the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019. India is on path to achieve 100 per cent household electrification by March 31, 2019, as envisaged under the Saubhagya scheme. As of September 2018, the Government of India launched a voluntary based programme to promote energy efficient chiller systems in India. It enables the energy performance by providing star ratings and will be effective up to 31st December, 2020.

The Cabinet Committee on Economic Affairs (CCEA) has approved commercial coal mining for private sector and the methodology of allocating coal mines via auction and allotment, thereby prioritizing transparency, ease of doing business and ensuring the use of natural resources for national development.

The Government of India is planning to invite bids for the largest solar tender in the world, for installing 20 gigawatts (GW) of solar power capacity, to give a boost to manufacturing of solar power equipment in India. (Source: www.ibef.org)

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.143.64 crores for the year ended 31st March 2019 compared to Rs. 319.57 crores in the previous year ended 31st March 2018.

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.12.55 crores which came from sale of power compared to the turnover of power Rs. 34.58 crores in the previous year.

3) Integrated Steel Plant:

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

1. Sponge Iron Unit - 220,000 TPA
2. SMS Billet Unit - 250,000 TPA
3. Rolling Unit - 225,000 TPA
4. Captive Power Plant - 60MW

The total revenue for the period under review from ISP stood at Rs.558.37 crores as against Rs.566.26 crores in the previous year. The division reported marginal decrease in turnover on year to year basis due to lower level of production compared to previous year. The TMT bars produced are sold under the well-established brand name Simhadri TMT Bars.

The total revenue from the sale of Power for the period under review from Power Division stood at Rs. 40.65 crores compared to Rs. 57.16 crores in the previous year. The division reported decrease in turnover on year to year basis as there was no firm arrangement for off take of surplus power capacity and the plant was operated only at 60% PLF compared 62% in the previous year. The surplus power produced over and above captive consumption was sold on the exchange on day to day basis.

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.75,98,48,120/- 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 2019, the Reserves and Surplus have decreased from Rs.52.14 crores to Rs.15.35 crores due to the loss transferred from the profit and loss account amounting to Rs. 36.68 crores and Other Comprehensive income of Rs.0.11 Crs.

3) Secured Loans

There has been a decrease in secured Loans from Rs.1038.07 crores to Rs. 990.68 Crores.

4) Unsecured Loans

There has been a decrease in Unsecured Loans from Rs. 30.55 Crores to Rs. 30.22 Crores.

5) Fixed Assets

During the year under review, the Fixed Assets and the total Fixed Assets (net Block) stands at Rs. 690.70 crores as against Rs. 717.24 crores in the previous year.

Operational Performance

1) Income

The income of the Company was Rs.1029.27 crores for the year ended 31st March, 2019 as against Rs. 939.51 crores in the previous year ended 31st March 2018.

2) Direct Cost & Other expenses

The Direct Costs comprising of cost material consumed, changes in inventories of finished goods, stock in trade & work-in-progress and purchases of traded goods was to Rs.840.57 crores for the year as against Rs. 790.20 crores in the previous year ended 31st March, 2018.

Other expenses comprises of other manufacturing expenses, staff costs, administration and selling & distribution expenses etc. The same was Rs. 166.29crores for the year ended 31st March 2019 as against Rs. 142.83 crores in the previous year ended 31st March 2018. 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.9.96 Crores representing 0.96% of the turnover as against Rs. 135.52 crores representing 14.55% of the turnover in the previous year.

4) Depreciation

The company has provided a sum of Rs.29.62 crores towards depreciation for the year under review as against Rs.29.00crores in the previous year.

5) Provision for Tax

The Company has not provided any amount towards income tax as the Company has accumulated losses. The accumulated losses of GSAL (India) Limited were transferred to the company upon its amalgamation with the company. The deferred tax rovision for the period under review is Rs.19.50 lakhs as against Rs. (44.56) crores in the previous year.

6) Total Comprehensive income/Loss(Net Profit/Loss):

The operations for the year ended 31st March 2019 have resulted in a Net Loss of Rs. (36.79) crores as against Rs. (170.12) crores Net Loss in the year ended 31st March 2018. Decrease in margins in manufacturing activity and trading activity coupled with high raw material costs and decrease in steel prices resulted in net loss during the year.

7) Dividend

No Dividend is recommended on the Equity Shares for the year ended 31st March 2019.

Implementation of Debt Resolution Scheme:

With the uptrend and strong demand witnessed in the steel markets since October 2017, the company has requested the lenders for a suitable debt restructuring for a possible debt resolution. RBI has changed the guidelines vide its notification in February 2018 wherein all existing schemes like CDR, S4A, SDR etc have been completely withdrawn and new guidelines have been introduced with onus of debt resolution to be decided by the Lenders subject to guidelines of RBI. Thereafter the company submitted proposals which were reviewed and revised as per the discussions with the Lenders and their approval is still awaited.

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, 2019the total strength of employees is about 947 including Trainees. 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

Statements in the Management Discussion and Analysis describing the Company's estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(`. In lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,02,927.64	1,02,927.64
	2.	Total Expenditure	1,04,645.00	1,22,752.96
	3.	Net Profit/(Loss)	(3,679.23)	(21,787.19)
	4.	Earnings Per Share	(4.84)	(28.67)
	5.	Total Assets	1,42,751.41	1,42,751.41
	6.	Total Liabilities	1,33,617.82	1,51,725.78
	7.	Net Worth	9,133.59	(8,974.37)
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

Basis for Qualified Opinion

We draw your attention to note 3.11 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs 181.07 crores on the borrowings of the company for the year ended 31st March 2019 which is not in accordance with the requirements of Ind AS 23. Borrowing Cost read with Ind AS 109 Financial Instruments.

Had the aforesaid interest expenses been recognized, finance costs for the year ended 31st March 2019 would have been Rs 191.04 crores instead of reported amount of Rs 9.97 crores. Total expenses for the year ended 31st March, 2019 would have been Rs 1227.52 crores instead of Rs 1046.45 crores. Loss before exceptional items and tax for the year ended 31st March 2019 would have been Rs 198.24 crores instead of the reported amount of Rs 17.17 crores, Loss before Tax for the year ended 31st March 2019 would have been Rs 198.24 crores instead of the reported amount of Rs 17.17 crores, Net Loss after Tax for the year ended 31st March 2019 would have been Rs 217.75 crores instead of reported amount of Rs 36.68 crores. Total comprehensive loss for the year ended 31st March 2019 would have been Rs 217.85 crores instead of reported amount of Rs 36.79 crores and loss per share for the year ended 31st March 2019 would have been Rs 28.67 instead reported amount of Rs 4.84, other equity and other financial liabilities as at 31st March 2019 would have been Rs -165.72 crores and Rs 386.81 crores instead of reported amount of Rs 15.35 crores and Rs 205.74 crores respectively.

STEEL EXCHANGE INDIA LTD * SRI RAMPURAM *

	Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and except the effect of matter referred to in paragraph 8 above give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, its total comprehensive income (comprising loss and other comprehensive income) , its cash flows and the statement of changes in equity for the year ended on that date.
	b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~
	c. **Frequency of qualification:** second time / ~~repetitive~~ / ~~since how long continuing~~.
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion /negotiation with the Lenders for a suitable debt resolution. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated up to Rs 217.84 crores and 181.07 crores for the year ended 31st March 2019,the same has not been considered for preparation of the financial statements for the year ended 31st March 2019.
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:** Not Applicable
	(i) **Management's estimation on the impact of audit qualification:**
	(ii) **If management is unable to estimate the impact, reasons for the same:**
	(iii) **Auditors' Comments on (i) or (ii) above:**
III	**Signatories:**
	• **Managing Director**
	• **CFO**
	• **Audit Committee Chairman**
	• **Statutory Auditor**
Place: Visakhapatnam **Date**: 29.05.2019	

STEEL EXCHANGE INDIA LTD * SRI RAMPURAM

PAVULURI & Co. Hyderabad * Chartered Accountants *

INDEPENDENT AUDITORS' REPORT

To
The Members of
STEEL EXCHANGE INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s.Steel Exchange India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

Basis for Qualified Opinion

We draw your attention to note 3.11 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs181.07crores on the borrowings of the company for the year ended 31st March 2019 which is not in accordance with the requirements of Ind AS 23. Borrowing Cost read with Ind AS 109 Financial Instruments.

Had the aforesaid interest expenses been recognized, finance costs for the year ended 31stMarch 2019 would have been Rs 191.04crores instead of reported amount of Rs 9.97 crores. Total expenses for the year ended 31st March, 2019 would have been Rs 1227.52 crores instead of Rs 1046.45 crores. Loss before exceptional items and tax for the year ended 31st March 2019 would have been Rs 198.24crores instead of the reported amount ofRs 17.17 crores, Loss before Tax for the year ended 31st March 2019 would have been Rs 198.24 crores instead of the reported amount of Rs 17.17 crores, Net Loss after Tax for the year ended 31st March 2019 would have been Rs 217.75crores instead of reported amount of Rs 36.68 crores. Total comprehensive loss for the year ended 31st March 2019 would have been Rs 217.85 crores instead of reported amount of Rs 36.79 crores and loss per share for the year ended 31st March 2019 would have been Rs 28.67instead reported amount of Rs 4.84 , other equity and other financial liabilities as at 31st March 2019 would have been Rs -165.72 crores and Rs 1067.27 crores instead of reported amount of Rs 15.35 crores and Rs 886.21 crores respectively.

The above reported interest has been calculated using simple interest rate.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit matter
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of INDAS115 "Revenue from contracts with customers"(new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer to Notes and 3.20 to the Standalone Financial Statements
	Auditor's Response **Principal Audit Procedure** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows : • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected a sample of continuing and new contracts and performed the following procedures : - Read, analyzed and identified the distinct performance obligations in thesecontracts. - Compared these performance obligations with that identified and recorded by the Company. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
2	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer note no 3.32 to the Standalone Financial Statements

	Auditor's Response **PRINCIPAL AUDIT PROCEDURE** We have verified the relevant documents and records pertaining to the case, the sustainability and the likelihood of recoverability upon final resolution.
3	**Recoverability of Indirect tax receivables** As at March 31, 2019, other non current assets include Indirect tax balance receivable amounting to Rs 22,76,21,894out of which amount of Rs 19,45,52,988 are pending adjudication. Refer Note 3.2 to the Standalone Financial Statements. **Auditor's Response** **PRINCIPAL AUDIT PROCEDURE** We have verified the relevant documents and records pertaining to the case , the sustainability and the likelihood of recoverability upon final resolution

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act,2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India including The Indian Accounting Standard specified under sec.133 of the act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.(Refer Note: 3.32 b&c)

      ii. The Company didnot have any long-term contracts including derivative contracts for which there are for material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place :Visakhapatnam
Date : 29/05/2019

(CA PA RAMAIAH)
PARTNER
M.No :203300

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the financial statements of the Company for the year ended March 31, 2019.

Report on the Internal Financial Controls Over Financial Reporting 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 **M/s. Steel Exchange India limited** ("the Company") as of March 31, 2019 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 Board of Directors of the Company 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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.

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, to the best of our information and according to the explanations given to us, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place :Visakhapatnam
Date : 29/05/2019

(CA PA RAMAIAH)
PARTNER
M.No :203300

"ANNEXURE B" TO THE 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, 2019:

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 186 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 the information and explanations given to us and the records of the company examined by us, the company is regular in depositing undisputed statutory dues including Provident fund, Employee State Insurance, Incometax, salestax, customsduty,goods and service tax and any other statutory dues as applicable with appropriate authorities. There were no arrears of outstanding statutory dues as on last day of the financial year concerned 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.

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	2004-05	28,27,172/-	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
CST Act	Sales Tax	2013-14	8,16,219/-	NIL	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT Act	Sales tax	2013-14	13,03,708/-	5,69,109/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2014-15	2,97,74,098/-	30,39,210/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2015-16	2,63,227/-	NIL	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2016-17	87,88,407/-	10,33,822/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2017-18	13,19,062/-	1,64,883/-	Appellate Deputy Commissioner (CT), Vijayawada
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	86,30,228/-	10,00,000/-	CESTAT, Bangalore
		2008-09	1,91,708/-	NIL	
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/-	3,46,13,208/-	Commissioner of Central Excise, Visakhapatnam.
Customs Act	Customs duty	2012-13	2,18,06,647/-	NIL	Hon'ble Customs, Central Excise & Ser vice Tax-Appellate Tribunal, Telangana
Excise Act	Excise duty	2012-13	7,73,767/-	NIL	Assistant Commissioner of Customs & Central Excise, Visakhapatnam

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
Excise Act	Excise duty	2014-15 to 2017-18	87,30,013/-	NIL	Commissioner of Central Tax & Customs, (Appeals), Guntur
Service Tax Act	Service Tax	2013-14 to 2015-16	9,47,253/-	NIL	Assistant Commissioner of Central Tax, Vizianagaram
Excise Act	Excise duty	2015-16	6,90,69,600/-	5,27,20,200/-	Principle Commissioner of Central Excise, visakhapatnam
Excise Act	Excise duty	2016-17 to 2017-18	11,48,59,588/-	10,72,19,588/-	Principle Commissioner of Central Excise, Visakhapatnam
Service Tax Act	Service Tax	2013-14 to 2016-17	17,98,12,034/-	NIL	Commissioner of Central tax,Visakhapatnam
Excise Act	Excise duty	2010-11 & 2011-12	3,06,863/-	71,045/-	Commissioner Of central excise ,Visakhapatnam
Service Tax Act	Service tax	2016-17	1,22,63,893/-	Nil	Additional Commissioner Of central Tax,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. According to the records of the company examined by us,the information and explanations given to us, except for loans and borrowings from banks and financial institutions aggregating Rs 346.74 Crores for the period set out below the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks as on at the balance sheet date.

No	Name of the Insistution/Bank	Nature of dues	Amount of defaults in crores	
			<12 months	>12 Months
	State Bank of India	Principal & Interest	132.85	92.68
	Syndicate bank	Principal & Interest	11.55	2.47
	Punjab National bank	Principal & Interest	19.11	3.43
	Bank of India	Principal & Interest	9.22	2.36
	Karur Vysya Bank	Principal & Interest	12.72	10.72
	Lakshmi Vilas Bank	Principal & Interest	4.07	10.94
	IDBI Bank	Principal & Interest	8.39	1.77
	Dhanalaxmi Bank	Principal & Interest	5.06	0.96
	Andhra bank	Principal & Interest	6.08	1.37
	Canara bank	Principal & Interest	9.02	1.97
Total			**218.13**	**128.61**

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

Place :Visakhapatnam
Date : 29/05/2019

(CA PA RAMAIAH)
PARTNER
M.No :203300

BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	Note No.	As at 31.03.2019 Amount ₹	As at 31.03.2018 Amount ₹
I. ASSETS			
Non-current assets			
a) Property, Plant and Equipment	3.1	6,907,053,023	7,172,475,442
b) Capital work-in-progress		45,019,734	48,715,880
c) Other non-current assets	3.2	332,232,653	385,850,005
Total non-current assets		**7,284,305,409**	**7,607,041,327**
Current assets			
a) Inventories	3.3	5,927,860,467	5,793,336,385
b) Financial assets			
i) Other investments	3.4	3,093,439	2,994,045
ii) Trade receivables	3.5	390,232,297	979,008,275
iii) Cash and cash equivalents	3.6.1	9,019,794	14,604,520
iv) Other bank balances	3.6.2	34,311,006	68,423,438
v) Other financial assets	3.7	414,910,077	661,389,274
c) Other current assets	3.8	211,409,093	207,299,497
Total current assets		**6,990,836,173**	**7,727,055,433**
Total assets		**14,275,141,582**	**15,334,096,759**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	3.9	759,848,120	759,848,120
b) Other equity	3.10	153,511,535	521,435,453
Total equity		**913,359,655**	**1,281,283,573**
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	3.11	1,228,103,916	1,538,515,264
ii) Other financial liabilities	3.12	186,087,500	186,087,500
b) Deferred tax liabilities (net)	3.13	539,161,482	344,110,320
c) Provisions	3.14	12,078,705	7,152,184
Total non-current Liabilities		**1,965,431,603**	**2,075,865,268**
Current liabilities			
a) Financial Liabilities			
i) Borrowings	3.15	7,447,865,245	7,737,018,373
ii) Trade payables	3.16	1,358,281,816	966,112,332
iii) Other financial liabilities	3.17	2,057,359,782	2,234,147,546
b) Other current liabilities	3.18	532,307,718	1,038,606,266
c) Provisions	3.19	535,762	1,063,401
Total current liabilities		**11,396,350,324**	**11,976,947,918**
Total equity and liabilities		**14,275,141,582**	**15,334,096,759**

The accompanying notes form an integral part of the standalone 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

Place: Visakhapatnam
Date : 29.05.2019

for and on behalf of the Board of Directors

B. SATISH KUMAR
Chairman-cum-Managing Director

B. SURESH KUMAR
Jt. Managing Director

B.RAMESH KUMAR
Jt. Managing Director-cum-Chief Financial Officer

M.RAVEENDRA BABU
Company Secretary
M. No. : A34409

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

	PARTICULARS	Note No.	Year Ended 31.03.2019 Amount ₹	Year Ended 31.03.2018 Amount ₹
I	Revenue from operations	3.20	10,239,413,154	9,311,482,623
II	Other Income	3.21	53,351,775	83,654,307
III	**Total Income (I+II)**		**10,292,764,929**	**9,395,136,929**
IV	**Expenses :**			
	Cost of materials consumed	3.22	6,756,686,999	4,283,296,710
	Purchase of Traded goods	3.23	1,799,805,860	3,447,739,079
	Changes in inventories of finished goods,stock-in-trade and work-in-progress	3.24	(150,786,461)	171,051,456
	Excise duty		-	90,588,604
	Employee benefit expenses	3.25	258,342,651	241,645,851
	Finance costs	3.26	99,655,420	1,355,206,427
	Depreciation	3.1	296,216,199	289,987,255
	Other expenses	3.27	1,404,580,007	1,186,675,882
	Total Expenses (IV)		**10,464,500,676**	**11,066,191,264**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**(171,735,746)**	**(1,671,054,335)**
VI	Less: Exceptional Items	3.28	-	475,889,260
VII	**Profit/(loss) before tax (V-VI)**		**(171,735,746)**	**(2,146,943,595)**
VIII	Tax expense:			
	(1) Current Tax			-
	(2) Deferred Tax	3.29	195,051,161	(445,623,093)
IX	**Profit/(Loss) for the year (VII-VIII)**		**(366,786,907)**	**(1,701,320,502)**
	Other comprehensive income (OCI)			
	A) (i) Items that will not be reclassified to profit or loss	3.36.1(E)	(1,652,632)	80,000
	(ii) Income tax relating to items that will not be reclassified to proft or loss		515,621	
X	**Total Other comprehensive income for the Year (Net of Tax)**		**(1,137,011)**	**80,000**
XI	**Total comprehensive income/(Loss) for the Year (IX+X)**		**(367,923,918)**	**(1,701,240,502)**
XII	**Earnings per equity share:**			
	(1) Basic	3.36.4	(4.84)	(22.39)
	(2) Diluted		(4.84)	(22.39)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date
for **PAVULURI & Co.**
Chartered Accountants
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M.No. : F- 203300

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Jt. Managing Director

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Jt. Managing Director-cum-Chief Financial Officer

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Company Secretary
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Statement of changes in Equity for the year ended 31st March, 2019

a) Equity share capital

	Note No.	Amount `.
Balance at the beginning of the reporting period i.e. April 1, 2017	4.9	**759,848,120**
Changes in Equity Share Capital during the year 2017-18		-
Balance at the end of the reporting period i.e. March 31, 2018		**759,848,120**
Changes in Equity Share Capital during the year 2018-19		-
Balance at the end of the reporting period i.e. March 31, 2019	4.9	**759,848,120**

b) Other equity — Amount in Rs.

Particulars	Reserves and surplus									Other comprehensive income	Total equity attributable to equity holders of the Company
	Securities premium Reserve	Retained earnings	Capital Reserve	Revaluation Reserve	Amalgamation Reserve	Capital Redemption Reserve	Subsidy	General Reserve	Investment Allowance Reserve	Other items of other comprehensive income	
Balance at the beginning of the reporting period i.e. April 1, 2017	897,823,960	(3,602,257,430)	1,795,077,280	2,313,846,334	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	(961,412)	2,222,675,955
a) Profit for the year		(1,701,320,502)									(1,701,320,502)
b) Total comprehensive income for the year										80,000	80,000
Balance at the end of the reporting period i.e. March 31, 2018	897,823,960	(5,303,577,932)	1,795,077,280	2,313,846,334	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	(881,412)	521,435,453
a) Profit for the year	-	(366,786,907)	-	-	-	-	-	-	-		(366,786,907)
b) Total comprehensive income for the year										(1,137,011)	(1,137,011)
Balance at the end of the reporting period i.e. March 31, 2019	897,823,960	(5,670,364,839)	1,795,077,280	2,313,846,334	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	(2,018,423)	153,511,535

As per our report of even date

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

Particulars	Year Ended 31.03.2019 Amount (₹)	Year Ended 31.03.2018 Amount (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax for the year	(171,735,746)	(2,146,943,595)
Adjustment for non cash/ non operational expenses:		
a) Depreciation	296,216,199	289,987,255
b) Bad debts written off and other write offs	498,209,169	462,000,327
c) Finance costs recognised in profit or loss	99,655,420	1,355,206,427
d) Loss/ (gain) on disposal of property,plant and equipment	296,525	-
e) Un realised gain on financial assets	(99,394)	(194,763)
Operating profit before working capital changes	722,542,173	(39,944,348)
Adjustments for working capital changes:		
a) Decrease/(Increase) in Trade Receivables	90,566,808	711,074,190
b) Decrease/(Increase) in Inventories	(134,524,082)	571,411,228
c)(Increase)/Decrease in Other non Current Assets	87,729,785	69,056,838
d)(Increase)/Decrease in Other Financial Assets	246,479,196	(183,009,175)
e)(Increase)/Decrease in Other Current Assets	(3,593,975)	(79,647,544)
f) Increase/ (Decrease) in Trade Payables	392,169,485	(111,119,328)
g) Increase/ (Decrease) in Other financial liabilities	(299,167,436)	(76,616,942)
h) Increase/ (Decrease) in Other current liabilities	(506,826,186)	(359,815,330)
i) Increase/ (Decrease) in Other non current liabilities	3,273,889	2,593,189
Cash generated from operations	598,649,655	503,982,777
Less: Income taxes paid	-	-
Net Cash Flow from operating activities	**598,649,655**	**503,982,777**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
a) Payments for property, plant and equipment	(31,592,704)	(531,843,382)
b) Proceeds from disposalof property, plant and equipment	502,399	21,041,056
c) (Increase)/Decrease in Capital Work in Progress	3,696,146	495,141,442
Net Cash Flow from investing activities	**(27,394,159)**	**(15,660,884)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
a) Repayment of borrowings	(473,922,699)	926,611,221
b) Increase/(Decrease) in Unsecured Loans	(3,262,103)	(62,305,218)
c) Payment of Finance costs	(99,655,420)	(1,355,206,427)
d) Proposed Dividend and Tax thereon		
Net Cash Flow from financing activities	**(576,840,222)**	**(490,900,423)**
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	**(5,584,726)**	**(2,578,530)**
Cash and cash equivalents at the beginning of the year	14,604,520	17,183,050
Cash and cash equivalents at the end of the year	**9,019,794**	**14,604,520**

The accompanying notes form an integral part of the standalone 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

Place: Visakhapatnam
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for and on behalf of the Board of Directors

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M.RAVEENDRA BABU
Company Secretary
M. No. : A34409

Significant Accounting Policies and Notes to Financial Statements

1. Corporate information

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 and NSE Limited.

2. Significant accounting policies

2.1 Basis of preparation and Presentation

(a) Basis of measurement

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(c) Functional and presentation currency

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest rupee except otherwise stated.

(d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.2 Summary of significant accounting policies

2.2.1 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

2.2.2 Investments in subsidiaries, associates and joint ventures

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

2.2.3 Financial Instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

(a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following

conditions are met:

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

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

Financial assets at fair value through profit or loss

Fair value through profit or loss is represented by investments in mutual funds.

(b) Non-derivative financial liabilities

Financial liabilities at amortized cost

- Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

2.2.4 Property, Plant and Equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

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 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	05 years
Computer equipment	03 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles (Other than two wheelers)	08 years
Vehicles	10 years
Roads (carpeted-other than RCC)	05 years
Roads (Non-carpeted)	03 years

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets.

Subsequent expenditure relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs & maintenance costs are recognized in the statement of Profit & Loss when incurred.

Upon sale or retirement of assets, the Cost and related accumulated depreciation are eliminated from the financial statements and the resultant gain or losses are recognized in the Statement of Profit and Loss.

2.2.5 Capital work-in progress:

The items of property, plant and equipment which are not yet ready for use are disclosed as capital work in progress and carried at historical cost.

2.2.6 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.

2.2.7 Inventory:

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.

2.2.8 Impairment:

(a) Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

(i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial

recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

(iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated futurecash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.2.9 Employee benefits:

(a) Gratuity & Provident Fund:

(i) Gratuity payable to eligible employees is administered by a separate Trust. Payments to the trust towards contributions and other demands are made on the basis of actuarial valuation.

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the

tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of the defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

(ii) Fixed contributions to Provident Fund are recognized in the accounts at actual cost to the Company.

(b) Other Benefits:

Other employee benefits are estimated and accounted as per the company's policy and the terms of the employment contract

2.2.10 Provisions:

All the provisions are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.11 Revenue recognition:

The Company derives revenues primarily from business of Iron & Steel and power.

Effective April 1, 2018, the Company adopted "Ind AS 115, Revenue from Contracts with Customers", using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised goods or services to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

An Entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than passage of time is treated as contract asset.

An entity's obligation to transfer goods or service to a customer for which the entity has received consideration (or the amount is due) from the customer is treated as contract liability.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then the discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the

contract scope or contract price. The accounting for modifications of contracts involves assessing whether the goods/services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Goods/ services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional Goods/ services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Disaggregate revenue information

Revenue from Operations presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by type of good or services. Refer table in note no.3.20

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as a receivable.

A receivable is a right to consideration that is unconditional upon passage of time.

Revenue for time-and-material contracts are recognized as related control in goods is transferred and services are performed.

Trade receivable is presented net of impairment in the Balance Sheet.

During the year ended March 31, 2019, the Company recognized revenue of Rs.74.81 crore arising from opening unearned revenue as of April 1, 2018.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is Rs.23.75crore. Out of this, the Company expects to recognize revenue of around 94% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18, Revenue instead of Ind AS 115, Revenue from Contracts with Customers on the financials results of the Company for the year ended and as at March 31, 2019 is insignificant.

2.2.12 Finance income and expense

- Finance income consists of interest income on deposits, Lease rental income, un realized gain on mutual fund and other miscellaneous income. Interest income is recognized as it accrues in the statement of profit and loss.
- Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss.

➤ Foreign currency gains and losses are reported on a net basis.

2.2.13 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

(a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.2.14 Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.2.15 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 is dealt with in the profit and loss statements.

2.2.16 Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occurs.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Note-3.1: Property,plant and equipment

The changes in he carrying value of propety,plant and equipment for the period ended March 31, 2019 are as follows:

	Freehold Land and Roads	Freehold Buildings	Machinery	Electricals	Equipments	Furniture & Fixtures	Vehicles	Roads	Railway Sidings	Total
Gross carrying value as on April 1,2017	2,022,816,953	1,956,468,259	5,444,109,291	488,747,008	50,536,492	17,586,251	79,477,147	126,515,042	67,562,743	10,253,819,186
Additions	948,250	296,762,155	231,628,341	2,270,400	183,090	-	51,146	-	-	531,843,382
Deletions	20,910,200	-	-	-	-	-	696,621	-	-	21,606,821
Gross carrying value as on March 31, 2018	2,002,855,003	2,253,230,414	5,675,737,632	491,017,408	50,719,582	17,586,251	78,831,672	126,515,042	67,562,743	10,764,055,747
Accumulated depreciation as on April 1, 2017	-	382,000,784	2,433,485,592	232,570,017	44,286,361	14,193,436	54,249,799	77,188,220	64,184,605	3,302,158,815
Depreciation	-	70,919,391	131,977,749	53,603,965	1,351,936	717,183	7,824,535	23,592,496	-	289,987,255
Accumulated depreciation on deletions	-	-	-	-	-	-	565,765	-	-	565,765
Accumulated depreciation as on March 31, 2018	-	452,920,175	2,565,463,341	286,173,982	45,638,298	14,910,619	61,508,569	100,780,716	64,184,605	3,591,580,305
Gross carrying value as on April 1,2018	**2,002,855,003**	**2,253,230,414**	**5,675,737,632**	**491,017,408**	**50,719,582**	**17,586,251**	**78,831,672**	**126,515,042**	**67,562,743**	**10,764,055,747**
Additions	-	3,935,369	27,267,860	-	389,475	-	-	-	-	31,592,704
Deletions	-	-	-	-	-	-	3,197,188	-	-	3,197,188
Gross carrying value as on March 31, 2019	2,002,855,003	2,257,165,783	5,703,005,492	491,017,408	51,109,057	17,586,251	75,634,484	126,515,042	67,562,743	10,792,451,263
Accumulated depreciation as on April 1, 2018	-	452,920,175	2,565,463,341	286,173,982	45,638,298	14,910,619	61,508,569	100,780,716	64,184,605	3,591,580,305
Depreciation	-	71,075,428	145,297,852	54,639,184	984,905	533,105	3,331,296	20,354,429	-	296,216,199
Accumulated depreciation on deletions	-	-	-	-	-	-	2,398,265	-	-	2,398,265
Accumulated depreciation as on March 31, 2019	-	523,995,604	2,710,761,193	340,813,166	46,623,203	15,443,724	62,441,601	121,135,145	64,184,605	3,885,398,240
Carrying value as on March 31, 2019	**2,002,855,003**	**1,733,170,179**	**2,992,244,299**	**150,204,242**	**4,485,853**	**2,142,527**	**13,192,883**	**5,379,897**	**3,378,138**	**6,907,053,023**
Carrying value as on March 31, 2018	2,002,855,003	1,800,310,239	3,110,274,291	204,843,426	5,081,284	2,675,632	17,323,103	25,734,326	3,378,138	7,172,475,442

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Note-3.2: OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Capital Advances	8,745,083	8,129,308
Security Deposits	73,339,941	77,376,529
Other Receivables	12,518,989	12,612,305
Indirect Tax Balances	227,621,894	287,731,863
Deferred Revenue expenditure	10,006,746	-
	332,232,653	**385,850,005**
Note-3.3: INVENTORIES		
Raw Material	3,569,990,298	3,590,946,039
Finished Goods	2,188,761,078	2,037,974,617
Consumables	68,498,634	83,426,234
Stores & Spares	65,007,072	80,530,724
Stock in transit of Raw material	35,603,385	458,771
	5,927,860,467	**5,793,336,385**

Disclosure:

The above inventories include ₹.202,47,81,881 of raw materials that are expected to be recovered after more than 12 months.

Note-3.4: CURRENT INVESTMENTS		
Investments carried at fair value through profit or loss		
Investments in mutural funds (Fixed maturity plans securities)	3,093,439	2,994,045
	3,093,439	**2,994,045**

Disclosure:

(2) The balances held in fixed maturity plan securities as at March 31, 2019 are as follows:

Particulars	As at March 31, 2019	
	Units	Amount
Canara Robeco Capital Protection Oriented Fund-Series 6	249,985	3,093,439
Total:	**249,985**	**3,093,439**

Note-3.5: TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date of payment	584,859,591	594,301,869
Other trade receivables	108,699,352	777,872,518
	693,558,943	1,372,174,387
Less: Provision for bad & doubtful receivables	303,326,646	393,166,112
Total:	**390,232,297**	**979,008,275**
Break-up security details:		
i) Secured, considered good	-	-
ii) Unsecured considered good	390,232,297	979,008,275
iii) Doubtful	303,326,646	393,166,112
Disclosure:		
Includes dues from companies where directors are interested	Nil	Nil

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Note-3.6: CASH AND CASH EQUIVALENTS		
(1). Cash and Cash Equivalents		
a) Balances with banks - In Current Accounts	7,477,377	11,045,808
b) Cash on Hand	1,542,416	3,558,711
	9,019,794	**14,604,520**
(2). Other Bank Balances		
a) In deposit accounts - Held as Margin Money	34,311,006	68,423,438
	34,311,006	**68,423,438**
	43,330,800	**83,027,958**

Disclosures:

Cash and Cash equivalents as of March 31, 2019 and March 31, 2018 includes restricted cash balances of ₹.3,43,11,006 and ₹.6,84,23,438 respectively. The restriction is primarily on account of Cash and Bank balances held as margin money deposits against Letter of Credits and Bank guarantees sanctioned by banks.

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

Note-3.7: OTHER FINANCIAL ASSETS		
Advances For Purchases & Works	374,077,975	624,418,143
Advance for expenses	16,146,704	18,540,395
Other Advances*	24,685,398	18,430,736
	414,910,077	**661,389,274**
Disclosure:		
* Includes dues from companies where directors are interested	194,792	194,792
Note-3.8: OTHER CURRENT ASSETS		
Advance Tax and Tax Deducted at Source	18,106,626	15,325,281
MAT Credit Entitlement	153,973,013	153,973,013
State Govt incentives receivable (Sales Tax)	36,640,152	36,640,152
Prepaid Expenses	2,689,301	1,361,050
	211,409,093	**207,299,497**

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 31/03/2019	Amount ₹. As at 31/03/2018
Note-3.9: SHARE CAPITAL		
Equity share capital		
(i) Authorized		
Equity shares, of ₹.10 par value 25,80,00,000 equiity shares	2,580,000,000	2,580,000,000
preference shares of ₹.10 par value 7,40,00,000 preference shares	740,000,000	740,000,000
	3,320,000,000	**3,320,000,000**
(ii) Issued , Subscribed and fully paid up		
Equity shares, of ₹.10 par value 7,59,84,812 equiity shares	759,848,120	759,848,120
	759,848,120	**759,848,120**

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.

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

Name of the Shareholder	As at March 31, 2019	
	No. of Shares	% held
Equity shares with voting rights:-		
i. Umashiv Garments Private Ltd.	20,789,115	27.36
ii. Vizag Profiles Private Limited	5,763,650	7.58
iii. Quality Steel Shopee Private Limited	4,250,000	5.59

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Note-3.10: OTHER EQUITY		
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	2,313,846,334	2,313,846,334
Addition due to adoption of fair value approach as per Ind AS		
Closing Balance (B)	2,313,846,334	2,313,846,334
c) Amalgamation Reserve		
Opening Balance	753,922,917	753,922,917
Additions during the Year		
Closing Balance (C)	753,922,917	753,922,917

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
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	(5,303,577,932)	(3,602,257,430)
Add: Profit for the year	(366,786,907)	(1,701,320,502)
Closing Balance (I)	(5,670,364,839)	(5,303,577,932)
Total (a+b+c+d+e+f+g+h+i)	**155,529,958**	**522,316,865**
Other Comprehensive Income		
Opening	(881,412)	(961,412)
Defined benefit plan-Gratuity fund	(1,137,011)	80,000
Total:	**(2,018,423)**	**(881,412)**
Total Comprehensive Income	**153,511,535**	**521,435,453**
Note-3.11: BORROWINGS		
Non-current:		
Secured		
- Term Loans from banks	927,300,000	1,236,100,000
Unsecured		
- Term Loans from others	300,000,000	300,000,000
- Vehicle Hire Purchase Loans	803,916	2,415,264
	1,228,103,916	**1,538,515,264**

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Current:		
Secured		
- Term Loans from banks	1,531,650,694	1,407,620,266
Unsecured		
- Term Loans from others	-	733,042
- Vehicle Hire Purchase Loans	1,491,904	2,409,617
	1,533,142,598	1,410,762,925
	2,761,246,514	**2,949,278,189**
Disclosure:		
Includes dues to companies where directors are interested (Term Loan from others under unsecured)	100,000,000	100,000,000

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

Nature of Security

Secured Corporate Loans availed from State Bank of India and Consortium of Banks led by State Bank of India, Commercial Branch, Visakhapatnam are secured by first charge on fixed assets of the company (other than fixed assets secured in favour of Term Loan lenders) and specific fixed assets of the company created out of Corporate Loan III and second pari-passu charge on entire current assets of the company both present and future and personal guarantees of promoter directors of the company.

Secured Term Loans from Consortium of banks led by State Bank of India, Commercial Branch, Visakhapatnam are secured by first charge on entire fixed assets i.e., Plant & Machinery, Spares, Tools and accessories created out of bank finance both present and future including mortgage of factory land and buildings on which assets were created and second pari-passu charge on entire current assets of the company both present and future and personal guarantees of promoter directors of the company.

The terms of repayment of term loans are stated below **As at March 31, 2019**

Banker/Financer	Terms of repayment
Corporate Term Loans	
State Bank of India outstanding as on 31.03.2019 of ₹.5,99,74,532 (Previous year: ₹.6,18,66,330)	1.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 31.03.2019 of ₹.36,17,82,934 (Previous year: ₹.37,31,70,792)	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 31.03.2019 of `.7,25,41,227 (Previous year: `.15,39,88,935)	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 31.03.2019 of ₹.10,53,22,219 (Previous year: ₹.10,88,96,584)	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.

Banker/Financer	Terms of repayment
Term Loans State Bank of India (e-SBBJ) outstanding as on 31.03.2019 of ₹.1,22,42,403 (Previous year: ₹.1,26,06,869)	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 31.03.2019 of ₹.2,23,34,970 (Previous year: ₹.2,30,33,777)	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 India (e-SBM) outstanding as on 31.03.2019 of ₹.1,15,29,011 (Previous year: ₹.1,18,54,557)	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 (e-SBT) outstanding as on 31.03.2019 of ₹.1,41,05,099 (Previous year: ₹.1,45,51,077)	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 31.03.2019 of ₹.39,84,45,246 (previous year: ₹.41,08,68,687)	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 India (e-SBH) outstanding as on 31.03.2019 of ₹.41,94,89,819 (previous year: ₹.43,17,18,510)	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 India (e-SBP) outstanding as on 31.03.2019 of ₹.29,49,49,744 (previous year: ₹.30,43,87,994)	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 India (e-SBBJ) outstanding as on 31.03.2019 of ₹.29,48,14,004 previous year: ₹.30,39,56,433)	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 31.03.2019 of ₹.39,17,19,486 (previous year: ₹.43,28,19,541)	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 as on 31st March, 2019:

(Amount in ₹)

Borrowings	Principal Repayable in		
	1-2 Years	2-3 Years	Above 3 Years
Term Loans from others	-	100,000,000	200,000,000
Hire Purchase Loans	1,532,162	763,658	-

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 3.17)

The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion /negotiation with the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.217,81,31,814 upto the year ended 31st March 2019.

The Company has defualted in the Servicing of debts. The details of continuing defaults as at 31st March 2019 are as follows:

Particulars	Upto 3 months		More than 3 months upto 12 months	
	Principal	Interest	Principal	Interest
State Bank of India	77,450,000	-	228,750,000	21,271,407
	(75,000,000)	-	(252,500,000)	(31,068,010)
Syndicate Bank	-	-	-	-
	-	-	-	-
Punjab National Bank	12,500,000	-	30,579,025	-
	(11,250,000)	-	(481,451,307)	-
Bank of India	-	-	-	-
	-	-	(47,720,156)	(60,428,667)
Karur Vysya Bank Ltd	-	-	21,200,000	1,333,201
	(20,800,000)		(62,400,000)	(14,659,853)
Lakshmi Vilas Bank Ltd	-	4,748,192	110,000,000	35,410,242
	(135,000,000)	(7,193,001)	(75,000,000)	(8,896,584)
IDBI Bank Ltd	-	-	-	-
	-	-	(372,176,632)	(32,065,702)
Dhanlaxmi Bank Ltd	-	-	-	-
	-	-	-	-
Andhra Bank	-	-	-	-
	-	-	(260,519,636)	(57,173,717)
Canara Bank	-	-	-	-
	-	-	(449,126,619)	(23,140,136)
Total	**89,950,000**	**4,748,192**	**390,529,025**	**58,014,850**
	(242,050,000)	**(7,193,001)**	**(2,000,894,350)**	**(227,432,669)**

Particulars	More than 12 months		Total	
	Principal	Interest	Principal	Interest
State Bank of India	3,880,357,318	71,443,723	4,186,557,318	92,715,130
	(3,642,471,658)	(71,443,723)	(3,969,971,658)	(102,511,733)
Syndicate Bank	655,020,288	189,826,452	655,020,288	189,826,452
	(655,020,288)	(17,294,787)	(655,020,288)	(17,294,787)
Punjab National Bank	319,279,023	-	362,358,048	-
	-	-	(492,701,307)	-
Bank of India	487,685,955	56,117,236	487,685,955	56,117,236
	(439,965,799)		(487,685,955)	(60,428,667)
Karur Vysya Bank Ltd	353,944,260	244,161,198	375,144,260	245,494,399
	(310,753,006)	(166,263,072)	(393,953,006)	(180,922,925)
Lakshmi Vilas Bank Ltd	100,000,000	9,558,973	210,000,000	49,717,407
	-	-	(210,000,000)	(16,089,585)
IDBI Bank Ltd	372,176,632	91,079,838	372,176,632	91,079,838
	-	-	(372,176,632)	(32,065,702)
Dhanlaxmi Bank Ltd	183,945,534	50,237,345	183,945,534	50,237,345
	(183,945,534)	(50,237,345)	(183,945,534)	(50,237,345)
Andhra Bank	260,519,636.00	107,907,210	260,519,636	107,907,210
	-	-	(260,519,636)	(57,173,717)
Canara Bank	449,126,619	98,664,298	449,126,619	98,664,298
	-	-	(449,126,619)	(23,140,136)
Total	**7,062,055,265**	**918,996,273**	**7,542,534,290**	**981,759,315**
	(5,232,156,285)	**(305,238,927)**	**(7,475,100,635)**	**(539,864,597)**

Note: (i) The above defualut statement is prepared based on the statements given by the banks. However, some of the banks have charged interest while some of the banks have not charged interest in their statements. The Company has not provided interest on bank loans since 01.01.2018, the above statement will not be reflected in the books of accounts of the Company.

(ii) Figures in brackets in the above table relates to previous years ended 31st March 2018.

Note-3.12: OTHER FINANCIAL LIABILITIES

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Non-current:		
186,08,750 Non-convertible Redeemable Preference Shares	186,087,500	186,087,500
	186,087,500	**186,087,500**

Disclosures:

1,86,08,750 10.5% Non Convertible Redeemable Preference Share Capital pending for allotment to shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Honourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh and allotted on January 27, 2016. The shares are redeemable on January 26, 2023 at `. 10 per share.

The shares are unsecured borrowings of the Company and are designated as at Fair Value through Profit or Loss (FVTPL). These redeemable cumulative preference shares do not contain any equity component and are classified as financial liabilities in their entirety. In addition, the Company has designated these preference shares as financial liabilities at FVTPL as permitted by Ind AS 109. The preference shares have fixed non-discretionay dividend payaments and mature on January 26, 2023.

		Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Note-3.13: DEFERRED TAX LIABILITY (NET)			
The movement on the deferred tax account is as follows:			
At the start of the year		344,110,321	789,733,413
Charge/(credit) to Statement of Profit and Loss (Refer note:3.29)		195,051,161	(445,623,093)
		539,161,482	**344,110,320**
Components of Deferred tax liabilities/ (asset):			
Deferred tax liabilities/(asset) in relation to:			
Property, plant and equipment	835,863,620	690,262,601	1,526,126,221
Financial Assets	9,575,893	874,586	10,450,479
Provisions	(121,488,329)	(87,961,629)	(209,449,958)
Tax Losses/credits	(379,840,863)	(408,124,397)	(787,965,260)
Total:	**344,110,321**	**195,051,161**	**539,161,482**
Note-3.14: PROVISIONS (NON-CURRENT)			
Employee Benefits:			
Provision for Gratuity and others		12,078,705	7,152,184
		12,078,705	**7,152,184**
Note-3.15: BORROWINGS			
Secured			
Working Capital Loan from Banks		7,447,865,245	7,737,018,373
		7,447,865,245	**7,737,018,373**

Disclosure:

(Secured by hypothecation of raw materials, finished goods and trade receivables and second charge on encumbered and unencumbered property, plant and equipment of the Company).

Note-3.16: TRADE PAYABLES

Current:			
Micro and Small Scale Enterprises		8,950,809	-
Others (*)		1,349,331,007	966,112,332
		1,358,281,816	**966,112,332**
Disclosures:			
(*) Others includes dues to companies where directors are interested		271,412,207	79,995,265

As at March 31, 2019 there are Rs.89,50,809 overdues payable to micro and small enterprises (previous year Nil). The interest outstanding is Rs.3,60,281 on the same. (Note: 3.31)

The above information is based on the decalarations received from the Vendors who constitute as Supplier within the meaning of Section 2(n) of the Micro, Small and Medium Enterprises Development Act, 2006.

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Note-3.17: OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debt (Note:3.11)	1,533,142,598	1,410,762,925
Payables for Capital goods	13,888,729	13,536,605
Security Deposits	3,411,896	1,040,141
Deposits from Suppliers	-	30,000,000
Other Current Liabilities(*)	256,861,938	317,814,408
Payable for Expenses (**)	250,054,622	460,993,467
	2,057,359,782	**2,234,147,546**
Disclosures:		
(*) Other Current Liabilities includes dues to companies where directors are interested	99,828,402	137,480,064
(**) Payable for Expenses includes dues to companies where directors are interested	145,373,189	300,516,053
Note-3.18- OTHER CURRENT LIABILITIES		
Statutory remittances	263,048,042	208,453,162
Unearned Revenue	237,489,458	798,052,287
Payables to Employees	30,565,033	30,583,369
Others	1,205,185	1,517,448
	532,307,718	**1,038,606,266**
Note-3.19: PROVISIONS (CURRENT)		
Employee Benefits:		
Provision for Gratuity and others	535,762	1,063,401
	535,762	**1,063,401**

	Amount ₹. Year Ended 31/03/2019	Amount ₹. Year Ended 31/03/2018
Note-3.20: REVENUE FROM OPERATIONS		
Sale of Products (including excise duty)	8,283,892,253	5,679,288,413
Sale of Energy	515,829,402	519,890,198
Sale of Traded Goods	1,436,415,278	3,180,184,949
Discount	(20,669,099)	(102,115,985)
Operating revenue	10,215,467,834	9,277,247,575
Other Operating revenue	-	-
Compensation for deviation of Energy	-	12,117,993
Sales Incentives	23,945,320	22,117,055
	23,945,320	34,235,048
	10,239,413,154	**9,311,482,623**

	Amount ₹. Year Ended 31/03/2019	Amount ₹. Year Ended 31/03/2018
Disaggregation of Revenue:		
Finished Goods Sold		
Rebar & Wires	5,887,059,598	3,708,014,730
Billets & Ingots	1,886,181,251	1,661,509,311
Pig Iron	-	18,128,628
Sponge iron	7,596,522	25,348,434
Steel Scrap & Structurals	34,788,581	8,917,409
Coal & Coal fines	7,190,175	79,195,264
Iron Ore & Iron Ore Fines	420,459,344	70,878,406
Mill Scale and Others	19,947,684	5,180,247
	8,263,223,154	**5,577,172,428**
Energy		
Power	515,829,402	519,890,198
	515,829,402	**519,890,198**
Trading Goods Sold		
Rebar, Wire & Wire Rod Coils	1,371,441,379	3,055,052,697
Billets & Ingots	-	20,138,540
Pig Iron & Scrap	-	5,321,186
Structurals & Others	39,728,103	99,672,526
Gas Sales	25,245,796	-
	1,436,415,278	**3,180,184,949**
Note-3.21: OTHER INCOME		
a) Interest income:		
Bank margin money and others	12,986,700	7,804,646
b) Other non-operating income:		
Lease Rental Income	10,334,348	12,654,183
Insurance receipts	-	316,109
c) Other gains and loss:		
Net foreign exchange gains(losses)	-	2,402,359
Gain on financial assets:		
Unrealised Gain	99,394	194,763
d) Other reciepts		
Other receipts	29,931,334	60,282,247
	53,351,775	**83,654,307**
Note-3.22: COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Balance	3,590,946,039	3,130,759,154
Purchases	6,735,731,258	4,743,483,595
	10,326,677,297	**7,874,242,748**

	Amount ₹. Year Ended 31/03/2019	Amount ₹. Year Ended 31/03/2018
Less: Closing Stock (**)	3,569,990,298	3,590,946,039
Cost of Materials Consumed (#)	6,756,686,999	4,283,296,710
# Details of Materials Consumed		
Sponge Iron	234,288,978	10,213,055
Scrap	1,095,942,542	245,732,422
Pig Iron	583,778,979	569,640,719
Coal /Coal fines	2,070,197,073	1,923,216,429
Iron ore	1,445,939,486	713,502,993
Ferro Shots	459,547,076	357,108,390
Lime Stone	24,254,369	18,676,449
Pellets	389,334,085	432,440,288
Pooled Iron	443,202,568	-
Others	10,201,842	12,765,965
	6,756,686,999	**4,283,296,710**
**** Details of Closing Stock of Raw Materials:**		
Scrap	519,292,537	449,008,390
Iron Ore	15,433,542	178,988,391
Coal/Coal fines	2,879,045,272	2,798,130,650
Pig Iron	69,114,656	87,581,393
Iron Ore (Acce)	62,612,674	62,612,674
Lime Stone	287,678	412,331
Others	23,531,003	-
Pellets	672,936	14,212,210
	3,569,990,298	**3,590,946,039**
Note-3.23: PURCHASE OF TRADED GOODS		
Rebar, Wire & Wire Rod Coils	1,742,331,374	3,323,348,783
Billets,Blooms & ingots	-	20,138,540
Pig Iron & Scrap	218,385	5,008,066
Structurals	40,339,348	99,243,690
Gas	16,916,753	-
	1,799,805,860	**3,447,739,079**
Note-3.24: CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS:		
Inventories (at close)		
Finished Goods	1,492,224,441	1,647,050,233
Traded Goods	696,536,637	390,924,385
	2,188,761,078	**2,037,974,617**
Inventories (at commencement)		
Finished Goods	1,647,050,233	1,797,883,342
Traded Goods	390,924,385	1,082,621,543
Less: Excise duty provided on Finished goods	-	(195,589,552)
Less: Diminition in Inventory	-	(475,889,260)
	2,037,974,617	**2,209,026,073**
(Increase)/Decrease in Stock (A-B)	**(150,786,461)**	**171,051,456**

	Amount in ₹. Year Ended 31/03/2019		Amount in ₹. Year Ended 31/03/2018	
Details of inventory	**Manufacturing**	**Trading**	**Manufacturing**	**Trading**
Rebar & Wires	405,640,006	375,354,652	144,256,442	210,102,194
Billets & Ingots	310,999,083	-	477,893,936	-
Sponge iron	462,280,819	-	564,723,424	-
Pig iron & Scrap	-	321,181,985	-	180,615,864
Steel Scrap	275,974,142	-	331,602,493	-
Structurals	-	-	-	206,327
Coal & Coal Fines	-		96,554,894	-
Mill Scale and Others	23,951,623	-	18,437,129	-
Slag	13,378,767	-	13,581,916	-
	1,492,224,441	**696,536,637**	**1,647,050,233**	**390,924,385**

	Amount ₹. Year Ended 31/03/2019	Amount ₹. Year Ended 31/03/2018
Note-3.25: EMPLOYEE BENEFITS		
Salaries,Wages & Bonus	236,086,612	222,235,326
Contributions to Provident Fund and other funds		
Provident Fund & DLI	7,447,893	7,072,069
Pension Fund	4,174,562	3,609,933
Group Gratuity Fund	2,746,250	2,714,968
Staff welfare	7,887,334	6,013,555
	258,342,651	**241,645,851**
Note-3.26: FINANCE COSTS		
Interest Expenses on:		
- Term loans	-	286,491,248
- Working Capital Loans	-	855,680,817
- Others	91,836,746	192,653,376
Bank Charges & Comission	7,818,674	20,380,986
	99,655,420	**1,355,206,427**
Note-3.27: OTHER EXPENSES		
a) Manufacturing Expenses:		
Stores, Spares & Consumables	508,622,361	372,254,811
Power & Fuel	5,360,705	18,950,703
Gas charges	72,721,781	64,413,867
Repairs & Maintenance	29,445,655	23,963,251
Factory Maintanance	4,644,727	6,683,466
Freight Charges	10,440,204	6,878,284
Loading & Unloading Charges	3,453,747	1,315,144
Transmission Charges	23,332,785	44,286,722
Contract Charges	69,922,848	62,863,108

	Amount ₹. Year Ended 31/03/2019	Amount ₹. Year Ended 31/03/2018
Labour Charges	1,185,188	926,377
Other Manufacturing expenses	35,864,334	63,800,722
b) Other Operational Expenses:		
Legal & professional Charges	15,583,881	17,162,149
Rent, Hire and Rates & Taxes	103,582,168	42,971,946
Insurance	3,697,973	6,289,314
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
CSR Expenses	1,476,032	1,269,426
Selling & Distribution Expenses	2,133,159	1,855,255
Provision for doubtful debts	(89,839,466)	374,164,707
General Charges (#)	74,320,748	69,407,287
Loss om sale of assets	296,525	-
Exchange Fluctuation Loss (Net)	9,940,747	-
Bad Debts Written Off	510,861,622	-
Prior period Expenses (Net)	632,283	319,343
	1,404,580,007	**1,186,675,882**
#General Charges Includes:		
Office Maintanance	6,241,053	6,969,326
Electricity charges	177,118	104,871
Postage & Telephone	1,185,516	2,333,092
Printing & Stationary	840,519	1,541,022
Freight & Handling Charges	27,517,358	17,603,545
Yard Expenses	86,833	465,838
Vehicle Maintanance	7,414,458	8,799,591
Security Charges	9,287,804	7,424,115
Miscl. Expenses	2,831,078	5,186,575
Fees and Licence	3,068,490	5,038,450
Business Promotion	3,442,238	4,962,828
Donations	157,000	50,000
Travelling & Conveyance	12,071,283	8,928,035
	74,320,748	**69,407,287**
Note-3.28: EXCEPTIONAL ITEMS		
Diminition of Inventory	-	475,889,260
	-	**475,889,260**

3.30 In 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.

3.31 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.

Disclosure relating to Micro and Small Enterprises:

(Rs. in Lakhs)

Particulars	31st March 2019	31st March 2018
i. (a) The principal amount remaining unpaid to the supplier as at the end of the year.	89.50	3.60
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	Nil	Nil
ii. The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	3.60	Nil
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	3.60	Nil
v. The amount of 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 enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

3.32 Contingent liabilities and commitments to the extent not provided for

Contingent Liabilities	Amount (₹) 31st March 2019	Amount (₹) 31st March 2018
a) Claim against the company by GAIL not acknowledge as debt	1,84,07,569	1,84,07,569
b) Demands from Sales tax department disputed	9,81,01,607	27,41,58,206
c) Demands from Excise departments disputed	50,41,76,101	22,21,80,031
d) Others	4,02,11,281	4,02,11,281
e) Letters of credit and bank guarantees	79,20,000	2,83,60,000

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

3.33 The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion /negotiation with the Lenders for a suitable debt resolution. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.217,84,37,906upto the year ended 31st March 2019.

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

Particulars	Amount (₹) 31st March 2019	Amount (₹) 31st March 2018
Raw Materials	Nil	Nil
Components and Spares	6,97,824	Nil

3.35 Expenditure in foreign currency:

Particulars	Amount (₹) 31st March 2019	Amount (₹) 31st March 2018
Raw Materials	1,97,35,253	2,43,90,082
Components and Spares	6,97,824	98,87,850
Travelling	5,17,695	Nil
Others	5,53,943	Nil
Total	**2,15,04,715**	**3,42,77,932**

3.36 Disclosure under Accounting Standards:

3.36.1 Employee Benefits as per Ind-AS 19:

Defined benefit plan-Gratuity:

Particulars	31st March 2019 Value in(₹)	31st March 2018 Value in(₹)
A. Changes in the present value of the Obligation		
Present value of obligation at the beginning of the year	1,31,68,092	1,23,98,438
Interest cost	9,08,177	8,30,295
Current service cost	21,09,665	20,76,710
Past service cost	-	12,963
Benefits paid/payable	(28,69,083)	(21,26,698)
Actuarial gain/loss on obligation	22,89,126	(23,616)
Present value of obligation at the end of the year	**1,56,05,977**	**1,31,68,092**
B. Changes in the fair value of the Plan assets		
Fair value of plan assets at the beginning of the year	49,52,507	66,16,772
Expected return on plan assets	9,08,086	4,62,433
Contributions	-	-
Benefits paid/payable	(28,69,083)	(21,26,698)
Fair value of plan assets at the end of the year	**29,91,510**	**49,52,507**

Particulars	31st March 2019 Value in(₹)	31st March 2018 Value in(₹)
C.Amounts recognized in the Balance Sheet as on		
Present value of the obligations at the end of the year	1,56,05,977	1,31,68,092
Fair value of plan assets at the end of the year	29,91,510	49,52,507
Liabilities(+)/Asset(-) recognized in the balance sheet	**(1,26,14,467)**	**(82,15,585)**
D. Amounts recognized in the Statement of P&L for the year ended		
Current service cost	21,09,665	20,76,710
Past service cost	-	12,963
Interest cost	6,35,937	4,23,567
Net actuarial gain/loss recognized in the year	**27,45,602**	**25,13,230**
E. Other Comprehensive Income (OCI)		
Actuarial(Gain)/Loss recognized for the period	22,89,129	(23,616)
Return on Plan Assets excluding net interest	(6,36,494)	(56,384)
Total Actuarial(Gain)/Loss recognized in OCI	**16,52,632**	**(80,000)**
F. Principal Actuarial Assumptions:		
Description	**2018-19**	**2017-18**
Mortality	IALM (2006-08)Ult	IALM (2006-08)Ult
Interest/Discount Rate	7.66%	7.74%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	16.02	16.04

G. Sensitivity Analysis

	DR: Discount Rate		**ER: Salary Escalation Rate**	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	1,41,37,145	1,73,22,545	1,73,36,313	1,41,02,768

H. Asset Information

	Target Allocation			
	2018-19		**2017-18**	
	Total Amount	**%**	**Total Amount**	**%**
Debt Security-Government Bond	26,48,097	88.55%	43,85,443	88.55%
Equity Securities- Corporate Debt Securities	2,22,793	7.45%	3,68,961	7.45%
Other Insurance contracts	1,19,620	4.00%	1,98,103	4.00%
Total Itemized Assets	**29,90,510**	**100.00%**	**49,52,507**	**100.00%**

I. Asset Liability Comparisons:

Year	31.03.15	31.03.16	31.03.17	31.03.18	31.03.19
PVO at end of period	-	29,20,642	1,23,99,127	1,31,68,092	1,56,05,977
Plan Assets	-	7,88,751	66,16,772	49,52,507	29,91,510
Surplus/(Deficit)	-	(21,31,891)	(57,81,666)	(82,15,585)	1,26,14,467)
Experience adjustments on plan assets	-	-	81,303	56,384	6,36,494

I. Narrations

1. Analysis of Defined Benefit Obligation:

- The number of members under the scheme has increased by 7.08%.
- The total salary has increased by 12.46% during the accounting period.
- The resultant liability at the end of the period over the beginning of the period has increased by 18.51%.

2. Expected rate of return basis

EROA is the discount rate as at previous valuation date as per the accounting standard.

3. Description of Plan Assets and Reimbursement Conditions:

100% of the Plan Asset is entrusted to SBI Life Insurance Co. Ltd under their Group Gratuity Scheme. Thereimbursement is subject to insurer's Surrender Policy.

4. Investment / Interest Risk:

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

5. Longevity Risk:

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

6. Risk of Salary Increase:

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7. Discount Rate:

The discount rate has decreased from 7.74% to 7.66% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

3.36.2 Segment Reporting as per Ind-AS 108:

A) Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the company's Board reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Company's reportable segments:

(B) Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), segment revenue and segment capital employed as included in the internal management reports that are reviewed by the board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Reportable Segments

(Amount(₹) in lakhs)

Particulars	Iron and Steel		Power		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.REVENUE								
External Sales	97,235.84	87,915.92	5,158.29	5,198.90	-	-	1,02,394.13	93,114.82
Inter-Segment Sales	11,009.77	13,249.43	8,493.06	8,584.66	(19,502.83)	(21,834.09)	-	-
Total Revenue	1,08,245.61	1,01,165.35	13,651.35	1,37,83.56	(19,502.83)	(21,834.09)	1,02,394.13	93,114.82
2.RESULT								
Segment Result	(265.33)	1,156.01	(455.47)	(4,314.49)	-	-	(720.80)	(3,158.48)
Finance Cost	946.68	11,242.23	49.87	2,309.83	-	-	996.55	(13,552.06)
Exceptional & Extra ordinary expenses	-	-	-	-	-	-	-	(4,758.89)
Income	-	-	-	-	-	-	1,950.51	4,456.23
Taxes								
Net profit	-	-	-	-	-	-	(3,667.87)	(17,013.20)
3.OTHER INFORMATION								
Segment Assets	1,15,811.08	1,24,333.29	26,940.33	29,007.68	-	-	1,42,751.41	1,53,340.97
Segment Liabilities	98,191.51	1,04,709.01	15,771.99	15,052.67	-	-	1,13,963.50	1,19,761.69
Additions to assets during the year	298.75	5,268.09	17.18	50.34	-	-	315.93	5,318.43
Depreciation and Amortisation expenses during the year	1,900.86	1,841.86	1,061.30	1,058.01	-	-	2,962.16	2,899.87
Impairment reversal/ provided	-	-	-	-	-	-	-	-
Non-Cash expenses other than Depreciation and amortization	4,043.82	3,602.75	-	-	-	-	4,043.82	3,602.75

3.36.3 Related Party Disclosures as per Ind AS 24 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. Ramesh Kumar - Jt. Managing Director cum Chief Financial Officer
4. B. Suresh - Director

ii. Relatives of key management personnel:

1. B.Rajesh- Vice President Finance

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. SAWP Steel Limited
7. SEIL (Hong Kong) Limited

iv. No investment was made by the company in the wholly owned subsidiary SEIL (Hong Kong) Limited till date and no activity was carried out by the said subsidiary since its incorporation and hence the consolidated results are not furnished.

b) Particulars of transactions during the year:

(Amount in ₹)

Nature of Transactions	31st March, 2019	31st March, 2018
i. Transactions with Key Management Personnel:		
Sri B. Satish Kumar (Remuneration)	67,41,682	67,59,843
Sri B. Suresh Kumar (Remuneration)	60,00,000	60,00,000
Sri B. Ramesh Kumar (Remuneration)	60,00,000	18,00,000
ii. Transactions with relatives of Key Management Personnel:		
Sri B. Rajesh (Salary)	30,00,000	30,00,000
iii. Transactions with enterprise over which key management personnel/their relatives exercise significant influence:		
M/s.Vizag Profiles Private Limited:		
-Sale	7,80,29,498	2,61,98,215
-Purchase	Nil	6,87,90,841
-Services	14,15,05,977	13,36,75,593
-Lease Rent	99,00,000	99,00,000
Nature of Transactions	**31st March, 2019**	**31st March, 2018**
M/s. SAWP Steel Limited		
-Sale	319,50,67,870	130,81,52,504
-Purchase	139,34,87,767	67,05,95,694

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

(Amount in ₹)

Nature of the Party	31st March, 2019	31st March, 2018
Enterprise over which key management personnel/their relatives exercise significant influence:		
M/s.Vizag Profiles Private Limited	(30,86,19,375)	(50,11,68,055
M/s.Sri Ananda Subbaraya Wire Products Private Limited	(27,14,12,207)	7,99,95,265)
M/s.Uma Shiv Garments Private Limited	(3,65,82,216)	(3,66,94,286)
M/s. SEIL (Hong Kong) Limited	1,94,772	1,94,772

3.36.4 Earnings Per Share (EPS) as per Ind AS-33:

Particulars	31st March, 2019	31st March, 2018
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(36,79,23,918)	(170,12,40,502)
No. of Equity Shares	7,59,84,812	7,59,84,812
Basic and Diluted Earnings Per Share (₹)	(4.84)	(22.39)
Nominal Value per Share (₹)	10	10

3.36.5 Accounting for Deferred Taxes on Income as per Ind AS-12:

Necessary details have been disclosed in note no.3.13.

3.36.6 Provisions, Contingent Liabilities and Contingent Assets as per Ind AS-37:

Necessary details in regard to provisions have been disclosed in note no.3.32

3.36.7 General:

a) Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period are material.

b) Some of the balances appearing under trade receivables, Trade payables, advances, security deposits and other payables are subject to confirmations.

c) Figures for the previous year have been regrouped/ rearranged wherever considered necessary so as to confirm to the classification of the current year.

d) The Company has incurred net loss during the year ended 31st March 2019 and the year-end current liabilities exceeded the current assets as at 31st March 2019 which has adversely effected the operations of the company. The Company's financial performance has been effected mainly due to adverse steel markets, weak demand and prices, non-offtake of power, introduction of GST and non-availability of working capital and other factors beyond the control of the Company. With a suitable debt resolution which is in discussion with the Lenders and keeping in view the improvement in demand for steel, the Company expects considerable improvement in its financial performance. The impact of these developments is expected to be favorable on the Company's operations and financials and the company has therefore prepared these financial statements on the basis of going concern concept.

3.36.8 Fair Value Measurement:

Financial Instruments by category

	As at March 2019			As at March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets:						
Investments	30,93,439	-	-	29,94,045	-	-
Trade receivables	-	-	39,02,32,297	-	-	97,90,08,275
Cash and cash equivalents	-	-	90,19,794	-	-	1,46,04,520
Other bank balances	-	-	3,43,11,006	-	-	6,84,23,438
Other financial assets	-	-	41,49,10,077	-	-	66,13,89,274
Total:	**30,93,439**	**-**	**84,84,73,174**	**29,94,045**	**-**	**172,34,25,506**
Financial Liabilities:						
Borrowings	-	-	744,78,65,245	-	-	773,70,18,373
Trade payables	-	-	135,82,81,816	-	-	96,61,12,332
Other financial liabilities	-	-	205,73,59,782	-	-	223,41,47,546
Total:	**-**	**-**	**1086,35,06,844**	**-**	**-**	**1093,72,78,250**

*FVTPL-Fair Value through Profit and Loss

*FVTOCI -Fair Value through Other Comprehensive Income

- Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advanced paid and certain other receivables) as of 31st March 2019 and 31st March 2018 are not included.
- Other liabilities that are not financial liabilities (such as statutory dues payable, advance from customers and certain other accruals) as of 31st March 2018, 31st March 2017 and 1st April 2016 respectively, are not included.

The carrying amount of above financial assets and liabilities are considered to be same as their fair values, due to their short term nature.

3.36.9 Financial Risk Management :

a) Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of credit limits and lette of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed borrowing facilities to facilitatethe day today working capital requirements.
Market risk- currency risk	Imports giving rise to foreign currency payables	–	–

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

(a) Trade receivables

"The Company sales are generally based on credit period and advance payments. The trade receivables in the books are mainly on account of credit sales to various parties."

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:

-Year ended 31 March 2019

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	5,70,33,942	38,69,374	1,00,98,574	16,19,032	2,46,83,159	59,62,54,861	69,35,58,942
Expected loss rate	12.42%	15.09%	5.77%	18.63%	47.76%	47.46%	43.73%
Expected credit losses (loss allowance provision)	70,85,508	5,83,753	5,82,390	3,01,611	1,17,87,917	28,29,85,466	30,33,26,646
Carrying amount of trade receivables (net of impairment)	4,99,48,434	32,85,621	95,16,184	13,17,421	1,28,95,242	31,32,69,395	39,02,32,296

-Year ended 31 March 2018

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	5,45,48,469	5,74,54,918	6,17,72,446	38,59,45,761	21,81,50,924	59,43,01,869	137,21,74,387
Expected loss rate	9.48%	8.64%	6.24%	18.60%	34.16%	39.18%	28.65%
Expected credit losses (loss allowance provision)	51,70,741	49,64,055	38,54,014	7,17,86,377	7,45,20,979	23,28,69,946	39,31,66,112
Carrying amount of trade receivables (net of impairment)	4,93,77,727	5,24,90,863	5,79,18,432	31,41,59,384	14,36,29,945	36,14,31,923	97,90,08,275

Reconciliation of loss allowance provision-trade receivables: (Amount in ₹)

Loss allowance on 1st April 2017	1,90,01,405
Changes in loss allowance	37,41,64,707
Loss allowance on 31st March 2018	39,31,66,112
Changes in loss allowance	(8,98,39,466)
Loss allowance on 31st March 2019	30,33,26,646

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(i) Financing Arrangements

The Company has access to the following undrawn borrowing facilities at the end of reporting period:

	31st March 2019	31st March 2018
Flexible rate	-	-
Expiring within one year (bank overdraft and other facilities)	-	-
Working capital limits with banks	Nil	Nil

(ii) Maturities of financial liabilities

The table below summarise the maturity profile of the Company's financial liabilities:

-Year ended 31 March 2019 (Amount in ₹)

Ageing	Less than 3 months	More than 3 and upto 12 months	More than 1 year and upto 5 years	>5 years	Total
Trade payable	69,20,05,857	36,77,17,127	29,85,58,832		135,82,81,816
Non-current borrowings (Banks)			92,73,00,000		92,73,00,000
Current borrowings	744,78,65,245				744,78,65,245
Other financial Liabilities	170,51,12,230	11,05,12,372	24,17,35,180		205,73,59,782

-Year ended 31 March 2018 (Amount in ₹)

Ageing	Less than 3 months	More than 3 and upto 12 months	More than 1 year and upto 5 years	>5 years	Total
Trade payable	64,82,85,346	15,37,74,881	16,40,52,105	-	96,61,12,332
Non-current borrowings	-	-	123,61,00,000	-	123,61,00,000
Current borrowings	773,70,18,373	-	-	-	773,70,18,373
Other financial Liabilities	172,19,16,778	12,51,82,030	36,70,97,234	1,99,51,505	2,23,41,47,546

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk in minimal and hence no sensitivity analysis is presented.

3.6.10 Capital Management

(a) Risk management:

The primary objective of the Company's capital management is to maximise the shareholder value. The Company's objectives when managing the capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors and senior management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders the Company has no external borrowings as on 31st March 2019.

(b) Dividends:

(Amount ₹.)

Particulars	31st March 2019	31st March 2018
(i).Equity Shares		
Final dividend for the year ended 31st March 2019 of Rs. Nil (31st March 2018 of Rs. Nil)	-	-

(Amount ₹.)

Particulars	31st March 2019	31st March 2018
Net Debt (excluding short term)	92,73,00,000	123,61,00,000
Total Equity	91,33,59,655	128,12,83,573
Net debt to equity ratio	1.01	0.96

As per our report of even date

For and on behalf of the Board of Directors

FOR PAVALURI & CO.
Chartered Accountants
Firm Reg. No: 012194S

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

B.SATISH KUMAR
Chairman cum Managing Director

B.SURESH KUMAR
Jt. Managing Director

B.RAMESH KUMAR
Jt. Managing Director cum Chief Financial Officer

RAVEENDRA BABU M
Company Secretary
M.No. : A34409

Place: Visakhapatnam
Date: 29.05.2019

Steel Exchange India Limited - Members KYC Updation

Dear Shareholder(s),

Sub: Mandatory updation of PAN and Bank Account details & e-mail id & Contact details:

The Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has issued guidelines for Strengthening and raising Industry standards for Registrar and Share Transfer Agents (RTA), Issuer Companies and Banker to an Issue. Further, one of the directions of the said circular requires the Company to take special efforts towards updation of PAN and bank account details along with e-mail id and contact details of all those shareholders of the Company holding shares in physical form who have not updated their details earlier.

As per the records of the Company, we note that you have not updated your PAN and bank account along with e-mail id and contact details with the Company.

In view of the above and in compliance of the said SEBI circular, we request you to update your PAN and bank account details along with e-mail id and contact details by filling the attached form and submitting the same along with a self attested copy of your PAN Card, and original cancelled cheque leaf showing name of account holder (if name is not printed, self attested copy of first page of the bank passbook) within 21 days from the date of receipt of this letter to us to our Share Transfer Agent M/s Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500 018, TelNo.04023818475/76, (or) send the scan copies of the same to email id : info@vccilindia.com or cs@seil.co.in

Further, as per SEBI (LODR) Regulations, 2018 No. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and BSE circular no. LIST/COMP/15/2018-19 dated 05.07.2018 request for effecting transfer of shares in physical form has not possible with effect from 01st April, 2019 unless the shares are held in dematerialized form with a depository. Hence, it would be in your interest, to take necessary steps to dematerialize your shares through your Depository Participant and hold them in Electronic Form.

Kindly quote your Folio No. in all your correspondence (Attached draft letter in which information is to be sent for updating of your PAN and Bank Account details along with e-mail id and contact details)

If you fail to update your mail id with the Company/Depository/RTA, then we can stop to send the physical copy of Annual Reports from next year due to green initiative of Government of India to protect environment.

Thanking you,
Yours faithfully,
For **Steel Exchange India Limited,**

Sd/-
B Satish Kumar
Managing Director

KYC UPDATION FORM

To Date:_____

Venture Capital and Corporate Investments Private Limited
Unit: Steel Exchange India Limited
12-10-167, Bharat Nagar,
Hyderabad - 500 018

Dear Sir,

In terms of SEBI Circular dated 20/04/2018 and rules made their under, I wish to inform you that update my details given below in your records and I enclosed herewith self-attested copy of my PAN Card and original cancelled cheque leaf/Bank Passbook or Bank statement attested by Bank.

General Information:

Folio No.*			
Name of the Sole / First Holder:*			
PAN No.*			
Aadhaar Number			
Father's Name			
Address 1*			
Address 2*			
Address 3			
Address 4			
Pin Code*			
Mobile No			
Email Id*			
Bank Account no.*			
Bank Name*			
Branch Address*			
IFSC Code*		MICR Code	
2nd Holder Name			
PAN No.			
3rd Holder Name			
PAN No.			

* Mandatory Field

I/We hereby state that the above mentioned details are true and correct.

Sole/ First Holder Name: _____ Signature: _____

2nd Holder Name: _____ Signature: _____

3rd Holder Name: _____ Signature: _____

Note:

1. **If any change in your details already submitted to us, kindly fill the changes in the form along with supporting documents.**
2. **Your details have already submitted to us we have marked as registered in the respective column, the other details to be submitted to us along with supporting documents.**
3. **For residents of Sikkim provide self attested copy of Aadhaar Card/Passport instead of PAN Card.**

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: L74100AP1999PLC031191**

ATTENDANCE SLIP

Annual General Meeting - 30th September, 2019

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 Annual General Meeting of the Company to be held on **Monday, the 30th September, 2019 at 11.30 a.m. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 16.**

(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 Notice asthe 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: L74100AP1999PLC031191**

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/ourproxytoattendandvote(onpoll)forme/usandonmy/behalfattheAnnualGeneral Meeting of the Company to be held on **Monday,the 30th September, 2019 at 11.30 a.m. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 16** and at any adjournment thereof in respect of such resolutions as are indicated below :

S.No	Resolutions	FOR	AGAINST
	Ordinary Business		
1	Consider and adopt: Audited Standalone Financial Statements, Reports of the Board of Directors andAuditors thereon		
2	Re-appointment of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation		
3	Re-appointment of Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884), who retires by rotation.		
4	Appointment of Statutory Auditors of the Company and fix their remuneration		
	Special Business		
5	Re-appointment of Shri B Satish Kumar (DIN: 00163676) as Chairman and Managing Director of the company.		

S.No	Resolutions	FOR	AGAINST
6	Re-appointment of Shri B Suresh Kumar (Din: 00206473) as Joint Managing Director of the company.		
7	Revision in Remuneration of Shri. B Ramesh Kumar (DIN:00206293), Joint Managing Director cum CFO of the Company		
8	Ratification of remuneration payable to Cost Auditors of the Company for the year 2019-20		
9	Re-appointment of Shri C Siva Prasad (DIN: 01904785) as an Independent Non-Executive Director		
10	Re-appointment of Shri R Ramachandra Rao (DIN:00226945) as an Independent Non-Executive Director		
11	Re-appointment of Shri K Krishna Rao (DIN:00382726) as an Independent Non-Executive Director		
12	Re-appointment of Shri G Venkata Narayana Reddy (DIN:05358117) as an Independent Non-Executive Director		
13	Approval for Related Party Transactions of the Company		

Signed on this _____day of_____2019.

Signature of the Shareholder_____

Affix Revenue Stamp

Signature of First proxy holder

Signature of Second proxy holder

Signature of Third proxy holder

Note:

1. 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.
2. A Proxy need not be a member of the Company
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of thetotal share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other personor shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ROUTE MAP TO AGM VENUE

If undelivered, please return to :
STEEL EXCHANGE INDIA LIMITED
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