

SALASAR TECHNO ENGINEERING LIMITED

ANNUAL REPORT 2018-19



SALASAR

Techno Engineering Limited

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ANNUAL REPORT 2018-19

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CORPORATE INFORMATION

CIN: L23201DL2001PLC174076

Board of Directors:	Mr. Alok Kumar Mr. Shashank Agarwal Mr. Shalabh Agarwal Ms. Tripti Gupta Mr. Anil Kumar Jain Mr. Sanjay Chandak Mr. Vijay Kumar Jain Mr. Amit Jain	Chairman cum Managing Director Joint Managing Director Whole-time Director Whole-time Director Independent Director Independent Director Independent Director Independent Director
Key Managerial Personnel:	Mr. Pramod Kumar Kala Mr. Rahul Rastogi	Chief Financial Officer Company Secretary
Auditors:	M/s. Arun Naresh & Co.	Statutory Auditor
Bankers:	State Bank of India; HDFC Bank; Yes Bank; IndusInd Bank	
Registrar and Share Transfer Agent	BIGSHARE SERVICES PRIVATE LIMITED 4E/8, First Floor, Jhandewalan Extension, New Delhi- 110055 Tel: 011-23522373 Email id: bssdelhi@bigshareonline.com Website: www.bigshareonline.com	
Registered Office:	E-20, South Extension I, New Delhi-110049	
Manufacturing Unit-I	Khasra No. 265, 281-283, Vill.-Parsaun-Dasna, P.O.-Jindal Nagar, Distt. Hapur-201313 (U.P.)	
Manufacturing Unit-II	Khasra No. 1184, 1185, Vill.-Khera, P.O.-Pilkhuwa, Tehsil Hapur, Distt. Hapur-245304 (U.P.)	
Manufacturing Unit-III	Khasra No. 686/6 Village- Khera, P.O. Pilkhuwa, Tehsil-Dhaulana, Distt. Hapur-245304 (U.P.)	

Highlights FY 2018-19

Revenue

₹ 654 CRORE

Since Inception

25,000 TOWERS

Transmission Lines executed

441 KM

Promoters and Promoter's Group
Holding (as on 31st March, 2019)

74.94 %

Team Size (as on 31st March, 2019)

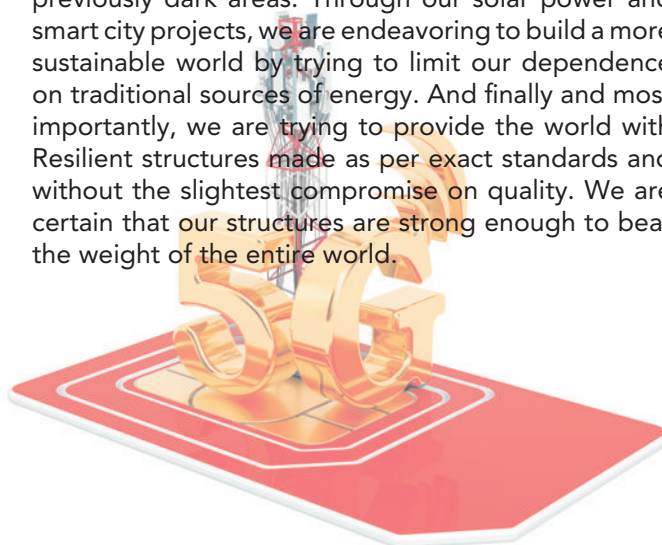
1,655

OUR VISION

Salasar is guided by the simple and clear purpose of building a stronger world. according to us, the foundation of a stronger world is built on 4 pillar:

- Connectivity
- Accessibility
- Sustainability
- Resilience

All of our work is centered around these pillars. By saturating under-developed countries around the world with Telecom Towers and Transmission Towers, we are striving towards a connected world where everyone has network on their phones and light in their homes. Through rural electrification projects we are working to provide rural areas with equal accessibility to electricity at par with urban areas, hoping to spur a boom in productivity in these previously dark areas. Through our solar power and smart city projects, we are endeavoring to build a more sustainable world by trying to limit our dependence on traditional sources of energy. And finally and most importantly, we are trying to provide the world with Resilient structures made as per exact standards and without the slightest compromise on quality. We are certain that our structures are strong enough to bear the weight of the entire world.



BOARD OF DIRECTORS



Mr. Alok Kumar,
Chairman & Managing Director

Qualification

B.Sc from Punjab University, Chandigarh.

He has over 44 years of rich experience in trading, manufacturing and fabrication of iron & steel. He started his career with trading in iron & steel as Managing Partner in Gupta Traders and thereafter from 1989 operated two foundry units of C.I. Casting namely Capital Founders and Capital Udyog. He has been associated with the Company since its takeover and has been instrumental in establishing the manufacturing units. He takes care of purchases & finance.



Mr. Shashank Agarwal
Joint Managing Director

Qualification

B.E. (Mech.) from MIT, Manipal.

He joined Larsen & Toubro as Graduate Engineer Trainee (GET) and got to know the insights of working in a big organization. He joined family business of sugar manufacturing in the year 1991. Then switched to iron & steel industry in the year 2003 and joined Saini Alloys Pvt. Ltd which was engaged in manufacturing and trading of stainless steel casting. In 2006 he joined our Company and has been the president of our company since takeover till August 2014. He is looking after operations, sales & marketing of telecom towers and solar mounting structures.



Mr. Shalabh Agarwal
Whole Time Director

Qualification

B.Tech from MIT, Manipal.

He joined family business of sugar manufacturing in the year 1991. Then switched to iron & steel industry in the year 2003 and joined Saini Alloys Pvt Ltd which was engaged in manufacturing and trading of stainless steel casting. In 2006 he joined our Company as Vice President- operations, looking after power transmission line tower segment. He has experience of more than 19 years in sugar industry and trading, manufacturing and fabrication of iron & steel. He is looking after operations, sales & marketing of Power Transmission Towers.



Ms. Tripti Gupta
Whole Time Director

Qualification

B.Com from Shri Ram College of Commerce, Delhi and MBA in Finance & Marketing from Institute of Management Technology, Nagpur.

She started her career as an Equity Investment Advisor in Motilal Oswal Securities Limited. She has more than 6 years of experience in strategic management, business development, policy making and other corporate matters. She has also been engaged with social enterprises and NGOs in the capacity of Project Coordinator and Content Manager for 8 years and continue to support their efforts informally.

Mr. Anil Kumar Jain

Independent & Non-Executive Director



Qualification

Fellow Member of Institute of Chartered Accountants of India and Commerce Graduate.

He has over 33 years of experience in professional practice with specialization in auditing, business advisory, outsourcing activities & company law. He is the Vice Chairman and Ex-Secretary of Mahavir International (an NGO), past President of Lions Club & IPEX, executive member of various religious and welfare organizations in the Jain community. He was also elected as a member of the Northern India Regional Council (NIRC) of the ICAI from 2004-07. He served consecutively as Treasurer (2004-05) and then Chairman (2005-06) and then Chairman NICASA (2006-07) of the NIRC. He has convened several study groups of the NIRC on banking & company law and many of his articles have been widely published in newspapers, trade magazines and newsletters.

Mr. Sanjay Chandak

Independent & Non-Executive Director



Qualification

Fellow Member of Institute of Chartered Accountants of India and also a Law Graduate

He has experience of over 28 years in profession of Chartered Accountancy. He was Chairman of Faridabad Branch of NIRC of Institute of Chartered Accountants of India during 2001-02 and also for 2003-04. He was also appointed as President of Faridabad Income Tax Bar Association during 2007-08. He was also appointed as Chairman, Member Grievance Committee, Bar-Bench Coordination Committee of FITBAR. He was nominated as member of WTO, FEMA & International tax Committee of the ICAI. He also chaired as Technical Judge at National Convention of CA Students 2011 organized by Board of studies, ICAI and Co-opted member on the Public Relations Committee of NIRC of ICAI. He is having experience of Income Tax, Tax Planning, Statutory Audit of limited and private limited companies having business activity of manufacturing and trading of pneumatic pumps, iron and steel, corrugated boxes, textiles, metal components, rubber parts etc.

Mr. Vijay Kumar Jain

Independent & Non-Executive Director



Qualification

B.E. (Hons.) and done MBA

He has worked in various capacities in leading organizations in India, starting with Hindustan Motors, National Mineral Development Corporation & Engineering Projects India Ltd. He was also posted at Baghdad for 3 years for execution of a Defence Project. He also acted as Project Coordinator for Coal handling plant at Anapra Power Project in U.P. Later he joined a joint venture of Ansal Properties with a Thai Indian Co. in Bangkok for 3 years. Lastly, he retired as Chief General Manager, J K paper after working with them for 14 years.

Mr. Amit Jain

Independent & Non-Executive Director



Qualification

Fellow Member of Institute of Chartered Accountants of India and Commerce Graduate

He has worked in various capacities in leading organizations in India starting with Bharti Airtel Limited. In his professional journey he worked with Stel Telecom, Videocon Telecommunications Limited, Venus Capital Limited. His last association was with Indus Towers Limited as Manager Finance. After quitting the job from Indus Towers Limited in 2013 he started his own consultancy firm Amit Jain & Co. situated at Gurgaon.

Salasar Techno Engineering Limited

COMPANY OVERVIEW

Among Leading Manufacturers
& Fabricators of Steel Structures
in India

Provider of Customized Infrastructure Solutions

Manufacturing and fabrication of
steel structures for Telecom Towers,
Transmission Towers, Utilities Poles,
High Mast Poles, Stadium Lighting
Poles, Flag Poles & Smart City Poles
Substations Structures, Railway
Electrification (OHE) and Solar Module
Mounting Structures.

Quality Certification

ISO 9001: 2015, 14001: 2015
OHSAS 18001: 2007 CERTIFIED

State of art Manufacturing Facility

1,00,000 MT installed capacity
of Steel Galvanizing equipped with
latest technology

Leading Manufacturer of Telecom Towers

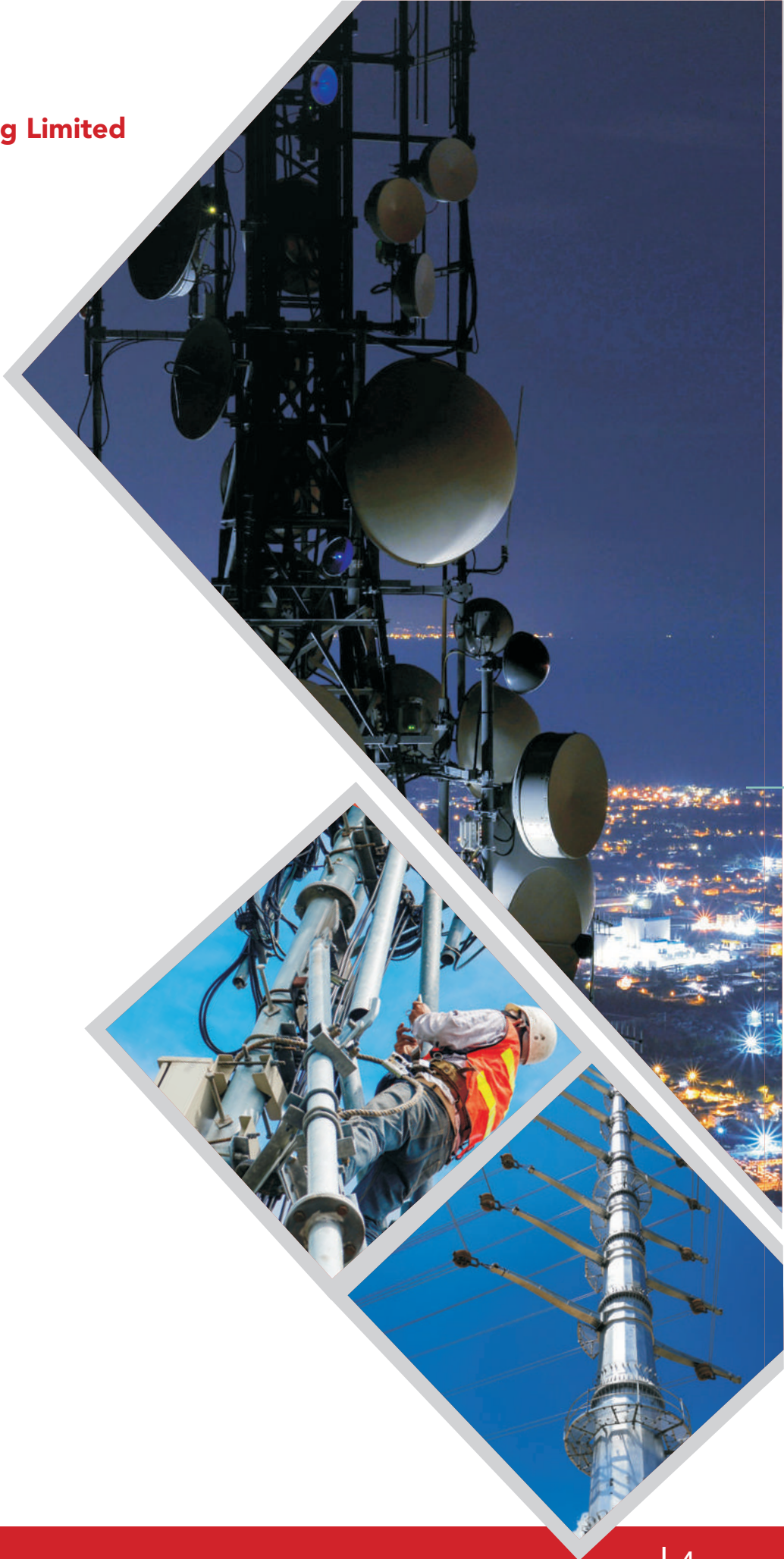
Supplied more than 25,000 towers
of various designs since inception

Technical Tie-Up

Technical tie-up with Ramboll
-leading Danish Company for
structural designs

Other Specifications

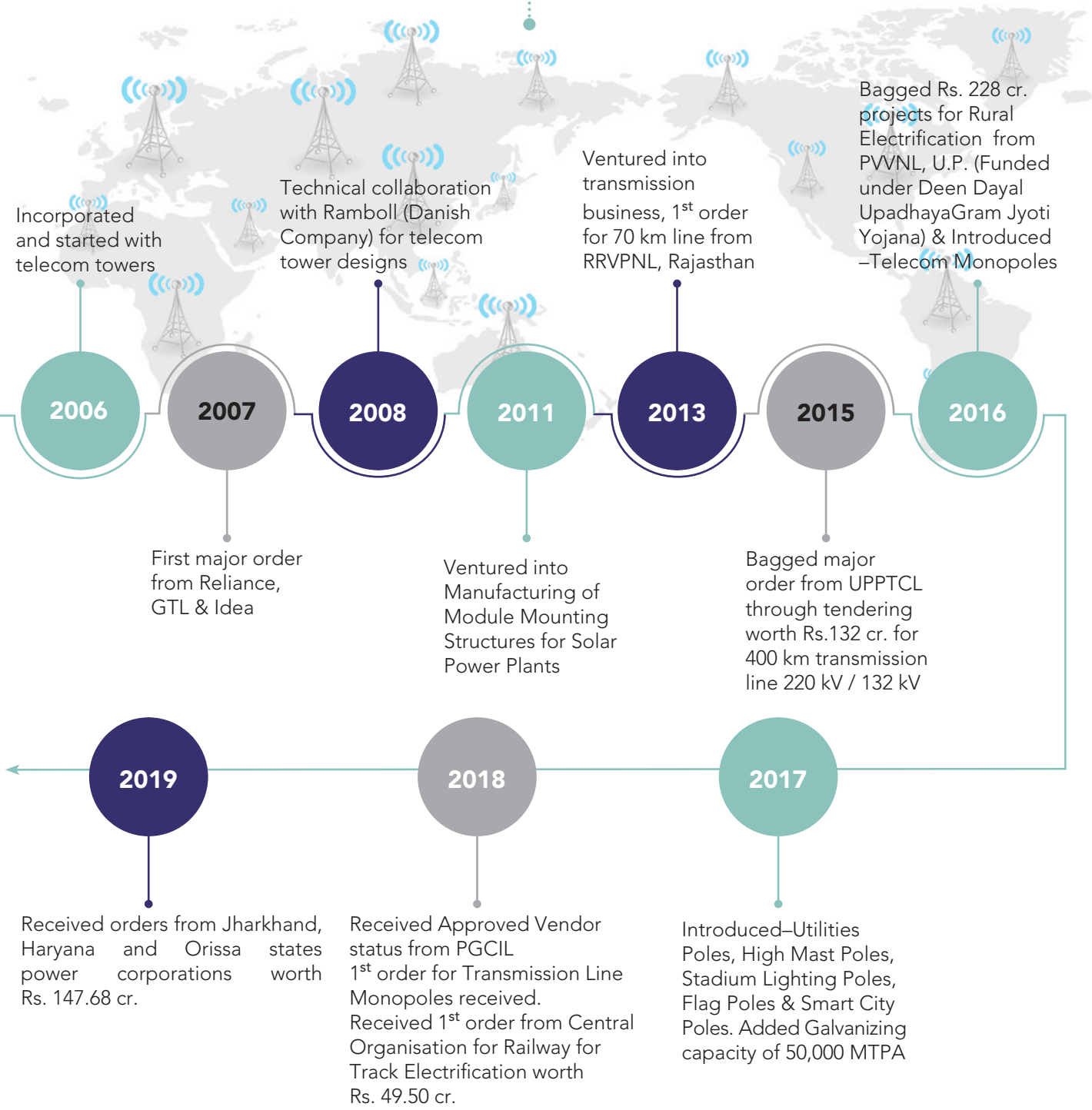
Three state of art manufacturing units
Approximately 1,30,000 square yards
area in heart of National Capital
Region's industrial hub
Heavy overhead cranes and multiple
Hydra equipment for seamless
material loading and unloading
Three fully equipped in-house
Galvanizing plants
Fabrication equipment and installed
machinery is regularly upgraded



THE WORLD OF SALASAR

Established in 2006, Salasar Techno Engineering Limited is India's Leading Telecommunication Tower Provider. The Company addresses growing opportunities for telecom towers. The telecom infrastructure industry, with more than

5 lakh mobile towers mounted with 20 lakh BTSs, extends mobile telecommunication services to more than 1.1 billion subscribers. We have three manufacturing plants as on 31st March, 2019 in Pilkhuwa, Distt. Hapur



BUSINESS OVERVIEW

Outperforming Across Diversified Businesses

- Telecom Towers

Salasar has already supplied more than 25,000 various types of ground based telecom towers as on 31st March, 2019. It has invested in advanced technologies to provide towers like Angular, Tubular, Hybrid and Monopoles. The telecom infrastructure industry strongly believes that the future of Indian tower companies rests on the exponential rise in data traffic and harnessing emerging business opportunities. Further, the Government's thrust towards launch of 5G services, digital India, smart cities, Bharat Net, and the proliferation of 4G services will boost the demand for roll-out of telecom infrastructure such as fibre cable, telecom towers, small cell solutions, Wi-Fi networks and IBS.

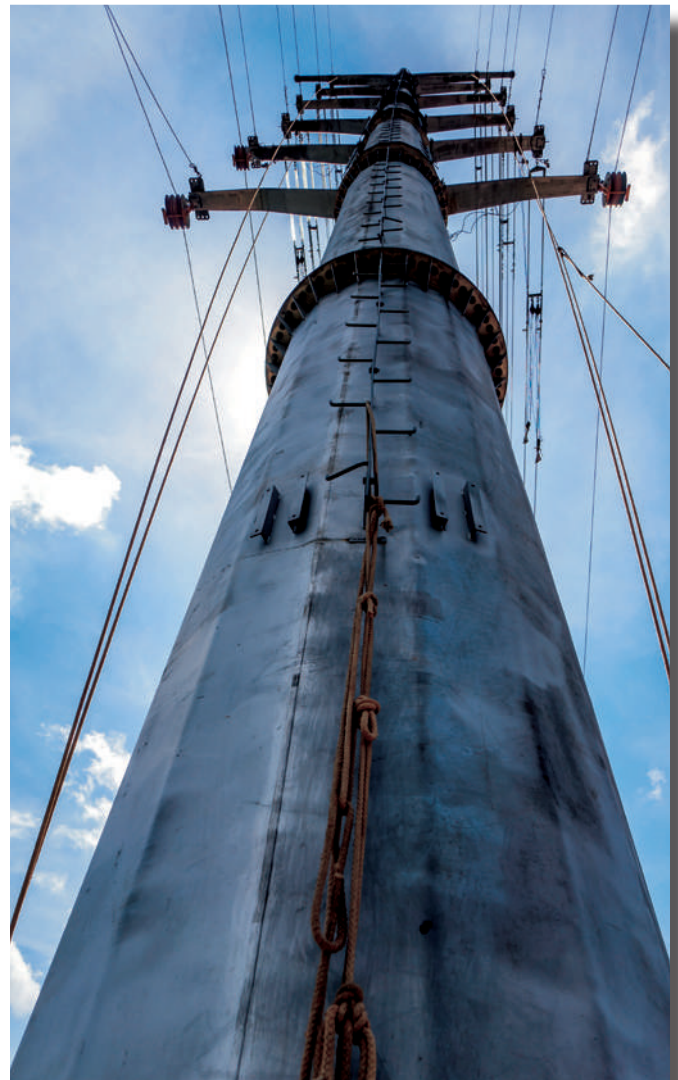
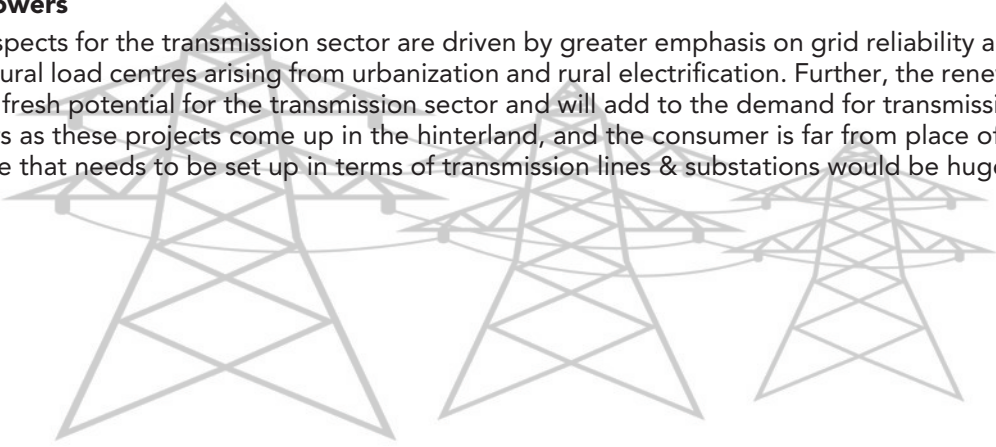
Salasar is well positioned to leverage on these opportunities. The Company's technical tie-up with Ramboll, a leading Danish Company into designing along with majority market share in the manufacturing of telecom towers, gives Salasar an added advantage to grab this opportunity and grow our revenue. The total revenue from this segment for the year ended March 31, 2019 was Rs 397.26 crore as against Rs. 275.53 crore for the corresponding previous period.



BUSINESS OVERVIEW CONTD.

- Transmission Towers

The growth prospects for the transmission sector are driven by greater emphasis on grid reliability and spread of new urban and rural load centres arising from urbanization and rural electrification. Further, the renewable sector would generate fresh potential for the transmission sector and will add to the demand for transmission towers in the coming years as these projects come up in the hinterland, and the consumer is far from place of generation, the infrastructure that needs to be set up in terms of transmission lines & substations would be huge.



BUSINESS OVERVIEW CONTD.



- **Substation Structure**

Salasar's active presence in this space, and approvals from power grid in the EPC of substation and rural electrification, combined with its capabilities to manufacture solar modules mounting structure will benefit the Company to further increase its presence, and increase its share in the transmission & distribution segment in India.



BUSINESS OVERVIEW CONTD.

- Camouflaged Towers Solution

Telecommunications towers can be anywhere you look. One might be disguised as a stealth cactus in the desert. Others may be found as a silo at the farm or a beautiful palm tree by the beach. As Telecom companies keep filling in the network gaps in networks for the nation's calls, texts and data overload, many have turned to camouflage towers. This is just another indication of how the telecom industry is evolving to meet the demands of consumers who insist on ever-increasing amounts of wireless information but won't necessarily tolerate large large unsightly antennas looming over buildings and homes in their community.



BUSINESS OVERVIEW CONTD.

- Poles

Salasar manufacture High Mast poles, Smart Lighting Poles, Monopoles and Utility Poles. Steel utility poles have various commercial, industrial, as well as residential applications. Steel poles are preferred over other materials because of their durability, eco-friendliness, and ease of installation and maintenance. Salasar, with its top-class machinery and well-trained manpower, has pioneered the production of custom-made poles of the highest quality in the shortest times.

Smart Poles play a major role in making cities safer and more manageable. Designed to look modern and aesthetic, they are equipped with technologies like LED lights, CCTV cameras, pollution sensors, Wi-Fi routers, distress buttons, road information display systems, and motion-detecting energy savers to make our cities smarter.



BUSINESS OVERVIEW CONTD.

Solar Structures

Salasar is in line with the Indian government’s focus on sustainable development through the use of the country’s abundantly available solar energy. The Company has already supplied solar module mounting structures for over 1,000 MW of solar projects throughout the country, commissioned by industry leaders such as Mahindra Susten and NEXTracker. Salasar is dedicated towards providing its customers with the best products and creating the required infrastructure for a better world.

We undertake complete EPC for Module Mounting Structures

Type of Mounts

- Ground Mounts
- Roof Mounts
- Pole Mounts
- Carport Mounts
- Custom

Type of Tracking

- Fixed Type
- Seasonal Tilt-controlled
- Single axis daily tracking

RAILWAYS

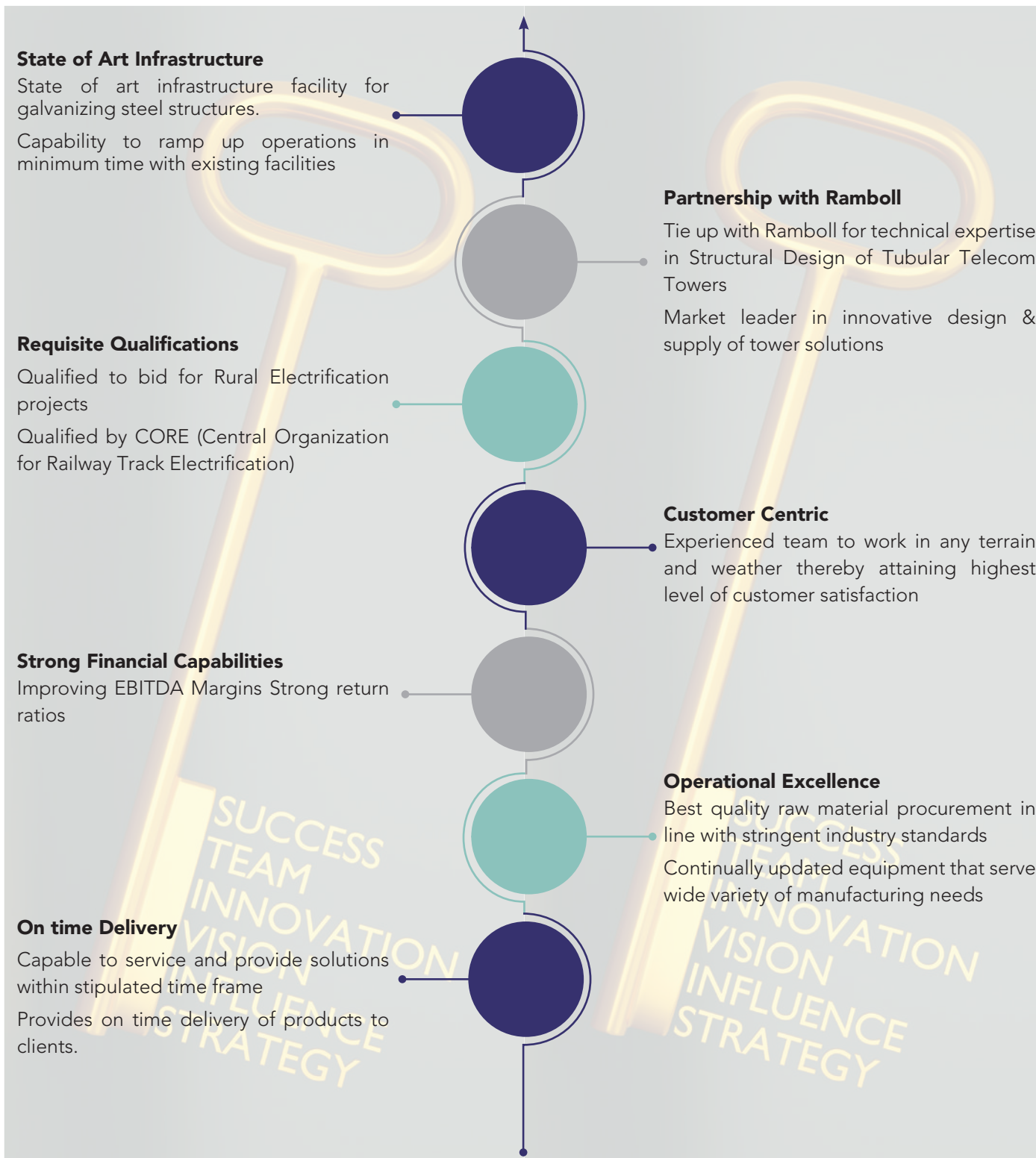
The outlook for the railways sector is very positive, with a rapid growth path anticipated. The Indian Government has set plans for network expansion as well as upgradation & modernization of existing infrastructure. Indian budget on railways had decoded ample opportunities for players like us. Our Railways division supplied Overhead Equipments and tractions sub-stations in OHE Projects and we manufacture all types of steel structures for Railway OHE Projects. Salasar executed more than 400 KM railway electrification work.



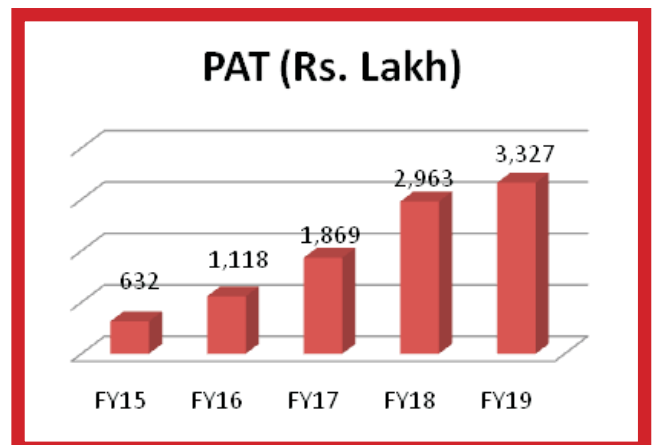
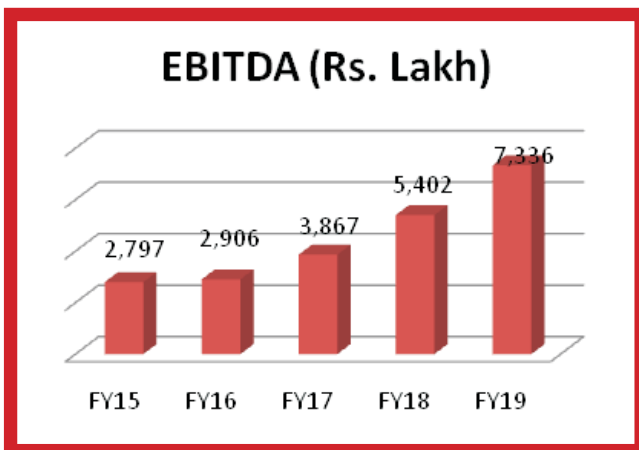
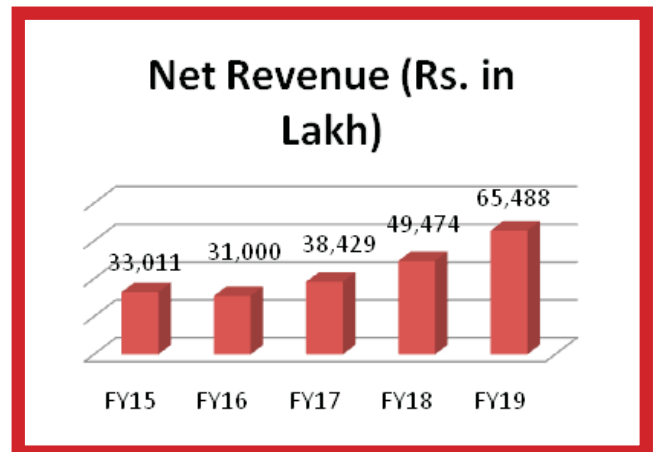
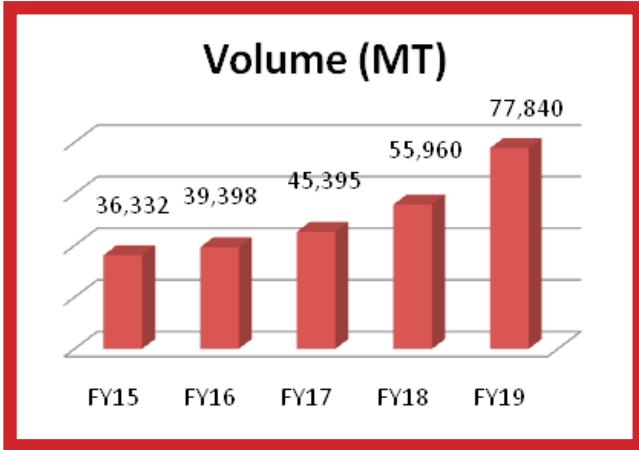
OPPORTUNITIES AHEAD

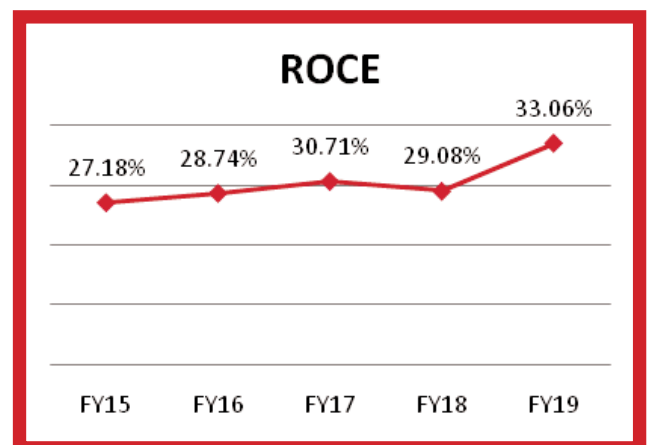
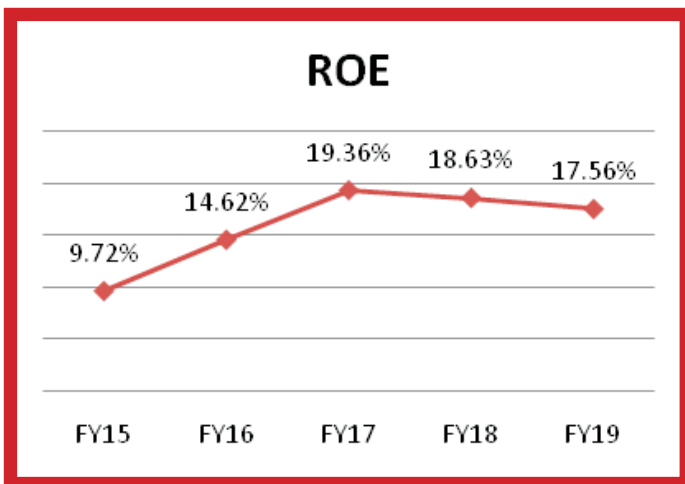
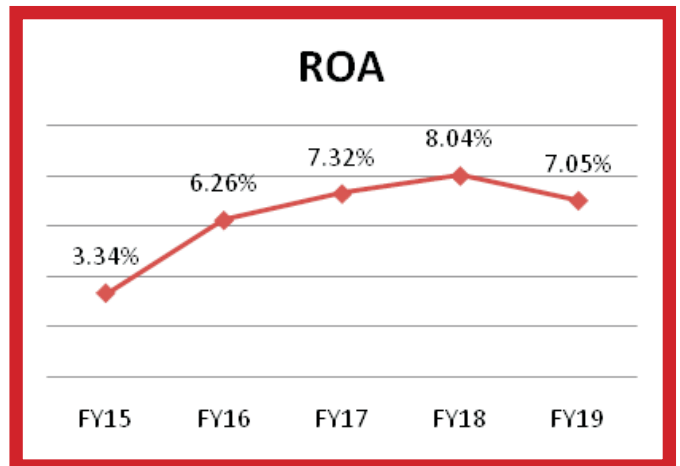
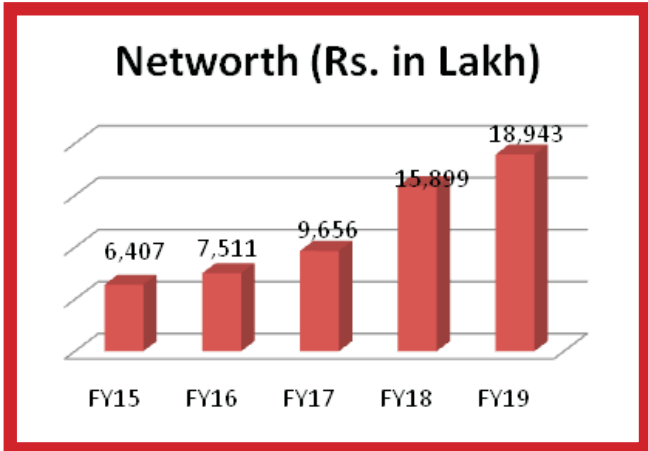
- **Mobile penetration:** The Government’s thrust towards launch of 5G services, digital India, smart cities, Bharat Net, and the proliferation of 4G services will boost the demand for roll-out of telecom infrastructure such as fibre cable, telecom towers, small cell solutions, Wi-Fi networks and IBS. The proportion of new/unique mobile subscribers to the total population is expected to reach around 63% in 2025 from 58% in July 2018.
- **Increase in internet users:** Rise in mobile-phone penetration along with decline in data costs is expected to add 500 million new internet users in India
- **Untapped rural market:** Rural tele-density reached 58.8%, while 44.6% of the total wireless subscribers are from rural market
- **Exploring adjacent businesses in an evolving environment:** Moving beyond traditional telecom business to wider digital consumer space like content and mobile banking solutions.
- **Rise in electricity demand:** The all-India demand for electricity is expected to grow from 1212BU to 1691BU by 2022 and 2509BU by 2027 representing a CAGR of 8%. The rise in power demand and consumption would lead to higher investment in transmission and distribution space. With such a huge increase in demand, India needs a large scale of investment to ensure the delivery of electricity to consumers.
- **Shift towards renewable energy to push transmission capacity:** The government’s plan of adding 175 GW of renewable power by 2022 would require a yearly capacity addition of 15-20 GW. Given the ambitious target, it is crucial to plan for the evacuation of electricity generated. Renewable power developers have raised concerns for grid availability in the past which highlights the urgent need of expansion of grid connectivity to accomplish the renewable energy target.
- **Increasing inter regional power demand - supply gap:** The Indian power scenario is such that different regions of India have different power demand and availability, leading to some states being power surplus and some states being power deficit. This translated into a gap between generation and consumption pockets, which demands for higher evacuation capacity leading to increase in inter-state transmission capacity.
- **Railways orders on a rapid growth; aim to double their capacity:** The railway department has set forth plans for expansion, upgradation and modernization of its existing infrastructure. The railways have set a 100% electrification target by the next four years. The EPC players’ order book has been already surged by railway orders.

KEY STRENGTHS



FINANCIAL PERFORMANCE





ROA= Net Profit / Total Assets; ROCE = EBIT/(Total Assets-Current Liabilities); ROE= Net Profit/ Net Worth

AWARDS



Partner of the Year 2018-19
Received from Indus Towers



Received Gold Award for support
in the category of Infra-Structures
from Indus Towers



Recognized as Indus
Platinum Partner of the year



Special Contribution Highest
Growth in Exports Small Enterprises
Awarded by EEPC INDIA



Star performer in 2016-17
Basic Iron & Steel small enterprises
Awarded by EEPC INDIA



In recognition of Contribution in
The VMC Smart city project from
Indus Towers



Highest Growth in Exports Small
Enterprise in 2014-15 awarded by
EEPC INDIA

CHARIMAN'S MESSAGE



Dear Shareholders,

It gives me immense pleasure to present you the 18th Annual Report of your Company. The Financial Year 2018-19 was very eventful for all of us. At your Company, the year remained full of new opportunities and significant accomplishments for Salasar Techno Engineering Limited. We continue to march forward with confidence, hope and humility on our exciting journey of business growth and value creation for our shareholders. Every New Year brings new optimism, new hopes and renewal of unwavering commitment towards endeavor for excellence.

Being optimistic doesn't mean remaining oblivious to reality and the year gone by was not a smooth ride by any means. There were several macroeconomic uncertainties and challenges which plagued the global economy and a full scale trade war between two global economic superpowers, USA and China was the major worry. The world economy certainly looked in a worse shape in March 2019 as compared to April 2018. This was also reflected in the consistent downgrades in growth rate for global economy by global agencies, from time to time and through out the year.

The Indian economy has reported one of its most sluggish performances in recent years. While the country grew attractively in the first two quarters of the year under review, there was a marked decline in growth indices starting from the third quarter onwards. This decline was triggered by a prominent company in the country's non-banking finance sector being affected by a liquidity crunch. The effects of this were feared to extend not only to depositors and other NBFCs but across the entire economy. The result was a liquidity paralysis within the economy during a major part of the second half of the financial year under review. As consumer sentiment was progressively affected, there was a decline in the off take of automobiles and other high-ticket products. We believe that this decline is temporary in view of the vast infrastructure under penetration in India's Telecom and Transmission sector.

The Telecom infrastructure industry strongly believes that the future of Indian tower companies rests on the exponential rise in data traffic and harnessing emerging business opportunities. Further, the Government's thrust towards launch of 5G services, digital India, smart cities, Bharat Net, and the proliferation of 4G services will boost the demand for roll-out of telecom infrastructure such as fibre cable, telecom towers, small cell solutions, Wi-Fi networks and IBS. The physical infrastructure needs to be robust to meet the growing need and demand of ubiquitous connectivity.

The growth prospects for the Transmission sector are driven by greater emphasis on grid reliability and spread of new urban and rural load centers arising from urbanization and rural electrification. Further, the renewable sector would generate fresh potential for the transmission sector. It will add to the demand for transmission towers in the coming years as these projects come up in the hinterland far away from end consumer's location thereby creating huge infrastructure need for transmission lines and substations. Salasar's active presence in this space and approvals from Power Grid in the EPC of substation and rural electrification, combined with its capabilities to manufacture solar modules mounting structure, will benefit the Company to further increase its presence and market share in transmission and distribution segment in India.

At Salasar, we anticipated at a time when the domestic market conditions were showing signs of revival, (that) it would be prudent to strengthen our capabilities to cater to the vast Indian opportunities. Salasar is well positioned to leverage on these opportunities. The Company recorded sales growth of 32% from Rs. 495 crores in FY 2018 to Rs. 655 crores in FY2019. This, coupled with innovative cost engineering measures to drive down costs, facilitated a growth of 28 bps in EBITDA margin which has increased from Rs. 54 crores in FY2018 to Rs. 74 crores in FY2019. The Company registered a growth in net profit also which has increased from Rs. 30 crores in FY2018 to Rs. 34 crores in FY2019.

We continually strive to enhance value for our investors. The trust that our clients place in us is at the heart of this. We have an approach of providing regular and stable pay-outs to investors; And of prudent evaluation of capital allocation decisions, in context of long term stakeholder value. Consistent with this approach we proposed Final

Salasar Techno Engineering Limited

Dividend @ 15% i.e. Rs. 1.50 per Equity Share of Rs. 10/- each for the Financial Year ended March 31, 2019. With your kind approval the total dividend for the F.Y. 2018-19 will be 25% i.e. Rs 2.50 per share. The value that a Company creates for its Stakeholders is not just financial but also social environmental, intellectual and human.

Our success so far has been driven by our most important asset – our team! I would like to take this opportunity to thank each and every member of the Salasar Techno Engineering family. Let me end with thanking all the Shareholders for their support and encouragement during the year.

Very Sincerely,

Alok Kumar

Chairman and Managing Director

NOTICE
(PURSUANT TO SECTION 101 OF THE COMPANIES ACT 2013)

Notice is hereby given that the 18th Annual General Meeting of the Members of Salasar Techno Engineering Limited will be held on Saturday, 28th September, 2019 at 10:30 A.M. at J. P. Hotel and Resorts, 6B, Patparganj I.P Extension, NH-24, Behind CNG Petrol Pump, New Delhi- 110092 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon, and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the report of the Auditors thereon;
2. To declare a dividend on Equity Shares;
3. Re-appointment of Ms. Tripti Gupta (DIN: 06938805) as a Whole Time Director liable to Retire by Rotation.
4. **Approval to dispense with the requirement of ratification of appointment of Statutory Auditors**

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

"RESOLVED THAT pursuant to the provisions of the Companies (Amendment) Act, 2017 read together with Section 139 of the Companies Act, 2013 (as amended) and other applicable provisions, if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of the resolution passed by the members of the Company at the 16th Annual General Meeting held on 19th July, 2017, the Company hereby dispenses with the requirement of ratification of the appointment of M/s Arun Naresh & Co., Chartered Accountants (Firm Registration No. 007127-N), as the Statutory Auditors of the Company at every Annual General Meeting."

SPECIAL BUSINESS:

5. **Continuation of the term of Shri Vijay Kumar Jain (DIN: 00281757) Non-Executive Independent Director of the Company**

To consider and if thought fit, to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION (S):-**

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the ACT") continuation of Directorship of Mr. Vijay Kumar Jain (DIN: 00281757), who has attained the age of seventy five (75) years, as an Independent Director w.e.f 01st April, 2019 till the expiry of his present term i.e. upto 18th January, 2022, as approved by the shareholders vide their Ordinary Resolution in Extra Ordinary General Meeting held on 19th January, 2017, be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT that the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to this resolution."

6. **Ratification of Cost Auditor's Remuneration:**

To Consider and if thought fit, to pass with or without modification(s), the following as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules issued thereunder including Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 40,000/- plus applicable taxes and reimbursement of out of pocket expenses as approved by the Board of Directors on the recommendation of the Audit Committee, to be paid to

M/s. S. Shekhar & Co., Cost Accountant (Firm Registration No. 000452) appointed by the Board of Directors as the Cost Auditor of the Company for conducting the Audit of Cost Records maintained by the Company for the Financial Year ended March 31, 2020 be and is hereby ratified and confirmed.”

**For and on behalf of the Board of Directors
For Salasar Techno Engineering Limited**

Chairman and Managing Director

Alok Kumar

DIN NO. 01474484

KL-46, Kavi Nagar

Ghaziabad-201001

Uttar Pradesh

Date : 14.08.2019

Place : New Delhi

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, INSTEAD OF HIMSELF / HERSELF / ITSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF AGM i.e. BY 10:30 A.M. ON SEPTEMBER 28TH 2019.**
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than the total share capital of the Company carrying voting rights. A member holding, more than 10% of the total capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder of the Company.
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days' notice in writing is given to the Company.
- The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21st, 2019 to Saturday, September 28, 2019 (both days inclusive) for purpose of 18th AGM and for payment of Dividend for the Financial Year ended March 31, 2019.
- Corporate Members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
- Members/Proxies are requested to bring their attendance slip duly completed along with their copy of Annual Report to the meeting.
- Members are requested to write to the Company, their query (ies), if any, on the Accounts and operations of the Company at its registered office at least ten days prior to the date of meeting to enable the management to keep the information ready at the meeting.
- Members are informed that in case of Joint Holders attending the meeting; only such joint holders whose name appears first in the order will be entitled to vote.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore, requested to submit their PAN to the Depository participant with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent/Company.
- Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
- Notice of the Annual General Meeting along with the Annual Report 2018-19 of the Company is being sent to all the Members in the electronic mode, whose email addresses are registered with the Depository Participant, unless any member has requested for a hard copy of the same and for members who have not registered their email address, hard copy of Annual Report are being sent.
- The Board of Directors have recommended a final dividend of Rs. 1.5/- per equity share of Rs. 10/- each for the financial year 2018-19. The Dividend on equity shares for the Financial Year 2018-19, if declared, will be paid within a period of 30 days from the date of Annual general Meeting, to those members whose name appears in the Company's Register of Members and to those persons whose name appears as beneficial owner as per the

details to be furnished by National Security Depository Limited and Central Depository Services (India) Limited as the close of business hours on September 20th, 2019.

13. Pursuant to Section 125 of the Companies Act, 2013 the Company has Unclaimed and Unpaid Dividend but the unpaid Dividend amount not liable to transfer in Investor Education and Protection Fund.
14. Register of Directors and key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
15. Members may also note that the Notice of Annual General Meeting and the Annual Report for the Financial Year 2018-19 are also available on the Company's Website www.salasartechno.com under the section 'Investors'.
16. **Investor Grievance Redressal:** The Company has designed an exclusive e-mail ID viz. compliance@salasartechno.com to enable the investors to register their Complaints, if any.
17. A route map showing directions to reach the venue of the 18th AGM is given at the end of the Annual Report.
18. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means and members may cast their votes through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

The facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by e-voting shall be able to vote at the meeting through Ballot paper. Members have option to vote either e-voting or through the Ballot Paper. If a member has opted for e-voting, then he/she should not vote BY Ballot Paper and vice-versa.

However, in case members cast their vote both via Ballot Paper and e-voting, then voting through e-voting shall prevail and voting done by Ballot Paper shall be treated as invalid.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2019 (09:00 a.m.) and ends on 27th September 2019 (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 i.e. 20th 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.
- (iii) Click on Shareholders / Members
- (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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • 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 Salasar Techno Engineering Limited on which you choose to.
 - (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 changed 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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 Corporate.
 - 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
19. Ms. Deepika Gaur of M/s Deepkia Madhwal & Associates Practicing Company Secretary (Membership No. 31234) has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
20. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person or the person authorized by him in writing who shall countersign the same and declare the result of voting forthwith. The results of voting will declared within 48 hours from the conclusion of AGM and the Resolutions will be deemed to be passed on the date of AGM, subject to receipt of requisite number of votes.
21. The declared result along with the Scrutinizer's Report, will be available forthwith on the Company's website www.salasartechno.com under the section 'Investors' and on the website of CDSL; such results will also be forwarded to the national Stock Exchange of India & BSE Limited.
22. All the documents referred in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11:00 AM to 4:00 PM up to the date of Annual general Meeting.

RE-APPOINTMENT/APPOINTMENT OF DIRECTORS
(ANNEXURE TO NOTICE)

A brief resume in respect of the proposed re-appointment/appointment of Directors is given below in terms of Regulation 36(3) of SEBI (LODR), 2015

Particulars	Ms. Tripti Gupta	Mr. Vijay Kumar Jain
DIN	06938805	00281757
Date of Birth	12-12-1983	27-04-1943
Date of Appointment in the Board	01-08-2014	19-01-2017
Qualifications	B.com (Hons.) from Shri Ram College of Commerce, Delhi and MBA in Finance & Marketing from Institute of Management and Technology, Nagpur.	B.E. (Hons) and MBA
Experience	Ms. Tripti Gupta started her career as an Equity Investment Advisor in Motilal Oswal Securities Limited. She has more than 6 years of experience in strategic management, business development, policy making and other corporate matters. She has also engaged with social enterprises and NGOs in the capacity of project coordinator and content manager for 8 years and continues to support their efforts informally.	Mr. Vijay Kumar Jain worked in various capacities in leading organizations in India, starting with Hindustan Motors, National Mineral Development Corporation & Engineering Projects India Ltd. He was also posted at Baghdad for 3 years for execution of a Defence Project. He also acted as Project Coordinator for Coal handling plant at Anapra Power Project in U.P. Later he joined a joint venture of Ansal Properties with a Thai Indian Co. in Bangkok for 3 years. Lastly, he retired as Chief General Manager, J K paper after working with them for 14 years. After retirement in 2004 started his own consultancy firm VKJ Consultants Pvt Ltd situated at Noida, arranging equipment for Indian Paper mills like JK Paper, Emami Papers, Mehali Papers etc. for last 14 years.
Directorship held in others Listed Companies	Nil	Nil
Membership in Committee across other Listed Companies	Nil	Nil
Number of Shares held in the Company	400000 Shares	Nil
Terms and conditions of appointment /re-appointment along with details of remuneration sought to be paid	Appointment of Ms. Tripti Gupta (Director liable to be retire by rotation) is proposed at item no. 3 of notice for approval of members. 10% increase in the current remuneration during the year of Ms. Tripti Gupta	Continuance of appointment of Mr. Vijay Kumar Jain is proposed at item no. 4 for approval of members. Further, only sitting fee paid to Mr. Vijay Kumar Jain
Remuneration Last Drawn	Rs. 3,85,000/-	Rs. 15,000/-
No. of Meetings of the Board attended	2	4
Relationship with other Directors	Daughter of Mr. Alok Kumar	No

Details of Shareholding/other Convertible Securities of Non-Executive Directors of the Company (Pursuant to Regulation 36(3) of SEBI (LODR), 2015)

SI. NO.	NAME OF DIRECTOR	NO. OF EQUITY SHARES
1.	Mr. Anil Kumar Jain	NIL
2.	Mr. Sanjay Chandak	NIL
3.	Mr. Vijay Kumar Jain	NIL
4.	Mr. Amit Jain	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ANNEXED AND FORMING PART OF THE NOTICE
Item No. 5

As per the newly inserted Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification of appointment of Independent Director.

Mr. Vijay Kumar Jain, Independent Director of the Company has attained the age of seventy five (75) years. He was appointed at the Extra Ordinary Meeting held on 19th January, 2017 for a period of 5 (five) consecutive years for a term upto upto 18th January, 2022 by way of Ordinary Resolution. Hence, it is proposed to ratify his appointment w.e.f. 1st April, 2019 by way of Special Resolution in terms of said Regulations.

Accordingly, the Board of Directors on the basis of his rich experience, knowledge and valuable contribution in the improvement of Company recommends the resolution as set out in the Item No. 4 for approval of Members by way of Special Resolutions.

Except, Mr. Vijay Kumar Jain being the appointee, none of the other Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise in the resolutions.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s S. Shekhar & Co., the Cost Accountants as the Cost Auditors to conduct the audit of the Cost Records of the Company for the Financial Year 2019-20 as per the following details:

Product	Factory
Galvanised and Non-galvanised Steel Structure (Telecom Towers, Transmission Towers, Monopoles, Solar Module Mounting Structure)	Unit-I: Khasra No. 265, 281-283, VillParsaun-Dasna, P.O. Jindal Nagar, Distt. Hapur- 201313 (U.P.)
	Unit-II: Khasra No. 1184, 1185, Vill. Khera, P.O. Pilkhuwa, Distt. Hapur- 245304, (U.P.)
	Unit- III: Khasra No. 686/6 Village- Khera, P.O. Pilkhuwa, Tehsil-Dhaulana, Distt. Hapur- 245304 (U.P.)

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 as amended up to date, the remuneration payable to Cost Auditors is to be ratified by the Shareholders for the Financial Year 2019-20 by way of an Ordinary resolution.

The Board of Directors recommends the resolution as set out in item No. 5 of the notice for approval of members. None of the Directors and key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise in the resolutions.

**For and on behalf of the Board of Directors
For Salasar Techno Engineering Limited**

Chairman and Managing Director

Alok Kumar

DIN NO. 01474484

KL-46, Kavi Nagar

Ghaziabad-201001

Uttar Pradesh

Date : 14.08.2019

Place : New Delhi

BOARD'S REPORT

To,
The Members of
Salasar Techno Engineering Limited

The Directors are pleased to present the 18th Annual report of the Company together with Consolidated and Standalone Audited Financial Statements of the Company for the Financial Year ended on March 31, 2019.

1. FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2019 is summarized below:

Particulars	STANDALONE (Amount in Lakhs.)		CONSOLIDATED (Amount in Lakhs.)	
	2018-19	*2017-18	**2018-19	2017-18
Gross Revenue	65,518.13	50,392.65	65,574.39	50,392.65
Total Expenses	60,234.84	46,094.97	60,244.29	46,094.97
Profit before Depreciation, Exceptional items & Tax	5,743.48	4,683.76	5,790.29	4,683.76
Less: Depreciation	460.19	386.09	460.19	386.09
Less: Share of Net Profit of Investments using Equity Method				(0.49)
Exceptional Items	-	25.62	-	25.62
Profit before Tax	5,283.29	4,323.29	5,330.10	4,322.80
Less: Provision for Taxation				
Current Tax	1,811.51	1,420.81	1,827.44	1,420.81
Deferred Tax	175.53	(60.10)	175.53	(60.10)
Profit after tax (PAT)	3,296.24	2,962.58	3,327.13	2,962.10
Other Comprehensive Income	37.42	4.73	37.42	4.73
Total comprehensive income	3,333.66	2,967.32	3,364.55	2,966.83
Add: Balance brought forward from Previous year	9,082.45	6,275.03	9,081.95	6,275.02
Surplus available for appropriation	12,416.11	9,242.35	12,446.50	9,241.85
			Appropriations:	
Dividend on Equity Shares	265.70	132.85	265.70	132.85
Tax on Dividend	54.62	27.05	54.62	27.05
Balance Carried to Balance Sheet	12,095.79	9,082.45	12,126.16	9,081.95
No. of Equity Shares	1,32,85,264	1,32,85,264	1,32,85,264	1,32,85,264
Earning per share (Basic)	24.81	24.21	24.81	24.21
Earning per Share (Diluted)	24.81	24.21	24.81	24.21

*Effectively January 09, 2019 the Company completed the merger of its wholly owned subsidiary Salasar Stainless Limited. The figure of Financial Year 2018 has been restated for accounting the said merger. The appointed date of merger was April 1, 2018.

** Consolidated results include the Company's proportionate share of income and expenditure in its two joint venture operations, namely, Sikka-Salasar JV and Salasar-HPL- JV.

2. FINANCIAL PERFORMANCE:

The Company continued on its growth trajectory in Financial Year 2018-19. During the year under review, your Company reported a top-line growth of 30.01% over the previous year. At Standalone level, the Revenue from

operations amounted to Rs. 65,518.13 Lakhs as against Rs 50,392.65 Lakhs in the previous financial year. The increase in turnover reflects performance of the Company on the expected line in the Current Year sales. The Company is able to capitalize on the market conditions through its operational excellence, higher efficiency and well executed strategies around project execution and product placement.

The Profit Before Tax amounted to Rs. 5,283.29 Lakhs as against Rs. 4,323.29 Lakhs in the previous financial year. Company's Profit After tax was Rs. 3,296.24 Lakhs as compared to Rs. 2,962.59 Lakhs in the previous financial year.

The Consolidated Revenue from operations amounted to Rs. 65,574.39 Lakhs as against Rs. 50,392.65 Lakhs in the previous financial year, registering a growth of 30.12%. The Profit Before Tax amounted to Rs. 5,330.10 Lakhs as against Rs. 4,322.80 Lakhs in the previous financial year. Company's Profit After tax was Rs. 3,327.13 Lakhs as compared to Rs. 2,962.10 Lakhs in the previous financial year.

The performance and Financial position of the subsidiary companies are included in the Consolidated Financial Statements and presented in the Management Discussion and Analysis Report forming part of this Annual Report.

3. FUTURE OUTLOOK:

Telecom – The telecom infrastructure industry, with more than 5 lakh mobile towers mounted with 20 lakh BTSs, extends mobile telecommunication services to more than 1.1 billion subscribers. Undoubtedly, the Indian telecommunication sector has undergone a revolutionary transition in the last two decades to become the world's second largest telecommunication market. The telecom infrastructure industry strongly believes that the future of Indian tower companies rests on the exponential rise in data traffic and harnessing emerging business opportunities. Further, the Government's thrust towards launch of 5G services, digital India, smart cities, Bharat Net, and the proliferation of 4G services will boost the demand for roll-out of telecom infrastructure such as fibre cable, telecom towers, small cell solutions, Wi-Fi networks and IBS. The physical infrastructure needs to be robust to meet the growing need and demand of ubiquitous connectivity.

Salasar is well positioned to leverage on these opportunities. The Company's technical tie-up with Ramboll, a leading Danish Company into designing along with majority market share in the manufacturing of telecom towers, gives Salasar an added advantage to grab this opportunity and grow our revenue manifold.

4. BUSINESS OPERATIONS:

The Company is primarily engaged in the business of Manufacturing and sale of galvanized steel structure including telecom towers, transmission line towers and solar panels. Your Company has three manufacturing units at Jindal Nagar, Hapur District (UP) and Khera Dehat, Hapur District (UP). During the year under review, your Company performed well despite various challenges in the manufacturing sector adversely affecting raw material and consumables. Your Company expanded its operations.

5. DIVIDEND:

The Board of Directors is pleased to recommended a Final Dividend of Rs. 1.50 (Rupee One and Fifty Paise, i.e. 15%) per equity share of face value of Rs. 10.00 (Rupees Ten Only) each (previous year final Dividend of Rs. 1/- per Equity Shares of Nominal Value of Rs. 10/- each). The dividend, if approved by the Members in the ensuing Annual General Meeting, would involve a cash outflow of Rs. 1,99,27,896 excluding Dividend Distribution Tax and will be paid to those members whose name appear in the Company's Register of Members and to those persons whose name appear as Beneficial Owners as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as at the close of business hours on September 20, 2019.

In terms of Regulation 43A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations"), the Company has formulated a Dividend Distribution Policy which is enclosed herewith as Annexure-A, and is also available on the website of the Company at <http://www.salasartechno.com>

6. TRANSFER TO RESERVES:

The Company has not made any transfer to reserve during the Financial Year 2018-19. However, profit for the year is shown as surplus under the head Reserve & Surplus during the financial year 2018-19.

7. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

The details relating to deposits, covered under Chapter V of the Act,-

- (a) accepted during the year; NIL
- (b) remained unpaid or unclaimed as at the end of the year; NIL
- (c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-NIL
 - (i) at the beginning of the year; NA
 - (ii) maximum during the year; NA
 - (iii) at the end of the year; NA

During the year under review, your Company had not accepted or renewed the deposits which are not in compliance with the requirements of Chapter V of the Act;

8. SHARE CAPITAL

- (a) The paid up Equity Share Capital of the Company as on March 31, 2019 was Rs. 13,28,52,640 . There was no change in the share capital during the year under review.
- (b) Status of Shares

As the members are aware, the Company's shares are compulsorily tradable in Electronic form. As on March 31, 2019, 99.9999% of the Company's total paid up capital representing 1,32,85,259 shares are in dematerialized form and 0.00001% of the Company's total paid up capital representing 5 shares are in physical form.

9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 125 of the Companies Act, 2013 the Company has Unclaimed and Unpaid Dividend but the unpaid Dividend amount not liable to transfer in Investor Education and Protection Fund.

10. GENERAL DISCLOSURES

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The Directors are optimistic about company's business and hopeful of better performance with increased revenue incoming year. There was no change in the nature of business of Company.

11. 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 is no situation which may be prejudicial to the interest of the members of the Company or which may impact the going concern status and company's operation of the Company in the future.

12. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as applicable for the year under review is presented in a separate section forming part of this Annual Report are attached hereto as "Annexure-B".

13. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Name of the companies which have ceased to be subsidiaries during the year

The Wholly own Subsidiary Salasar Stainless Limited merged with the Company with effect From January 09, 2019 and consequently Authorized Share Capital of your Company increased from 14 Crore to 20.50 Crore.

Joint Venture and Associates

The Company had entered into Joint Venture with Sikka Engineering Company named as Sikka- Salasar JV and with HPL Electric & Power Pvt. Ltd named as Salsar- HPL JV. The company does not have any Associate Company.

14. PERFORMANCE AND FINANCIAL POSITION OF THE JOINT VENTURE AND ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT.

The statement containing the financial statement of Joint Venture and Associates of the Company was duly disclosed in the Balance sheet. Details of financial of Joint Venture as required under the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 is being attached with the Board's Report in Form AOC-1 as Annexure-C and the forming part of the Board's Report.

15. DEPRICIATION AND AMORTIZATION

The Company had followed Straight-line method on its tangible fixed assets the rates prescribed under the Part C of the Schedule II of the Companies Act, 2013, Intangible fixed assets stated at cost less accumulated amount of amortization.

16. AUDITORS**16.1 STATUTORY AUDITORS**

M/s Arun Naresh & Co., Chartered Accountants (Firm's Registration No. 007127-N), were appointed as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the Sixteenth Annual General Meeting until the conclusion of the Twenty First Annual General Meeting. The said appointment of the Statutory Auditors was required to be ratified at every Annual General Meeting.

However, pursuant to the amendment in the proviso to Section 139 which has been made effective on May 07, 2018, the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting has been omitted. Therefore, it is proposed to the shareholders to dispense with the requirement of ratification of the appointment of M/s Arun Naresh & Co., Chartered Accountants at every Annual General Meeting.

The Company has received consent letter and certificate from the Auditors to the effect that they are not disqualified to act as Auditors within the meaning of Section 139 and 141 of the Companies Act, 2013.

The Statutory Auditors' Report for the FY 2018-19 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under sub-section (12) of Section 143 of the Act.

16.2 COST AUDITOR

Pursuant to Section 148 read with Section 141 & 143 and other applicable provisions of the Companies Act, 2013, read with Rule 6 of the Companies (Cost Records and Audit Rules), 2014 as amended from time to time, your Company has carried out audit of Cost Records every year. The Board of Directors on the recommendation of Audit Committee has appointed M/S S. Shekhar & Co., Cost Accountants (Membership No. 30477, FRN 000452), as cost Auditors of the Company for the Financial Year 2019-20. As required under the Companies Act, 2013 a resolution seeking members' approval for remuneration payable to the Cost Auditor is part of the Notice convening the Annual General Meeting for their ratification.

16.3 SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, amended upto date and other applicable provisions, if any, the Company has appointed M/s Deepika Madhwal & Associates (C. P. No. 14808) Practicing Company secretaries, to do Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended 31st march, 2019 in Form MR-3 is annexed to this report as 'Annexure-D' and forms part of the Board's Reports.

The observation made by Secretarial Auditors in their report are self explanatory and therefore do not call for any further explanations/comments. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

16.4 INTERNAL AUDIT

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rule, 2014 as amended from time to time, the Board of Directors had appointed M/s VAPS & Co., Chartered Accountants, New Delhi (FRN 003612N) as internal auditor of the Company to conduct internal audit of the Company from 01st April, 2019 to 31st March, 2020.

Further on recommendation of audit committee, the Board of Directors of the Company has approved the re-appointment of aforesaid audit firm as internal auditors for the financial year 2019-20.

17. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No.MGT-9, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, has been made part of the Board's Report as 'Annexure-E'.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

18.1 Conservation of Energy:

During the financial year under review, following specific actions were taken by the Company at its various locations, which resulted in saving of energy consumption:

- (i) Installation of Induction Lights/ LED Lights at various locations resulting in saving of energy.
- (ii) The Company has substituted the use of furnace oil with LPG in the zinc melting furnace of galvanizing plant at our two Unit. LPG is a more sustainable fuel than furnace oil and minimizes environmental pollution and also leads to more efficiency.
- (iii) Replacement of old motors with energy efficient motors.

18.2 Technology Absorption:

- (i) The efforts made towards technology absorption:
 - Manufacturing process is continuously monitored to ensure better productivity.
 - The Company is using new technology machines for better production and effective utilization of resources.
- (ii) The benefits derived:
 - Improvement in product quality.
 - Improved productivity and cost reduction
 - Introduction of new and improved products.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - (a) Technology imported: No technology has been imported in the last 3 years.
 - (b) Year of import: Not Applicable.
 - (c) Whether the technology been fully absorbed: Not Applicable.
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.
- (iv) The expenditure incurred on Research and Development (R&D):
No major expenses have been incurred on R&D.

18.3 Foreign exchange earnings and Outgo:

Following are the details of total foreign exchange earned and used during the last financial year:

Particulars	(Rs. in Lakh)	
	FY 2018-19	FY 2017-18
Foreign exchange earned	2,321.57	2105.89
Foreign exchange used	38.86	520.80

19. DIRECTORS:

19.1 CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Article of Association of the Company, Ms. Tripti Gupta Whole time Director (DIN:06938805) of the Company is liable to retire by rotation and being eligible, offer himself for re-appointment. The Board recommends the re-appointment of Ms. Tripti Gupta as Whole Time Director in the ensuing AGM of the Company.

As per the provisions of newly inserted Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the

directorship of any person as a non-executive Independent director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect. On the Board of your Company, Shri Vijay Kumar Jain Independent Director of the Company is more than 75 years of age. Accordingly, the Special Resolution has been placed for approval by shareholders in ensuing Annual General Meeting.

Brief Profile of Shri Vijay Kumar Jain (Independent Director) and other disclosure as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as Annexure to the Notice convening the Annual General Meeting of the Company.

All the Directors have made necessary disclosures as required under the various provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further During the year under review, Mr. Pramod Kumar Kala appointed as Chief Financial Officer of the Company w.e.f. 09th February, 2019 in place of Mr. Kamlesh Kumar Sharma.

19.2 DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

19.3 BOARD EVALUATION

As per the provisions of the Companies Act, 2013 a formal annual evaluation needs to be made by the Board of its own performance and of its Committees And their individual Directors. Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of the Board, Independent Directors, Non-Executive Directors, Executive Directors, Committees and Chairman of the Board.

The above said evaluation based on the criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees. The detailed analysis of performance evolution is incorporated under nomination and Remuneration Committee head in Corporate Governance Report.

20. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Board of Directors have adopted Vigil Mechanism Policy. The Vigil Mechanism 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 Vigil Mechanism 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. The Vigil Mechanism Policy has been posted on the website of the Company.

The aforesaid policy can be accessed on the Company's website www.salasartechno.com.

21. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The company conducts its businesses with high standards of legal, statutory and regulatory compliances. A dedicated Compliance Cell ensures that adequate internal financial controls with reference to the Financial Statement of the Company.

22. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The provisions of Section 197(12) of the Act read with Rules 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 respectively, is annexed to the Board's report as 'Annexure-F'

23. MEETINGS OF THE BOARD

The Company prepares the schedule of the Board Meeting in advance to assist the Directors in scheduling their programme. The Agenda of the meeting is circulated to the members of the Board well in advance along with the necessary papers, reports, recommendations and supporting documents so that each board member can actively participate on agenda items during the meeting.

The board met 4 (Four) times during the Financial Year 2018-19. The maximum intervals between any two meetings did not exceed 120 days. Details of Board Meetings and held during the period under review are given in Corporate Governance Report.

24. AUDIT COMMITTEE

The Company has constituted Audit Committee as per the provisions of the Companies Act, 2013. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report. The Audit committee satisfies the requirements of section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, there were no instances, where Board had not accepted the recommendations of the Audit Committee.

25. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to provisions of Section 178(3) of the Companies Act, 2013, read with rules made there under and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has a Nomination and Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee the Committee had formulated the criteria for determining qualifications, positive attributes and independence of directors and the same was recommended to the Board. The Board had approved the policy. Also the committees was the deciding factors in decisions like remuneration of Directors, KMP's and other employees, identifying qualified personnel to appoint in Key Management of the Company etc. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

26. COMPANY'S POLICY ON REMUNERATION OF DIRECTORS, KMPs AND OTHER EMPLOYEES

The Policy of the Company on remuneration of Directors, KMPs and other employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is annexed to the Board's Report as Annexure G.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND ITS COMMITTEES

The company has always taken steps initiating the Corporate Social Responsibility. The Company's endeavor is to create value for the nation, enhancing the quality of life across the entire socio-economic spectrum. The Company strives to seek greater alignment between its stakeholders to generate value in the long-term.

The Company aims to develop products and services centered on driving customer satisfaction, while contributing to the overall objective of community development. The CSR policy of the Company can be accessed on the Company's website: www.salasartechno.com.

The Company is committed to operate and grow its business in a socially responsible way. The core values strengthening your Company's business actions comprise of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.

The company require to spent an amount of Rs. 52.41 Lakh in CSR activities, out of which the Company has spent Rs. 16.50 Lakh during the Financial Year 2018-19 and Rs. 35.91 Lakh remain unspent at the end of the year. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been made as per 'Annexure-H'.

The Company is in the process of identifying new areas of CSR activities and wants to scale up its CSR activities during the coming years therefore the amount in CSR remain unspent.

28. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

Stakeholder's Relationship Committee has been constituted by the Board in accordance with section 178 of the Companies Act, 2013.

The details regarding composition, terms of reference, power, functions, scope, meetings, attendance of members and the status of complaints received during the year are included in the Corporate Governance Report which forms part of the Annual Report.

INDUSTRIAL RELATIONS

Industrial relations continued to remain cordial throughout the year under review.

29. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The management Discussion and Analysis for the year under review as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report and marked as "Annexure- I".

30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The loans given, investments made and guarantee given & securities provided during the year under review are in compliance with the provisions of the Act and Rules framed thereunder and details thereof are given in the Notes to the Standalone Financial Statements.

31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts/ arrangements/ transactions entered by the Company during the FY 2018-19 with related parties were on an arm's length basis and in the ordinary course of business. The Audit committee grants omnibus approval for the transactions that are in the ordinary course of business and repetitive in nature. For other transactions, the Company obtains specific approval of the Audit Committee before entering into any such transactions. There was only one instance when material related party transactions (RPTs) undertaken by the Company during the year and the Company taken shareholders' approval by way of postal ballot under Regulation 23(4) of the SEBI Listing Regulations read with Section 188 of the Companies Act 2013 (ACT). The approval of the Audit Committee was sought for all RPTs. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Further, disclosure as required under Indian Accounting Standards ("IND AS")- 24 have been made in Note No. 37 to the standalone Financial Statements.

During the FY 2018-19, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees as applicable. The policy on related party transaction, as formulated by the Board is available on the Company's website i.e. www.salasartechno.com under investor tab.

32. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. The Company Secretary interfaces between the management and regulatory authorities for governance matters.

33. ROLE OF THE CHIEF FINANCIAL OFFICER (KMP)

During the year under review, Your Company designated Mr. Pramod Kumar Kala, a key employee of the Company as Chief Financial Officer-Cum-Key Managerial Personnel of the Company who plays a pivotal role in ensuring the compliance of applicable accounting procedures, taxation aspects and administrative policies are followed and regularly reviewed. The Chief Financial Officer-Cum-Key Managerial Personnel ensures that all relevant information pertaining to accounting policy including details and documents are made available to the Directors for taking effective decision-making at the meetings.

34. RISK MANAGEMENT POLICY

The Company has adopted the measures concerning the development and implementation of a Risk Management System in terms of Section 134(3)(n) of the Companies Act, 2013 after identifying the elements of risks which in the opinion of the Board may threaten the very existence of the Company itself. The Company has an elaborate Risk Management process of identification, assessment and prioritization of risk followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Risk Management procedure is reviewed by the Audit Committee from time to time, to ensure that the executive management controls risks through means of a properly defined framework. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

During the year under review, the Company has not received any complaint under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee under the aforesaid Act is yet to be constituted. The Board is making its effort to identify third-party representative from an NGO/an agency conversant with the subject and having experience in social service or be familiar with labour, service, civil or criminal law.

36. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief of the Directors of the Company and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013.:

- (a) In the preparation of the annual accounts for the financial year 2018-19, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies, 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 at the end of the financial year 2018-19 and of the profit and loss of the company ended on that date;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

36. ACKNOWLEDGEMENTS

The Directors acknowledge with sincere gratitude, the cooperation and help extended by all the stakeholders of your Company including its esteemed shareholders, government departments and agencies, financial institutions and banks, customers, vendors and employees.

37. ANNEXURES

The following annexures form part of this Report:

- a. Dividend Distribution Policy- Annexure 'A'
- b. Corporate Governance Report- Annexure 'B'
- c. Details of Financial of Joint Ventures and Associates- Annexure 'C'
- d. Secretarial Audit Report- Annexure 'D'
- e. Extract of Annual Return- Annexure 'E'
- f. Information under sub-rule (1) of Rule 5 of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014-Annexure 'F'
- g. Nomination and Remuneration Policy- Annexure- 'G'
- h. Corporate Social Responsibility Report-Annexure 'H'
- i. Management Discussion and Analysis Report-Annexure 'I'

For and on behalf of the Board of Directors For Salasar Techno Engineering Limited

**Chairman and
Managing Director**
Alok Kumar
DIN NO. 01474484
KL-46, Kavi Nagar
Ghaziabad-201001
Uttar Pradesh

Jt. Managing Director
Shashank Agarwal
DIN:00316141
B-166, Sector-50
Gautam Budh Nagar
Noida 201301 UP

Date : 14.08.2019
Place : New Delhi

ANNEXURES TO THE BOARD'S REPORT**ANNEXURE- 'A'****DIVIDEND DISTRIBUTION POLICY****DIVIDEND DISTRIBUTION POLICY****INTRODUCTION**

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prescribed Listed Companies are required to frame a Dividend Distribution Policy.

PURPOSE

The purpose of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

AUTHORITY

This Policy has been adopted by the Board of Directors of Salasar Techno Engineering Limited ('the Company').

FORMS OF DIVIDENDS

The Companies Act provides for two forms of Dividend:

1. Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Process for approval of payment of Final Dividend:

- Board to recommend quantum of Final Dividend payable to Shareholders in its meeting in line with this policy;
- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual general Meeting;
- Once in financial year.

2. Interim Dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy. The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results. This would be in order to supplement the annual dividend or to reward shareholders in exceptional circumstances.

Process for approval of payment of Interim Dividend:

- Board may declare Interim Dividend at its complete discretion in line with this policy;
- Based on profits arrived at as per quarterly (or half-yearly) financial statements including exceptional items;
- One or more times in a financial year.

QUANTUM OF DIVIDEND AND DISTRIBUTION

Dividend payout in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company's future growth. In line with the past practice, the payout ratio is expected to grow in accordance with the profitable growth of the Company under normal circumstances.

DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of-

- 1) Current financial year's profit:
 - a) after providing for depreciation in accordance with law;
 - b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
- 2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or
- 3) out of 1) & 2) both.

The circumstances under which shareholders may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not limited to, the following:

- a. Due to operation of any other law in force;
- b. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- c. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders and
- d. Due to any default on part of the company.

FACTORS AFFECTING DIVIDEND DECLARATION:

The Dividend pay-out decision of any company, depends upon certain external and internal factors-

External Factors:

1. *Legal/ Statutory Provisions and Regulatory concern:* The Board should keep in mind the restrictions imposed by Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.
2. *State of Economy:* The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.
3. *Nature of Industry:* The nature of industry in which a company is operating, influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.
4. *Taxation Policy:* The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.
5. *Capital Markets:* In case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

Internal Factors:

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include-

1. **Magnitude and Stability of Earnings:** The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the company.
2. **Liquidity Position:** A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.
3. **Future Requirements:** If a company foresees some profitable investment opportunities in near future including but not limited to Brand/ Business Acquisitions, Expansion / Modernization of existing businesses, Additional investments in subsidiaries/associates of the Company, Fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.
4. Leverage profile and liabilities of the Company.
5. Any other factor as deemed fit by the Board.

RETAINED EARNINGS

The portions of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the company and maintaining adequate liquidity levels.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE

The Company does not have different classes of shares and follows the 'one share, one vote' principle.

REVIEW & AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Management Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

'Annexure- B'
REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), but also several inherent core values at a superior level of business ethics, effective supervision and enhancement of shareholders' value. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations.

The Company believes that timely disclosures, transparent accounting policies and a strong independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

Your Company is fully compliant with all the provisions of Companies Act, 2013, Listing Regulations and other applicable rules & bye laws. The details of Compliances are as follows:-

2. BOARD OF DIRECTORS

A. Composition of Board:-

- i) As on March 31, 2019, the Company has Eight Directors. Out of the Eight Directors four are Executive Directors and four are Non-Executive Independent Directors. The board of the Company duly constituted as per the requirements of Companies Act, 2013 read with rule made thereunder and Listing Regulations. The composition and category of Directors of the Company are as follows:

Name of Director(s)	Designation	Category
Mr. Alok Kumar	Managing Director	Promoter-Executive
Mr. Shashank Agarwal	Jt. Managing Director	Promoter-Executive
Mr. Shalabh Agarwal	Whole Time Director	Promoter-Executive
Ms. Tripti Gupta	Whole Time Director	Promoter-Executive
Mr. Anil Kumar Jain	Independent Director	Non-Executive/Independent
Mr. Sanjay Chandak	Independent Director	Non-Executive/Independent
Mr. Vijay Kumar Jain	Independent Director	Non-Executive/Independent
Mr. Amit Jain	Independent Director	Non-Executive/Independent

- ii) All the Directors have given disclosures of interest as required in the Companies Act, 2013 and rules made thereunder.
- iii) Except Mr. Shashank Agarwal & Mr. Shalabh Agarwal who are related to each other as Brothers and Mr. Alok Kumar & Ms. Tripti Gupta who are related to each other as Father and Daughter, none of the Directors of our Company are related to each other.
- iv) As per the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, all the Independent Directors on the Company's Board are Non-Executive.

B. Details of Board Meetings held during the year ended 31st march 2019:-

The Board of Directors met 4 (Four) times during the Financial Year 2018-19. The details of the meetings of the Board of Directors held during the year are as follows:

Sl. No.	Date of Meeting	No. of Directors present
1.	22.05.2018	8
2.	14.08.2018	7
3.	05.11.2018	5
4.	09.02.2019	4

- As stipulated, the gap between two consecutive Board Meetings did not exceed One Hundred and Twenty Days.

C. Attendance at Board Meeting and Last AGM:-

During the Financial Year 2018-19, 4(Four) Board Meeting were held and all the meeting of the Board were convened as per the requirements of Companies Act and other applicable laws. Director’s attendance at the Board Meeting and in the last AGM is as follows:-

Name of Director(s)	No. of Board Meetings attended	Last AGM attended
Mr. Alok Kumar	4	Yes
Mr. Shashank Agarwal	4	Yes
Mr. Shalabh Agarwal	2	Yes
Ms. Tripti Gupta	2	Yes
Mr. Anil Kumar Jain	4	Yes
Mr. Sanjay Chandak	1	No
Mr. Vijay Kumar Jain	4	Yes
Mr. Amit Jain	3	No

D. Number of other Board of Directors or committees in which Director is a member or chairperson:-

Detail of other directorship in other Companies and chairmanship/membership in other Committees are as follows:-

Name of Director (s)	No. of other Directorships and Committee Memberships/Chairmanships		
	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Alok Kumar	1	-	-
Mr. Shashank Agarwal	2	2	-
Mr. Shalabh Agarwal	2	1	-
Ms. Tripti Gupta	-	2	1
Mr. Anil Kumar Jain	2	2	2
Mr. Sanjay Chandak	-	3	1
Mr. Vijay Kumar Jain	1	2	-
Mr. Amit Jain	2	1	-

E. Details of Shareholding of Directors are as under:-

The details of Shareholding of Directors in the Company are as under:-

Sl. No.	Name of Director	Shareholding
1.	Mr. Alok Kumar	894000
2.	Mr. Shashank Agarwal	710592
3.	Mr. Shalabh Agarwal	1280592
4.	Ms. Tripti Gupta	400000
5.	Mr. Anil Kumar Jain	Nil
6.	Mr. Sanjay Chandak	Nil
7.	Mr. Vijay Kumar Jain	Nil
8.	Mr. Amit Jain	Nil

F. Familiarization Programme for Directors:-

Upon appointment of new Independent Director, the Company undertakes an orientation exercise to familiarize the Director about the Company’s Business operations, products, corporate objectives, financial performance, management structure, compliance etc., apart from explaining him/her about his/her role, responsibility, rights and duties. In order to familiarize the Independent Directors with the business of

the Company. The details of such programmes imparted to Independent Directors are available on the Company's website: www.salasartechno.com in the tab of investors.

G. Skill/Expertise/Competence of the Board of Directors

In the context of the business of the Company, your Board always recognize that a appropriate mix of skills/ expertise/ competencies that are required by the Company to work effectively. This includes experience, knowledge of the Sugar industry, technical skills & specialist knowledge in various other areas which are essential for smooth working of the Company. The Board is of the opinion that all the Board members have significant experience and expertise in the Sugar Industry and are having skills in the areas of corporate governance, planning, finance and investor relations. The Company working has significantly improved from the clear vision and guidance provided by the Directors of the Company.

H. The Board is of the opinion that all Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and are independent of the management.

I. During the year under review, none of the Independent Directors resigned from the Board of the Company.

3. BOARD COMMITTEES

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The Board has established various committees such as Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Finance Committee.

A. Audit Committee:-

(i) Terms of Reference:-

The scope of functions and terms of references of the Audit Committee are as prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The terms of reference of the Audit Committee includes the following:

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

8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same exists.
19. Approval of appointment of CFO or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Composition, Name of Members and Chairman:-

The Audit Committee presently comprises of four members with three Independent Directors and One Executive Director. Mr. Anil Kumar Jain (independent Director) is the Chairman of the Committee. All the members are financially literate and possess sound knowledge of accounts, audit, finance etc.

The following directors are the present members of the Audit Committee:-

Sl. No.	Name	Category
1.	Mr. Anil Kumar Jain	Chairman (Independent Director)
2.	Mr. Sanjay Chandak	Independent Director
3.	Mr. Shashank Agarwal	Executive Director
4.	Mr. Vijay Kumar Jain	Independent Director

(iii) Meeting and attendance:-

During the year under review, 4(Four) meetings of the Audit Committee were held on May 22, 2018, August 14, 2018, November 05, 2018 and February 09, 2019. The requisite quorum was present at all the meetings.

Chief Financial Officer is a permanent invitee of the Audit Committee Meetings and Mr. Rahul Rastogi Company Secretary acts as a secretary to the committee.

B. Nomination and Remuneration Committee:

(i) Terms of Reference

The Nomination and Remuneration Committee has been constituted pursuant to the provisions of Section 178 of the Companies Act, 2013, and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Terms of reference, Powers & Obligations of the committee are given below:

Role of Nomination and Remuneration Committee are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

(ii) Composition, Name of Members and Chairman:-

The following Directors are the present members of Nomination and Remuneration Committee:-

Sl. No.	Name	Category
1.	Mr. Anil Kumar Jain	Chairman (Independent Director)
2.	Mr. Vijay Kumar Jain	Independent Director
3.	Mr. Amit Jain	Independent Director

(iii) Meeting and attendance:-

During the year under review, 3(three) meetings of the Nomination and Remuneration Committee were held on May 22, 2018, August 14, 2018 and February 09, 2019. The requisite quorum was present at all the meetings.

Mr. Rahul Rastogi Company Secretary acts as a secretary to the committee.

(iv) Mechanism for Evaluation of Board, Committees and Individual Directors:-

The Nomination and remuneration committee during the year has done the performance evaluation of every Director on the Board, including the Executive and Independent Directors. The criteria which

was selected by the Nomination and Remuneration Committee for evaluation includes attendance and preparedness for the meetings, contribution at meetings, effective decision making ability and providing strategic perspective. The committee also considered involvement of each director in their respective meetings and decision making thereof. The committee also take parameters such as attendance, level of engagement and contribution, independence of judgment, completion challenges and meeting the risk management compliances and due diligence, financial control, safeguarding the interest of the Company and its minority-shareholders.

The performance evaluation was carried out by the committee as per the criteria framed by it. The criteria framed by Nomination and remuneration committee were also duly adopted by the Board. The committee is also reviewed the declaration received from the independent Directors of the Company and confirmed that none of the directors become disqualified under the Companies Act, 2013, rules made thereunder and under Listing Regulations. The report on performance evaluation as prepared by the committee was submitted to the Board for adoption.

(v) Remuneration Policy and other terms of appointment Directors:

The Company has in place of remuneration policy which is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The Managing Directors and Whole Time Directors are the Executive Directors on the board.

The Company has not paid any sitting fees to Executive Directors for any Board/Committee Meetings attended by them. All Non-Executive Directors were paid sitting fees for the Board/Committee Meeting attended by them. Apart from sitting fees they don't have any pecuniary relationship or transactions with the Company.

Details of remuneration paid/payable to Managing Directors, Whole Time Directors and all other Non-Executive Directors of the Company for the Financial Year ended 31st March, 2019 are as under:-

(Rs. In Lakh)

SI No	Name of the Directors	Salary	Perquisites/ Benefits	Commission/ Bonus	Sitting Fee	Total (Rs.)	Service Contracts
1.	Mr. Alok Kumar	72.60	-	-	-	72.60	Appointed as Managing Director upto the AGM to be held in the year 2020
2.	Mr. Shashank Agarwal	66.00	-	-	-	66.00	Appointed as Managing Director upto the AGM to be held in the year 2022
3.	Mr. Shalabh Agarwal	52.80	-	-	-	52.80	Appointed as Whole Time Director upto the AGM to be held in the year 2020
4.	Ms. Tripti Gupta	46.20	-	-	-	46.20	Appointed as Whole Time Director upto the AGM to be held in the year 2020
5.	Mr. Anil Kumar Jain	-	-	-	0.75	0.75	Appointed as Independent Director upto the AGM to be held in the year 2021
6.	Mr. Sanjay Chandak	-	-	-	0.15	0.15	Appointed as Independent Director upto the AGM to be held in the year 2021
7.	Mr. Vijay Kumar Jain	-	-	-	0.85	0.85	Appointed as Independent Director upto the AGM to be held in the year 2021
8.	Mr. Amit Jain	-	-	-	0.55	0.55	Appointed as Independent Director upto the AGM to be held in the year 2021

Disclosures as required under Schedule V of Companies Act, 2013 & SEBI (LODR) Regulations, 2015

- a) There are no benefit given to the Directors except the remuneration paid to Managerial Personnel's and Non-Executive Directors are mentioned above.
- b) There are no notice period and severance fees to the Directors.
- c) There are no performance based incentives given to the directors of the Company.
- d) The Company has not issued any stock options during the Financial year under review.

C. Stakeholder Relationship Committee:

(i) Terms of Reference:-

The Stakeholder Relationship Committee has been constituted pursuant to the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Terms of reference, Powers & Obligations of the committee are given below:

- Redressal of shareholders'/investors' complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015."

(ii) Composition, Name of Members and Chairman:-

The following Directors are the present members of Stakeholders Relationship Committee:-

Sl. No.	Name	Category
1.	Mr. Sanjay Chandak	Chairman (Independent Director)
2.	Ms. Tripti Gupta	Executive Director
3.	Mr. ShalabhAgarwal	Executive Director

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company.

(iii) Meeting and attendance:-

During the year under review, 1(One) meeting of the Stakeholders Relationship Committee were held on February 18, 2019. The requisite quorum was present at all the meetings.

Mr. Rahul Rastogi Company Secretary acts as a secretary to the committee.

During the year 2018-19, no complaint was received from Shareholders and there were no pending complaints as on 31st March, 2019. Other details pertaining to the Stakeholders Committee are given below:

a)	Name of Chairman heading the Committee	Mr. Sanjay Chandak (Non Executive Independent Director)
b)	Name & Designation of Compliance Officer	Mr. Rahul Rastogi (Company Secretary)
c)	Number of shareholders' complaints received so far	NIL
d)	Number not solved to the satisfaction of shareholders	NIL
e)	Number of pending complaints	NIL

D. Corporate Social Responsibility Committee:

(i) Terms of Reference:-

The Corporate Social Responsibility Committee has been constituted pursuant to the provisions of Section 135 of the Companies Act, 2013. Terms of reference, Powers & Obligations of the committee are given below:

- a) To formulate and to recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Scheduled VII;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a)
- c) Monitor the Corporate Social Responsibility policy of our Company from time to time.

(ii) Composition, Name of Members and Chairman:-

The following Directors are the present members of Corporate Social Responsibility Committee:-

Sl. No.	Name	Category
1.	Ms. Tripti Gupta	Chairman (Executive Director)
2.	Mr. Sanjay Chandak	Independent Director
3.	Mr. Shashank Agarwal	Executive Director

(iii) Meeting and attendance:-

During the year under review, 1(one) meeting of the Corporate Social Responsibility Committee were held on February 18, 2019. The requisite quorum was present at all the meetings.

Mr. Rahul Rastogi Company Secretary acts as a secretary to the committee.

CSR policy was adopted by the Board on the recommendation of CSR committee. As per rule 9 of Companies (CSR policy) Rules, 2014 the CSR policy is available on the website of the Company at www.salasartechno.com under the tab of investor.

4. SUBSIDIARY COMPANIES

As on March 31, 2019 the Company neither has any Indian nor Foreign Subsidiary Company.

Name of the companies which have ceased to be subsidiaries during the year

Wholly own Subsidiary Salasar Stainless Limited merged with the Company with effect From January 09, 2019.

5. GENERAL BODY MEETINGS

- a) Details of last three Annual General Meetings and Special Resolutions passed therein:

Meeting	Date	Venue of AGM	Time	Special Resolution passed
15 th AGM	30 th September, 2016	C-211, II nd Floor, C-Block, Narwana Apartment, I.P. Extn. Patparganj, Delhi-110092	05:00 p.m.	No Special Resolution passed
16 th AGM	19 th July, 2017	E-20, South Extension, New Delhi- 110049	10:00 a.m.	No Special Resolution passed
17 th AGM	28 th , September 2018	J. P. Hotel and Resorts, 6B, Patparganj I.P Extension, NH-24, Behind CNG Petrol Pump, New Delhi- 110092	10:00 a.m.	No Special Resolution passed

b) Resolution passed through Postal Ballot

There were no special resolutions proposed to be passed through Postal Ballot during the last year or at the forthcoming AGM, although during the year the Company had passed Ordinary Resolution through Postal Ballot for entering into material related party transactions.

Further, Hon'ble National Company Law Tribunal Convened Equity Shareholders, Secured and Un-Secured Creditors Meeting

Equity Shareholders, Secured and Un-secured Creditors Meeting was convened during the financial year, pursuant to the Order of the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench dated July 07, 2018, vide its order dated by May 14, 2018 in the matter of the Scheme of Merger and Arrangement between Salasar Stainless Limited and Salasar Techno Engineering Limited and their respective Shareholders ("Scheme"). The details of this meeting are as given below:

Date of Meeting	Resolution	Outcome	Venue & Time
July 07, 2018	To approve the Scheme of Merger and Arrangement between Salasar Stainless Limited and Salasar Techno Engineering Limited and their respective Shareholders under Sections 230 to 232 and other applicable provisions of the Act	Resolution was passed by requisite majority of stakeholders, that is, 20% of the value as per the order dated 14 th May, 2018	'The Pearl Banquets', 21, Shivaji Marg, Main Najafgarh Road, Opposite DLF Commercial Tower, Moti Nagar, New Delhi-110 015 at 11:00 a.m.

6. Means of Communication

The Company from time to time and as may be required, communicates with its investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, the Annual Reports, Press Releases and uploading relevant information on its website.

The Company is publishing quarterly unaudited/ annual audited financial results, notice, advertisement and other official news in the "Business Standard" and "Economic Times" (Vernacular language) regularly. The results have also displayed/uploaded on the Company's Website: www.salasartechno.com

7. GENERAL SHAREHOLDER INFORMATION

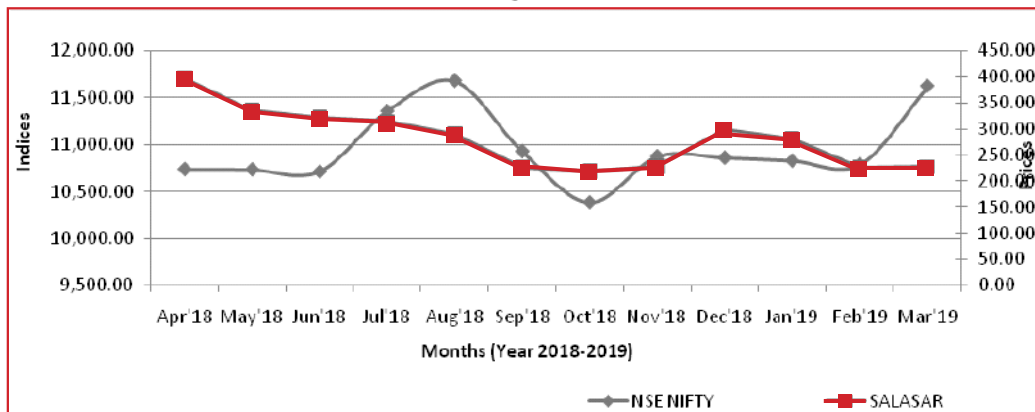
a)	AGM Date, time and venue	28 th September 2019, at 10:30 a.m. at J. P. Hotel and Resorts, 6B, Patparganj I.P Extension, NH-24, Behind CNG Petrol Pump, New Delhi- 110092
b)	Financial Year	01 st April, 2018- 31 st March, 2019
c)	Financial Calendar (Tentative Schedule): First Quarter Results Second Quarter Results Third Quarter Results Results for the year ending March 2020	By Second week of August 2019 By Second week of November 2019 By Second week of February 2020 By the end of May 2020
d)	Book Closure Date	The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, September 21, 2019 to Saturday, September 28, 2019 (both days inclusive) for the purpose of 18 th AGM and for payment of Dividend for the Financial Year 2018-19
e)	Dividend Payment Date	The Dividend if declared at Annual General Meeting shall be paid within 30 days from the date of AGM i.e. September 28, 2019
f)	Listing on Stock Exchange	National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, Bandra - Kurla Complex, Bandra(E), Mumbai- 400001 BSE Limited (BSE) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai- 400001 Note: your Company has already been paid the Listing Fees to both the Stock Exchanges.
g)	Stock Code: National Stock Exchange India Limited BSE Limited	SALASAR 540642

h) Market Price Data for the year 2018-19

- Salasar Share Price versus the NSE NIFTY

Month	SALASAR NSE Price Rs.			NSE NIFTY Price Rs.		
	High	Low	Closing	High	Low	Closing
April 2018	407.90	331.65	397.20	10759.00	10111.30	10739.35
May 2018	399.55	325.30	334.85	10929.20	10417.80	10736.15
June 2018	353.95	300.00	321.05	10893.25	10550.90	10714.30
July 2018	337.00	282.05	313.55	11366.00	10604.65	11356.50
August 2018	319.55	284.50	290.20	11760.20	11234.95	11680.50
September 2018	309.35	210.00	225.25	11751.80	10850.30	10930.45
October 2018	248.00	192.00	218.15	11035.65	10004.55	10386.6
November 2018	264.75	213.80	227.90	10922.45	10341.90	10876.75
December 2018	302.30	216.35	298.00	10963.65	10333.85	10862.55
January 2019	304.00	263.25	279.80	10949.80	10583.65	10830.95
February 2019	291.95	220.35	225.80	11118.10	10585.65	10792.50
March 2019	235.80	182.45	226.50	11630.35	10817.00	11623.90

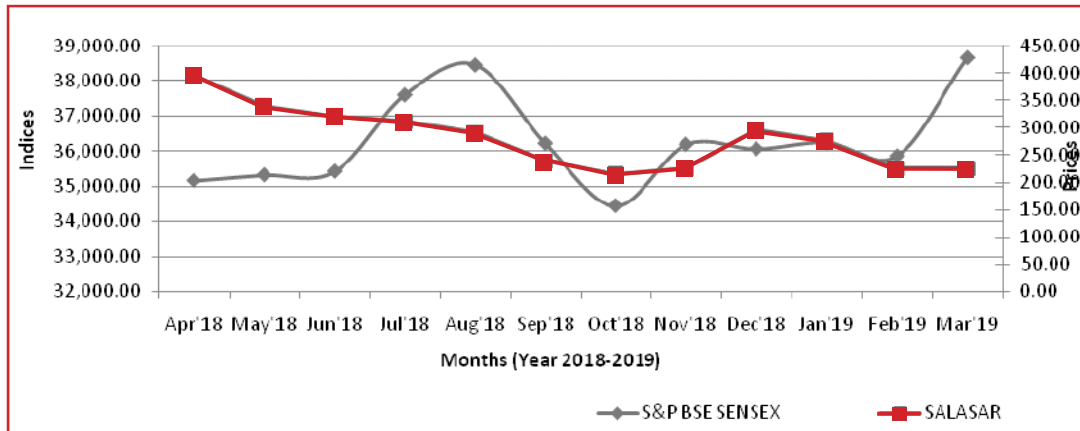
Performance of Company's Equity Share's price in comparison to NSE NIFTY
Salasar Closing Price Vs NIFTY



- Salasar Share Price versus the BSE SENSEX

Month	SALASAR BSE Price Rs.			BSE SENSEX Price Rs.		
	High	Low	Closing	High	Low	Closing
April 2018	409.00	330.00	397.10	35213.30	32972.56	35160.36
May 2018	400.00	330.00	340.65	35993.53	34302.89	35322.38
June 2018	351.00	305.00	321.05	35877.41	34784.68	35423.48
July 2018	349.00	285.70	311.60	37644.59	35106.57	37606.58
August 2018	335.00	281.50	291.00	38989.65	37128.99	38465.07
September 2018	305.30	231.55	238.20	38934.35	35985.63	36227.14
October 2018	251.75	192.15	214.05	36616.64	33291.58	34442.05
November 2018	269.75	213.3	226.40	36389.22	34303.38	36194.30
December 2018	299.90	212.10	296.30	36554.99	34426.29	36068.33
January 2019	300.55	263.40	276.55	36701.03	35375.51	36256.69
February 2019	296.65	220.00	224.55	37172.18	35287.16	35867.44
March 2019	245.00	188.75	224.80	38748.54	35926.94	38672.91

**Performance of Company's Equity Share's price in comparison to BSE Sensex
Salasar Closing Price Vs Sensex**



i)	Suspension from Trading	There was no suspension of Trading of equity shares of the Company ordered by BSE & NSE
j)	Registrar and Share Transfer Agents (for physical & demat shares)	BIGSHARE SERVICES PRIVATE LIMITED 302 Kaushal Bazar, 32-33, Nehru Place, New Delhi- 110019 Tel: 011-42425004 Email id: bssdelhi@bigshareonline.com Website: www.bigshareonline.com
k)	Share Transfer system	Share transfer are registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects.

L) Distribution of Equity Shareholding as on 31st March, 2019.

i) Distribution of shares according to size of holding as on March 31, 2019

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	7630	88.433	8,47,539	6.379
501-1000	494	5.726	3,72,734	2.805
1001-2000	242	2.805	3,47,682	2.618
2001-3000	75	0.869	1,84,795	1.391
3001-4000	33	0.382	1,15,316	0.868
4001-5000	33	0.382	1,54,153	1.160
5001-10000	68	0.789	4,87,652	3.671
10001 & above	53	0.614	1,07,75,393	81.108
Total	8628	100	1,32,85,264	100

ii) Categories of Shareholders as on March 31, 2019

Category	No. of Shares held	% of Shareholding
Promoter and Promoter Group	99,56,300	74.94
Clearing Members	1,33,415	1.00
Other Bodies Corporate	6,02,394	4.53
Financial Institutions/Banks	4,457	0.03
Foreign Institutional Investors	-	-
Mutual Funds	-	-
Non Nationalized Banks	2,414	0.02
General Public	24,34,425	18.32
Non Resident Indians	1,15,137	0.87
Trusts	11,625	0.09
Foreign Portfolio Investors	25,097	0.20
TOTAL	1,32,85,264	100

m)	Dematerialization of Shareholding and liquidity	As on March 31, 2019, 5 Equity Shares of the Company (0.000037% of total issued Equity Capital) were held in physical form and 1,32,85,259 Equity Shares (99.99999% of total Equity Capital) were held in dematerialized form. The shares of the Company are listed on BSE and NSE, which provide sufficient liquidity to the investors.
n)	Dividend	The Board of Directors at their meeting held on May 28, 2019, recommend Dividend payout, subject to the approval of shareholders at the ensuing Annual Genral Meeting of Rs. 1.5/- per share (15%) of face value of Rs. 10/- each, on equity shares of the Company for whole of the Financial year 2018-19. The Dividend will be paid to those members whose names appear as beneficial Owners as per the details to be furnished by National Securities Depositories limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on September 20, 2019. The Dividend if declared at the AGM shall be paid within 30 days from the date of AGM i.e. September 28, 2019
o)	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments	Not Applicable
p)	Commodity price risk or foreign exchange risk	Nil
q)	Plant locations	<p>Unit-I Khasra No. 265, 281-283, Vill- Parsaun-Dasna, P.O.- Jindal Nagar, Distt Hapur- 201313 (U.P.)</p> <p>Unit-II Khasra No. 1184, 1185, Vill-Khera, P.O. Pilkhuwa, Teshil Dhaulana, Distt. Hapur- 245304 (U.P.)</p> <p>Unit-III Khasra No. 686/6, Vill-Khera, P.O. Pilkhuwa, Teshil Dhaulana, Distt. Hapur- 245304 (U.P.)</p>
r)	Address for correspondence	<p>Registrar & Share Transfer Agent (For Dematerialization and Share Transfer related query) BIGSHARE SERVICES PRIVATE LIMITED 302 Kaushal Bazar, 32-33, Nehru Place, New Delhi- 110019 Tel: 011-42425004 Email id: bssdelhi@bigshareonline.com Website: www.bigshareonline.com</p> <p>Company (For Annual Report and any other related matters) Company Secretary, Salasar Techno Engineering Limited E-20, South Extension, New Delhi- 110049</p>
s)	List of Credit Ratings Obtained from Rating Agencies	The Company has been rated 'Care BBB+' for Long Term Borrowing and 'CARE A2' for Short Term Borrowing by CARE ratings. During the Financial Year 2018-19 there is no change in the Ratings already given by the Rating agencies.

8. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository limited (NSDL) and Central Depository Services (India) limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's Shares are listed. The Audit confirms that the total listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

9. INDEPENDENT DIRECTORS

The Board of the Company has been duly constituted with optimum combination of Executive Directors, Non-Executive and Independent Directors. The Board of the Company comprises of following Independent Directors:-

- i. Mr. Anil Kumar Jain
- ii. Mr. Sanjay Chandak
- iii. Mr. Vijay Kumar Jain
- iv. Mr. Amit Jain

Meeting of Independent Directors

As required by the code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a meeting of the Independent Directors of the Company was convened on 18th February, 2019 to overlook and review the performance of Non Independent Directors and of the Board as a whole. In the meeting members has also done performance evaluation of Managing Director of the Company.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

10. Management Discussion and Analysis

A separate chapter on Management Discussion and Analysis is given in this Annual report.

11. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network entity of which the Statutory Auditor is Rs. 2,75,000 p.a.

12. Adoption of Requirements as specified in Part E of Schedule II

As specified in Part E of Schedule II of SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015 following requirement has been adopted by the Company:

- i. The Internal Auditor may report directly to the Audit Committee
- ii. Submission of Financial Statements with Unmodified Audit Opinion.

12. CEO/CFO certification

Mr. Alok Kumar, Managing Director, Mr. Shashank Agarwal, Jt. Managing Director and Mr. Pramod Kumar Kala, Chief Financial Officer, have furnished a certificate relating to financial statements and internal control systems as per the format prescribed under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and the Board took the same on record.

13. Compliance Certification

Compliance Certificate for Corporate Governance obtained from a practicing Company Secretary is annexed herewith.

14. CODE OF CONDUCTS

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given under the head "Investors" on the website of the company i.e. www.salasartechno.com

15. DISCLOSURE

- a) Non-Compliance by the Company, penalties and strictures imposed, if any,-

There have been no instances of non-compliance with any of the legal provisions of law made by the Company nor any penalty or strictures imposed by the stock exchange or SEBI or any other statutory authority on any matter related to the capital markets during the last three years.

b) Vigil Mechanism/Whistle Blower Policy-

The Company has in place of vigil mechanism and whistle blower policy under which employees can report any violations of applicable laws and regulations and the code of conduct of the Company. Vigil Mechanism of the Company provides adequate safeguards against victimization of persons who use such mechanism and no personnel have been denied access to the Audit Committee.

c) Compliance with Governance framework-

The Company has complied with all the mandatory requirements under the SEBI (LODR) Regulations, 2015 of Listing Regulations.

d) Disclosure of Transactions with Related Parties-

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 arm's length basis. During the year under review the Company entered only into one material related party transaction for sale purchase and supply of goods with its Joint Venture.

The Company has in place policy for Related Party Transaction and the same is place on the Company's Website i.e. www.salasartechno.com under the tab of Investors.

e) The Company has duly complied with all the Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) Commodity Price Risk and Commodity hedging activities-

Presently, the Company is not dealing in commodities and commodity hedging activities. So, information pertaining to the disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.

g) Disclosure with respect to demat suspense account/unclaimed suspense account-

The Company does not have any shares in demat suspense account/ unclaimed suspense account.

**For and on behalf of the Board of Directors
For Salasar Techno Engineering Limited**

**Chairman and
Managing Director
Alok Kumar
DIN NO. 01474484
KL-46, Kavi Nagar
Ghaziabad-201001
Uttar Pradesh**

**Jt. Managing Director
ShashankAgarwal
DIN:00316141
B-166, Sector-50
GautamBudh Nagar
Noida 201301 UP**

Date : 14.08.2019

Place : New Delhi

CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
Salasar Techno Engineering Limited
E-20, South Extension
New Delhi- 110049**

We have examined the compliance of conditions of Corporate Governance by Salasar Techno Engineering Ltd. for the financial year ended on 31st March, 2019 as stipulated in Regulation 27(1) & (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (earlier Clause 49 of the Listing Agreement).

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

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

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

**For Deepika Madhwal & Associates
Company Secretary
Membership No: 31234
Place: Ghaziabad
Date : 14th August, 2019**

DECLARATIONS
Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all Board Members and Senior Management personnel have affirmed compliance with Salasar Techno Engineering Limited code of business conduct and ethics for the year ended March 31, 2019.

For Salasar techno Engineering Limited

Date : 14.08.2019

Place: New Delhi

Alok Kumar

Managing Director

DIN: 01474484

CEO/CFO CERTIFICATION- FINANCIAL YEAR ENDED 31.03.2019
[Pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015]

We, Alok Kumar, Managing Director, Shashank Agarwal, Jt. Managing Director & Pramod Kumar Kala, Chief Financial Officer of Salasar techno Engineering Limited hereby certify that :-

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, we state that:
 - 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) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintain internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicating to the Auditors and the Audit Committee:
 - i) significant changes, if any, in internal control over financial reporting during the year.
 - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instance of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Salasar Techno Engineering Limited

(Alok Kumar)
Managing Director
DIN: 01474484

(ShashankAgarwal)
Jt. Managing Director
DIN: 00316141

(Pramod Kumar Kala)
Chief Financial Officer
PAN: AALPK4692F

ANNEXURE-C
Details of Joint Venture as per AOC-1:

(Rs. In Lakh)

		Sikka-Salasar-JV	Salasar-HPL-JV
1	Name of the Joint venture	Sikka-Salasar-JV	Salasar-HPL-JV
2	Reporting period for the Joint Venture- Latest Audited Balance sheet date	31.03.2019	31.03.2019
3	Shares of the Joint Venture held by the Company	NIL	Nil
	Number	-	-
	Amount	0.49	0.10
	Extent of % of holding	49%	100%
4	Reserves & surplus	(191.81)	32.21
5	Total assets	3813.04	842.84
6	Total Liabilities	3813.04	842.84
7	Investments	Nil	Nil
8	Turnover	4227.06	721.30
9	Profit before taxation	(69.37)	46.81
10	Provision for taxation	NIL	14.61
11	Profit after taxation	(69.37)	32.20
12	Proposed Dividend	NIL	NIL

**For and on behalf of the Board of Directors
For Salasar Techno Engineering Limited**

**Chairman and
Managing Director
Alok Kumar
DIN NO. 01474484
KL-46, Kavi Nagar
Ghaziabad-201001
Uttar Pradesh**

**Jt. Managing Director
ShashankAgarwal
DIN:00316141
B-166, Sector-50
GautamBudh Nagar
Noida 201301 UP**

**Date : 14.08.2019
Place: New Delhi**

ANNEXURE- 'D' FORM NO. 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
Salasar Techno Engineering Limited
CIN: L23201DL2001PLC174076
E- 20, South Extension- I
New Delhi- 110049

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practiced by **Salasar Techno Engineering 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 my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period ended on 31 March 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 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 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period);**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period under review);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable to the Company during the Audit Period under review);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period under review);**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period under review); and**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period under review);**

Other laws applicable specifically to the Company, namely:

- a. Labour laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.
- b. Acts prescribed under Environmental Protection
- c. Acts as prescribed under Direct Tax and Indirect Tax
- d. Labour Welfare Act of respective States
- e. Laws prescribed under Trademarks, Copyright and Patent Acts
- f. Local Laws as applicable to various offices and plants
- g. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
- h. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
- i. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
- j. Factories Act, 1948 and allied State Laws.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings;
- b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that based on review of compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that as per the requirements of Companies Act, 2013 and applicable rules and regulations/guidelines, the Company has formulated and adopted various policies including:-

- a. Corporate Social Responsibility policy;
- b. Code of conduct for Board of Directors and senior management;
- c. Dividend Distribution Policy
- d. Criteria for making payment to Non-Executive Directors;
- e. Policy on materiality of Related party Transactions and on dealing with Related party Transactions;
- f. Policy for determining material subsidiaries;
- g. Role of Independent Directors and terms & conditions for their appointment;
- h. Vigil Mechanism/Whistle Blower policy;

and have placed them on the website of the Company wherever needed.

We further report that during the audit period the Company the Company held Equity Shareholders, Secured and Un-secured Creditors Meeting, pursuant to the Order of the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench dated July 07, 2018, vide its order dated by May 14, 2018 in the matter of the Scheme of Merger and Arrangement between Salasar Stianless Limited and Salasar Techno Engineering Limited and their respective Shareholders ("Scheme").

The Wholly own Subsidiary Salasar Stainless Limited merged with the Company with effect From January 09, 2019 and consequently Authorized Share Capital of your Company increased from 14 Crore to 20.50 Crore.

We further report that except Merger/Amalgamation the Company has not taken any major activities during the year like;

- (i) Public/Right/Preferential issue of shares/debentures/ borrowing/sweat equity/ESOP etc.
- (ii) Redemption/ buy-back of securities
- (iii) Major decisions has not been taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Foreign technical collaborations/Joint Ventures etc.

For Deepika Madhwal & Associates

Company Secretary

Membership No: 31234

Place : Ghaziabad

Date : 14th August, 2019

Annexure - A

[Annexure to the Secretarial Audit Report of Salasar Techno Engineering Limited for the Financial Year ended 31st march, 2019]

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 not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
3. 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 the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provided a reasonable basis for our opinion.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to verification of procedure on test basis.
5. Wherever required, we have obtained the management representation about the Compliance of Laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted affairs of the Company.

For Deepika Madhwal & Associates

Company Secretary

Membership No: 31234

Place : Ghaziabad

Date : 14th August, 2019

ANNEXURE- 'E'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Company Name	Salasar Techno Engineering Limited
CIN	L23201DL2001PLC174076
DOI	24 th October 2001
Category/Sub Category of the Company	Public Company Limited by shares
Address of Registered Office and contact details	E-20, South Extension I, New Delhi-110049 Email: compliance@salasartechno.com towers@salasartechno.com PH: 0120-6546670 Website: www.salasartechno.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Big Share Services Pvt Ltd 302 Kaushal Bazar, 32-33, Nehru Place, New Delhi-110019 Tel: 011-42425004

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing and trading in Steel items	25112	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Applicable Section
1	Salasar Stainless limited. (Merged with Salasar Techno Engineering Limited w.e.f 09.01.2019)	U27205DL2010PLC201399	Wholly owned Subsidiary	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2018]				No. of Shares held at the end of the year [As on 31 st March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	5165000	-	5165000	38.877	5165000	-	5165000	38.877	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4791300	-	4791300	36.065	4791300	-	4791300	36.065	

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2018]				No. of Shares held at the end of the year [As on 31 st March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	9956300	-	9956300	74.942	9956300	-	9956300	74.942	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	9956300	-	9956300	74.942	9956300	-	9956300	74.942	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	53291	-	53291	0.401	6871	-	6871	0.052	-0.349%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	99640	-	99640	0.75	25097	-	25097	0.19	-0.56%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	152931	-	152931	1.151	31968	-	31968	0.242	-0.909%
2. Non-Institutions									
a) Bodies Corp.	356833	-	356833	2.686	602394	-	602394	4.53	1.844%
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2109070	5	2109075	15.875	2221375	5	2221380	16.72	0.845%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2018]				No. of Shares held at the end of the year [As on 31 st March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	310296	-	310296	2.336	213045	-	213045	1.60	-0.736%
c) Others (HUF)	-	-	-	-	-	-	-	-	-
Non Resident Indians	112899	-	112899	0.85	115137	-	115137	0.87	0.02%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	276805	-	276805	2.083	133415	-	133415	1.00	-1.083%
Trusts	10125	-	10125	0.076	11625	-	11625	0.09	0.014%
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3176033	-	3176033	23.906	3296991	5	3296996	24.82	0.914%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3328959	5	3328964	25.057	3328959	5	3328964	25.057	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13285259	5	13285264	100%	13285259	5	13285264	100%	-

(ii) Shareholding of Promoter-

A. PROMOTERS

SN	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018			Shareholding at the end of the year i.e. 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr.Alok Kumar	894000	6.729	-	894000	6.729	-	
2	Mr. Shalabh Agarwal	1280592	9.639	-	1280592	9.639	-	
3	Mr. Gyanendra Kumar Agarwal	293816	2.212	-	293816	2.212	-	
4	Ms.Tripti Gupta	400000	30.11	-	400000	3.011	-	

(B) PROMOTER GROUP (RELATIVES & ASSOCIATES)

SN	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018			Shareholding at the end of the year i.e. 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Alok Kumar HUF	20000	0.150	-	20000	0.150	-	
2.	Mrs. Kamlesh Gupta	500000	3.764	-	500000	3.764	-	
3.	Mr. Shashank Agarwal	710592	5.349	-	710592	5.349	-	
4.	Mrs. Taru Agarwal	8000	0.060	-	8000	0.060	-	
5.	Mrs. Mithilesh Agarwal	204000	1.536	-	204000	1.536	-	
6.	Mrs. Anshu Agarwal	578000	4.351	-	578000	4.351	-	
7.	Mr. Shikhar Gupta	276000	2.077	-	276000	2.077	-	
8.	Hill View Infrabuild Limited	2874300	21.635	-	2874300	21.635	-	
9.	Base Engineering Private Limited	466000	3.508	-	466000	3.508	-	
10.	More Engineering Private Limited	466000	3.508	-	466000	3.508	-	
11.	Shikhar Fabtech Private Limited	985000	7.414	-	985000	7.414	-	

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

SN	Name of Promoter	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total Shares of the company
1	Mr. Alok Kumar	No Change during the year			
	At the beginning of the year				
	At the end of the year				
2	Mr. Shalabh Agarwal	No Change during the year			
	At the beginning of the year				
	At the end of the year				
3	Mr. Gyanendra Kumar Agarwal	No Change during the year			
	At the beginning of the year				
	At the end of the year				
4	Ms. Tripti Gupta	No Change during the year			
	At the beginning of the year				
	At the end of the year				
5	Alok Kumar HUF	No Change during the year			
	At the beginning of the year				
	At the end of the year				
6	Mrs. Kamlesh Gupta	No Change during the year			
	At the beginning of the year				
	At the end of the year				

7	Mr. Shashank Agarwal	No Change during the year
	At the beginning of the year	
	At the end of the year	
8	Mrs. Taru Agarwal	No Change during the year
	At the beginning of the year	
	At the end of the year	
9	Mrs. Mithilesh Agarwal	No Change during the year
	At the beginning of the year	
	At the end of the year	
10	Mrs. Anshu Agarwal	No Change during the year
	At the beginning of the year	
	At the end of the year	
11	Mr. Shikhar Gupta	No Change during the year
	At the beginning of the year	
	At the end of the year	
12	Hill View Infra Build Limited	No Change during the year
	At the beginning of the year	
	At the end of the year	
13	Base Engineering Private Limited	No Change during the year
	At the beginning of the year	
	At the end of the year	
14	More Engineering Private Limited	No Change during the year
	At the beginning of the year	
	At the end of the year	
15	ShikharFabtech Private Limited	No Change during the year
	At the beginning of the year	
	At the end of the year	

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Edelwiss Custodial Services Limited				
	At the beginning of the year	72,011	0.54%	27,080	0.20%
	At the end of the year	-	-	99,091	0.74%
2	IL & FS Securities Services Limited				
	At the beginning of the year	47,959	0.36%	29,504	0.22%
	At the end of the year	-	-	77,463	0.58%
3	Vallabhdas C Thakkar				
	At the beginning of the year	-	-	50,000	0.38%
	At the end of the year	-	-	50,000	0.38%
4	Nilgiri Marketing Private Limited				
	At the beginning of the year	50,000	0.38%	-10,000	-0.08%
	At the end of the year	-	-	40,000	0.30%

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	NidhiBiyani				
	At the beginning of the year	30092	0.23%	-	-
	At the end of the year	-	-	30092	0.23%
6.	Shri Parasram Holdings Private Limited				
	At the beginning of the year	-	-	30,000	0.23%
	At the end of the year	-	-	30,000	0.23%
7.	Puja Kothari				
	At the beginning of the year	-	-	29,000	0.22%
	At the end of the year	-	-	29,000	0.22%
8.	Ajit Kumar Jain				
	At the beginning of the year	-	-	26,000	0.20%
	At the end of the year	-	-	26,000	0.20%
9.	Adheesh Kabra				
	At the beginning of the year	-	-	25,000	0.19%
	At the end of the year	-	-	25,000	0.19%
10.	Globe Capital Market Limited				
	At the beginning of the year	-	-	22,661	0.17%
	At the end of the year	-	-	22,661	0.17%

v) Shareholding of Directors and Key Managerial Personnel:

SN	Name of Promoter	Shareholding at the beginning of the year i.e. 01.04.2018		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Alok Kumar				
	At the beginning of the year	894000	6.729	-	-
	At the end of the year	-	-	894000	6.729
2	Mr. Shalabh Agarwal				
	At the beginning of the year	1280592	9.639	-	-
	At the end of the year	-	-	1280592	9.639
3	Mr. Shashank Agarwal				
	At the beginning of the year	710592	5.349	-	-
	At the end of the year	-	-	710592	5.349
4	Ms. Tripti Gupta				
	At the beginning of the year	400000	3.011	-	-
	At the end of the year	-	-	400000	3.011

V) INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			-	
i) Principal Amount	9,524.23	1,378.12	-	10,902.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,524.23	1,378.12	-	10,902.35
Change in Indebtedness during the financial year				
* Addition	3,958.71	166.73		4,125.44
* Reduction	-	-	-	-
Net Change	3,958.71	166.73	-	4,125.44
Indebtedness at the end of the financial year				
i) Principal Amount	13,482.94	1,544.85		15,027.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	13,482.94	1,544.85		15,027.79

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

(Rs. In Lakh)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Alok Kumar (Managing Director)	Mr. Shashank Agarwal (Jt. Managing Director)	Mr. Shalabh Agarwal (Whole time Director)	Ms. Tripti Gupta (Whole time Director)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.60	66.00	52.80	46.20	237.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	72.60	66.00	52.80	46.20	237.60
Ceiling as per the act		Rs. 359.157 Lakh (10% of profit as per u/s 198)				

B. Remuneration to other directors

(Rs. In Lakh)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Anil Kumar Jain	Sanjay Chandak	Vijay Kumar Jain	Amit Jain	
1	Independent Directors					
	Fee for attending board committee meetings	0.75	0.15	0.85	0.55	2.55
	Commission	-	--	--	-	-
	Others, please specify	-	--	--	-	-
	Total (1)	0.75	0.15	0.85	0.55	2.55
2	Other Non-Executive Directors	-	--	--	-	-
	Fee for attending board committee meetings	-	--	--	-	-
	Commission	-	--	--	-	-
	Others, please specify	-	--	--	-	-
	Total (2)	-	--	--	-	-
	Total (B)=(1+2)	0.75	0.15	0.85	0.55	2.55
	Overall Ceiling as per the Act	Only Sitting fees paid to Non-Executive Independent Directors				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/Manager/WTD. (Rs. In Lakh)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		Rahul Rastogi (CS)	Kamlesh Kumar Sharma (CFO)	Pramod Kumar Kala (CFO)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.40	9.60	5.32	20.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	5.40	9.60	5.32	20.32

IX. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

**For and on behalf of the Board of Directors
For Salasar Techno Engineering Limited**

**Chairman and
Managing Director
Alok Kumar
DIN NO. 01474484
KL-46, Kavi Nagar
Ghaziabad-201001
Uttar Pradesh**

**Jt. Managing Director
Shashank Agarwal
DIN:00316141
B-166, Sector-50
Gautam Budh Nagar
Noida 201301 UP**

**Date : 14.08.2019
Place : New Delhi**

ANNEXURE- 'F'
DETAILS OF REMUENRATION

[Details pertaining to remuneration as required under section 197(12) read with rule 5(1) of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 are as under:

Sr. No.	Name of Director/ KMP	Designation	Remuneration of Director/KMP for the Financial Year 2018-19 (Rs. In Lakh)	% increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to median remuneration
A	B	C	D	E	F
1.	Mr. Alok Kumar	Managing Director	72.60	10.00%	73.88%
2.	Mr. Shashank Agarwal	Jt. Managing Director	66.00	10.00%	67.16%
3.	Mr. Shalabh Agarwal	Whole Time Director	52.80	10.00%	53.73%
4.	Ms. Tripti Gupta	Whole Time Director	46.20	10.00%	47.01%
5.	Mr. Anil Kumar Jain	Independent Director	*i 0.75	NA	NA
6.	Mr. Sanjay Chandak	Independent Director	*i 0.15	NA	NA
7.	Mr. Vijay Kumar Jain	Independent Director	*i 0.85	NA	NA
8.	Mr. Amit Jain	Independent Director	*i 0.55	NA	NA
9.	Mr. Pramod Kumar Kala	Chief Financial Officer	*ii 5.32	NA	5.58
10.	Mr. Kamlesh Kumar Sharma	Chief Financial Officer	*iii 9.6	25.00%	10.01
11.	Mr. Rahul Rastogi	Company Secretary	5.40	12.00%	5.67

- (i) All the Independent Directors in the Board take only sitting fees for attending meeting.
- (ii) Mr. Pramod Kumar Kala was appointed as Chief Financial Officer from 09.02.2019.
- (iii) Mr. Kamlesh Kumar Sharma was resigned from the post of Chief Financial officer on 09.02.2019.

1. The ratio of remuneration of each director to the median remuneration of the employees of the company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was Rs. 0.95 Lakh per annum and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the column F of table I given above.

Independent Directors were paid only sitting fees during the financial year under review. Hence, their ratio to Median Remuneration has been shown as **Not Applicable**. The percentage increase in their remuneration is based on their attendance in the Board and Committee Meetings held during the financial year.

2. Percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year:

Details provided in the column E of table I given above.

3. The percentage increase in the median remuneration of Employees in the Financial Year 2016-17:

The median remuneration of employees of the Company during the Financial Year was Rs. 0.95 Lakh per annum as compare to previous year where the median remuneration of employee was Rs. 1.12 Lakh per annum.

Hence there is decrease of 17.67% in the median remuneration of employees as compared to previous financial year 2017-18.

4. The number of permanent Employees on the rolls of the Company as on March 31, 2019:

The number of permanent Employees on the rolls of the Company as on March 31, 2019 was 1655.

5. 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 is decrease of 47.30% in average salary of employees other than the managerial personnel during the financial year as compared to previous year. Increase in average salary of managerial personnel during the financial year as compared to previous year was 10%. The increase in the remuneration of employees and Managerial Remuneration was keeping in view the limits as laid down in the Companies Act, 2013 read with relevant rules.

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

Particulars of employees

[Statement as per provisions of sec 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.]

(a) Name of top ten employees in terms of salary drawn are mentioned below:

S. No.	Employee Name	Designation, Nature of employment	Educational Qualification	Age (in Years)	Experience (in years)	Date of Joining	Remuneration p.a. (Rs. In Lakh)	Previous Employer	Equity Shares Held
1.	Mr. Alok Kumar	Managing Director	B.Sc from Punjab University, Chandigarh	64	43	Since 2006	72.60	-	894000
2.	Mr. Shashank Agarwal	Jt. Managing Director	B.E. (Mech.) from MIT, Manipal	51	13	Since 2006	66.00	-	710592
3.	Mr. Shalabh Agarwal	Whole Time Director	B.tech from MIT, Manipal	46	13	Since 2006	52.80	-	1280592
4.	Ms. Tripti Gupta	Whole Time Director	Commerce Graduate from Shri Ram College of Commerce, Delhi and MBA in Finance from IMT, Nagpur	35	5	Since 2014	46.20	-	400000
5.	*Mr. Shikhar Gupta	Vice President	B.B.A from Amity University and Marketing and Environmental Economics from LSE	30	12	Since 2007	30.00	-	276000
6.	*Mr. G. K. Agarwal	President	B.E. from Rorkee University	79	53	Since 2006	25.00	-	293816

S. No.	Employee Name	Designation, Nature of employment	Educational Qualification	Age (in Years)	Experience (in years)	Date of Joining	Remuneration p.a. (Rs. In Lakh)	Previous Employer	Equity Shares Held
7.	*Mr. Raghav Agarwal	Vice President	M.Sc in International Management from ESADE Business School Barcelona	26	3	Since 2016	24.00	-	-
8.	*Mrs. Kamlesh Gupta	General Manager Admin	B.A. from Delhi University and B.Ed from U.P.	63	12	Since 2007	24.00	-	500000
9.	*Mrs. Anshu Agarwal	Manager	M.A (Eng)	47	10	Since 2009	19.80	-	578000
10.	*Mrs. Taru Agarwal	Manager	B.A.	45	10	Since 2009	19.80	-	204000

* i) Mr. Shikhar Gupta is son of Mr. Alok Kumar

* ii) Mr. G. K. Agarwal is father of Mr. Shashank Agarwal and Mr. Shalabh Agarwal

* iii) Mr. Raghav Agarwal is son of Mr. Shashank Agarwal

* iv) Mrs. Kamlesh Gupta is wife of Mr. Alok Kumar

* v) Mrs. Anshu Agarwal is wife of Mr. Shashank Agarwal

* vi) Mrs. Taru Agarwal is wife of Mr. Shalabh Agarwal

(b) Employees employed for part of the year and in receipt of Rs. 8.5 Lakhs or more a month:

None of the employee was in receipt of remuneration amounting to Rs. 8.5 Lakhs per month or more for part of the year.

- c) There are no Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or wholtime director or manager and who holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

'Annexure- G' NOMINATION AND REMUNERATION POLICY

Salasar Techno Engineering Limited considers human resources as its invaluable assets. The Nomination and Remuneration Committee of the Company formulated "Nomination and Remuneration Policy" of Directors, Key Managerial Personnel (KMPs) and other employees as per the provisions of the Companies Act, 2013 and the listing agreement.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an independent Director.

OBJECTIVE

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP's, and other employees. The Key objectives of the Committee include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, executive directors key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in one level below the key managerial personnel in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Analyzing, monitoring and reviewing various human resource and compensation matters;
6. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
7. Determining compensation levels payable to the key managerial personnel and other staff (as deemed necessary) which shall be market-related, usually consisting of a fixed and variable component;
8. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
9. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2014; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
10. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Whole-time director;
- iii. Chief Financial Officer;
- iv. Company Secretary; and
- v. such other officer as may be prescribed.

"Senior Management" means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP'S AND SENIOR MANAGEMENT

1. General

- a) Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his /her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Director of Salasar Techno Engineering Limited.

2. TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a Listed company or such other number as may be prescribed under the Act.

3. Evaluation of performance

The Committee will make recommendations to the Board on appropriate performance criteria for the Directors. Also it will formulate the criteria and framework for evaluation of performance of every director on the Board of the Company, Senior Management Personnel at regular intervals (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY ON REMUNERATION OF DIRECTORS, KMP'S AND SENIOR MANAGEMENT

1. Remuneration of Managing Director/Whole-time Director, KMP and Senior Managerial Personnel

The Remuneration/ Compensation/ Commission etc. to Directors will be determined by the committee and recommended to the Board for approval. The Remuneration/ Compensation/ Commission etc. to be paid to Director /Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

DUTIES OF COMMITTEE RELATING TO NOMINATION

The duties of the Committee in relation to nomination matters include:

- i. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- ii. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- iii. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- iv. Determining the appropriate size, diversity and composition of the Board;
- v. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- vi. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- vii. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- viii. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service Contract.
- ix. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- x. Recommend any necessary changes to the Board; and
- i. Considering any other matters, as may be requested by the Board.

DUTIES OF COMMITTEE RELATING TO REMUNERATION

Duties of the Committee in relation to remuneration matters include:

- i. to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- ii. to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- iii. to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- iv. to consider any other matters as may be requested by the Board.
- v. Professional indemnity and liability insurance for Directors and senior management.

REVIEW

- i. The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.
- ii. The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

ANNEXURE- 'H'

Annual Report of CSR Activities for Financial Year 2018-19

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:	<p>The company has framed the corporate social responsibility (CSR) policy which encompasses its philosophy for delivering its responsibility as citizen and laid down process, guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.</p> <p>Role of CSR Committee:</p> <p>(a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;</p> <p>To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;</p> <p>To monitor the Corporate Social Responsibility of the Company from time to time;</p> <p>Any matter/ thing may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.</p> <p>The CSR Activities covered the following area as per CSR policy of the Company:</p> <ol style="list-style-type: none"> Promoting preventive health care and Eye Care; Promotion of Education. Provides accessible travel solutions and leisure excursions for people with various disabilities and the elderly. <p>CSR policy is stated at the website of the Company: www.salasartechno.com</p>
2.	The Composition of the CSR Committee	<p>CSR Committee consists of following members:</p> <ol style="list-style-type: none"> Ms. Tripti Gupta – Whole Time Director & Chairman Mr. Sanjay Chandak - Independent Director – Member Mr. Shashank Agarwal - Jt. Managing Director – Member
3.	Average net profit of the company for last three Financial Years	Rs. 2620.50 Lakh
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	Rs. 52.41 Lakh

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 16.50 Lakh

(b) Amount unspent, if any: Rs. 35.91 Lakh

(c) Manner in which the amount spent during the financial year is detailed below

(Rs. in Lakh)

Sl 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 the 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 upto the reporting period	Amount spent: direct or through implementing agencies
1.	Planet Abled Pvt. Ltd	Accessible travel solution for people with various disabilities	New Delhi	2.50	2.50	2.50	Direct

Sl 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 the 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 upto the reporting period	Amount spent: direct or through implementing agencies
2.	Maharshi Dayanand Siksha Samaj Kalyan	Promotion of Education	Raj Nagar, Ghaziabad (UP)	1.0	1.0	1.0	Direct
3.	Aancahal Nyas	Promotion of Education	Hapur (UP)	2.0	2.0	2.0	Direct
4.	Lions Eye Hospital	Eye Care	Kavinagar, Ghaziabad (U.P.)	11.00	11.00	11.00	Direct
TOTAL				16.50	16.50	16.50	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Salasar consider Social responsibility as and integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of the society.

Salasar CSR activities are on the focus areas approved by the Board benefiting the community. However, the Company has just embarked on the journey of ascertained CSR programs.

For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in the future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

7. We hereby declare that the CSR committee has formulated proper implementation and monitoring which is compliance with the CSR objective and policy of the Company.

**For and on behalf of the Board of Directors
For Salasar Techno Engineering Limited**

**Chairman and
Managing Director
Alok Kumar
DIN NO. 01474484**
KL-46, Kavi Nagar
Ghaziabad-201001
Uttar Pradesh

**Jt. Managing Director
ShashankAgarwal
DIN:00316141**
B-166, Sector-50
GautamBudh Nagar
Noida 201301 UP

**Date : 14.08.2019
Place : New Delhi**

**ANNEXURE- 'I'
MANAGEMENT DISCUSSION AND ANALYSIS REPORT
ECONOMIC OVERVIEW****Global Economic Outlook**

The global economy appears to be undergoing a stable growth. The world economy is projected to expand at a steady pace of 3 per cent in 2019 and 2020. Growth rates in many developed economies have risen near to what is widely considered their potential, while unemployment rates have fallen towards historical lows. Among the developing economies, the East and South Asia regions remain on a strong growth trajectory, while many commodity-exporting countries are continuing a gradual recovery. In 2018, global economic growth remained steady at 3.1 per cent when calculated at market exchange rates, or 3.7 per cent when adjusted for purchasing power parities. A fiscally induced acceleration in the United States of America offset slower growth in some other large economies, including Argentina, Canada, China, Japan, Islamic Republic of Iran, Turkey and the European Union. Despite these slowdowns, economic growth accelerated in more than half of the world's economies in both 2017 and 2018.

There are growing signs that global growth may have reached a peak. Estimates of global industrial production and merchandise trade growth have been tapering since the beginning of 2018, especially in trade-intensive capital and intermediate goods sectors, signaling weaker investment prospects. Several developed economies are facing capacity constraints, which may restrict growth in the short term.

At the global level, growth is expected to moderate slightly to 3 per cent in both 2019 and 2020. Slower growth in China and the United States will be largely offset by continued recovery in some developing regions and economies in transition that have been hardest hit by the commodity price collapse of 2014/15.

(Source - <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-2019/>)

Indian Telecom Sector

During the last 12 months, the telecom industry has seen a lot of ups and downs. The tariffs have become a lot cheaper, self-care applications of telco's are now actually very useful, and services provided by operators have improved as well. Having surpassed 119 crore subscribers in September 2018, the Indian wireless industry is now the second largest in the world by number of subscribers and ranks second in terms of total internet users. Over the past couple of years, the Indian telecom industry has been going through a paradigm shift from a voice-centric market to a data-centric market.

The next growth opportunity will be in mobile internet – where the industry is likely to add 500 million new internet users over the next five years, given the availability of affordable smart-phones and lower data costs. However, intensified competition following the entry of Reliance Jio (in 2016) seems to have resulted in consolidation in the industry.

The last decade has seen a rapid increase in tele density largely as a result of liberalization of the telecom sector and creation of a market through appropriate policy and regulatory measures. These measures led to the achievement of price levels where the cost benefit ratio suited large masses of urban population. On the supply side the service providers ensured rapid growth of the network capacity to handle the increase in the subscriber numbers ensuring that a clear business case was established for them. In order to bridge the growing digital gap between the urban and rural India, it is necessary that a similar growth equation is created for rural India, both for the service providers as well as for users. However, unlike the urban masses who were familiar with the telephone even prior to liberalization, the majority of the potential hundred million new rural subscribers will be first time users and therefore, special efforts through awareness programs, customized value addition, innovative marketing & pricing will be required so that they identify the telephone as being in the category of other basic needs like water, electricity, road etc.

(Source - <https://telecomtalk.info/telecom-trends-watch-out-for-in2019/185148/> ;
https://main.trai.gov.in/sites/default/files/09Mar_Recommendation_19Mar09.pdf)

Indian Power Sector

The power sector in India is witnessing exponential growth like never before. With a total installed power generating capacity of 3,46,048 MW as of October 2018, India has emerged as the world's third-largest electricity producer.

Further, a total capacity addition of 58,384 MW from conventional sources has been envisaged for the period 2017-2022, consisting of 47,855 MW of coal-based power stations, 406 MW of gas-based power stations, 6,823 MW of hydro power stations and 3,300 MW of nuclear stations. In addition, there has been a big thrust by the government for setting up renewable power generation capacity of 175 GW by the year 2022.

According to the National Electricity Plan (NEP) report published by the power ministry's planning wing, Central Electricity Authority, such huge project executions will attract an investment of Rs 11,55,652 crore in the power generation sector over the five-year period between 2017 and 2022.

The total fund requirement of Rs 11,55,652 crore for 2017-22 includes Rs 8,52,804 crore investment in projects is likely to be commissioned during this period, and the Rs 3,02,848 crore expenditure needed with respect to advance action for projects is likely to be commissioned in the next five-year period (2022-27).

(Source - <https://www.electricalindia.in/power-sector-in-2019-beyond/>)

Indian Market Overview - Transmission Towers

India being a developing nation, the demand for electricity to support economic growth is rising continuously. Thus, there is a need for substantial growth in the transmission sector to support the growing load and to provide connectivity to generation projects – especially the renewables.

Fortunately, due to increased focus on this segment in the past years – the transmission sector has witnessed a significant growth in the country. Transmission towers are an integral part of a transmission network that work as the main supporting unit of overhead transmission lines used to carry high voltage AC and DC systems, and keep them at a safe height above the ground.

There is a need to install new transmission and distribution infrastructure to keep pace with trends as well as replacement of ageing infrastructure. All these factors are expected to drive the growth of the transmission tower market in the country. India has emerged as the second largest market after China for transmission towers, contributing to over 15% of the global market. The transmission tower market in the region is mainly driven by new investments to develop a new age grid owing to increasing urbanization and industrialization in the region. Inorganic growth, coupled with extensive fund flow towards technology-based R&D to develop energy efficient, ergonomic & economic units, have been the key strategies integrated by the leading industry players.

(Source - https://en.wikipedia.org/wiki/Electricity_sector_in_India)

ABOUT SALASAR TECHNO ENGINEERING

Salasar Techno Engineering Ltd., incorporated in 2007, provides customized steel fabrication and infrastructure solutions in India. The Company provides 360-degree solutions by carrying out engineering, designing, fabrication, galvanization and deployment. Its products include telecommunication towers, power transmission line towers, smart lighting poles, monopoles, guard rails, substation structures, solar module mounting structures and customized galvanized & non-galvanized steel structures.

Salasar Techno Engineering Limited's services include providing complete engineering, procurement and control for projects such as Rural Electrification, Power Transmission Lines, and Solar Power Plants.

The Company is among the leading manufacturers of telecom towers in India with more than 25,000 towers since inception. The Company has three state-of-the-art manufacturing facilities located in Hapur, Uttar Pradesh.

CONSOLIDATED FINANCIAL OVERVIEW

The consolidated performance of the Company for the financial year ended March 31st, 2019, is as follows:

Total revenue from operations at Rs. 654.88 crore for the year ended March 31st, 2019, as against Rs. 503.93 crore for the corresponding previous period, an increase of 29.95%, mainly on account of increase in revenues across the Telecom Tower, Transmission, and Utility Poles segments.

The cost of raw materials for the financial year ended March 31st, 2019 were Rs. 526.02 crore as against Rs. 386.64 crore for the corresponding previous period, an increase of 36.05%.

The employee expenses for the financial year ended March 31st, 2019 were Rs. 28.03 crore as against Rs. 22.96 crore for the corresponding previous period, an increase of 22.08%.

The other expenses for the financial year ended March 31st, 2019 were Rs. 27.47 crore as against Rs. 31.12 crore for the corresponding previous period, a decrease of 11.74%.

The EBIDTA (earnings before interest, depreciation and tax) was Rs. 73.36 crore for the year ended March 31st, 2019, as against Rs. 54.02 crore for the corresponding previous period, an increase of 35.81%.

The depreciation for the financial year ended March 31st, 2019 was Rs. 4.6 crore, as against Rs. 3.86 crore for the corresponding previous period, an increase of 19.19%.

Salasar Techno Engineering Limited

The EBIT (earnings before interest and tax) was Rs. 69.62 crore for the year ended March 31st, 2019, as against Rs. 51.39 crore for the corresponding previous period, an increase of 35.46%.

The interest for the financial year ended March 31st, 2019 was Rs. 16.32 crore as against Rs. 8.42 crore for the corresponding previous period, an increase of 93.89%.

The EPS (Earning Per Share) for the financial year ended March 31st, 2019 was Rs. 25.04 for a face value of Rs 10 per share, as against Rs. 24.21 for the corresponding previous period.

RESOURCES AND LIQUIDITY

As on March 31st, 2019, the consolidated net worth stood at Rs. 189.44 crore, while the consolidated debt was at Rs. 150.28 crore.

The cash and cash equivalents at the end of March 31st, 2019 were Rs. 1.83 crore.

The total debt to equity ratio of the Company stood at 0.79 as on March 31st, 2019.

The Company has been rated 'Care BBB+' for Long Term Borrowing and 'CARE A2' for Short Term Borrowing by CARE ratings.

BUSINESS PERFORMANCE

Salasar Techno Engineering operates primarily in four business verticals, viz., Telecom Tower, Transmission, EPC and Poles.

Telecom Tower Business

- The Company has emerged as India's preferred Tower supplier within a short period of time. Our telecommunications towers and monopoles are designed as per time-tested Ramboll designs, in-house IIT certified designs, or tailored as per customer designs.
- The total revenue from this segment for the year ended March 31, 2019 was Rs 397.26 crore as against Rs 275.53 crore for the corresponding previous period.

Transmission Business

- This vertical can be further sub-divided into – EPC business, turnkey projects, and supplying structures to other EPC contractors.
- The total revenue from this segment for the year ended March 31, 2019 was Rs 200.23 crore as against Rs 155.09 crore for the corresponding previous period, an increase of 29.1%.

Solar Structures

- Salasar is in line with the Indian government's focus on sustainable development through the use of the country's abundantly available solar energy. The Company has already supplied solar module mounting structures for over 1,000 MW of solar projects throughout the country, commissioned by industry leaders such as Mahindra Susten and NEXTracker. Salasar is dedicated towards providing its customers with the best products and creating the required infrastructure for a better world.
- The total revenue from this division for the year ended March 31, 2019, was Rs. 6.52 crore as against Rs. 37.61 crore for the corresponding previous period.

Utility Poles & Smart City Poles & other Revenues

- Steel utility poles have various commercial, industrial, as well as residential applications. Steel poles are preferred over other materials because of their durability, eco-friendliness, and ease of installation and maintenance. Salasar, with its top-class machinery and well-trained manpower, has pioneered the production of custom-made poles of the highest quality in the shortest times.
- Smart Poles play a major role in making cities safer and more manageable. Designed to look modern and aesthetic, they are equipped with technologies like LED lights, CCTV cameras, pollution sensors, Wi-Fi routers, distress buttons, road information display systems, and motion-detecting energy savers to make our cities smarter.
- This segment's revenue for the year ended March 31, 2019, was Rs. 50.71 crore as against Rs. 22.13 crore for the corresponding previous period, an increase of 129%.

RISKS AND CONCERNS

The Company is continuously strengthening its risk management framework which identifies and evaluates business risks and opportunities. The Company recognizes that risks need to be identified at the right time, managed adequately and mitigation plans need to be prepared to protect the interests of all stakeholders. Managing these risks actively is also a pre-requisite to achieve business objectives and enable sustainable growth of the Company. The exercise to design the risk management framework is aimed at effectively mitigating the Company's various business and operational risks. The Company has a risk management policy for identification and assessment of risks which is monitored by the Audit Committee of the Company. The Committee closely monitors the process and suggests suitable measures to mitigate the risks. The risks may be caused due to the internal or external factors and necessary precautionary measures are taken by the Company to negate the impact of probable risk.

The major risks of the Company are as follows:

Economic Risk

Company's business may be affected by changes in interest rates, Government policy, taxation and other economic developments affecting India. The Company has defined conservative internal prudential norms. We ensure a favorable debt/equity ratio, moderate liquidity, strong clientele with timely payment track record and focus on select markets to minimize the impact of adverse conditions. The Company has diversified geographically, thereby reducing its dependency on one market.

Business & Market Risk

The Company is an established player in the engineering products business and is amongst the reputed manufacturers in India. Having limited number of players in the said category, the Company believes that the risk from competition is relatively less. In the telecom tower segment, the Company is aggressively achieving market share and believes itself to be sustainable in the competitive market. However, the Company does not ignore the possibility of competition from other players. We operate in a very dynamic way and all decisions by the management are taken considering all the possibilities.

Commodity Price Risk

The Company's business is significantly dependent on the availability, cost and quality of raw materials and fuels for the construction and development of projects undertaken. The principal raw materials include steel and zinc. Prices and supply of these are varied due to economic conditions, competition, production levels, and import duties, etc. The Company passes on such impacts to its clients partially or completely, by adding price escalation clause in most of the contracts. In case of firm price contracts, the Company tries to pass on back-to-back firm price contract to its vendor/contractor and/or hedge itself through price discovery, wherever possible. It measures and manages these risks centrally and carries out periodic reviews of these risks at appropriate levels.

Regulatory Risk

If we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. We require certain approvals, licenses, registrations and permissions for operating our business. We may encounter delays in obtaining these requisite approvals, or may not be able to obtain such approvals at all, which may have an adverse effect on our revenues. However, the Government has come up with several initiatives to boost the sector and has planned massive investments in the infrastructure sector. Industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.

Liquidity Risk

Liquidity risk may come in the way of smooth operations of the Company due to one or the other reasons. Whenever there is blockage of funds in the hands of customers, the liquidity crunch is likely to happen. Although wholehearted support from the bankers strengthen the hands of the Company to face the liquidity risk, the company leaves no stone unturned to avoid the possibility of liquidity risk.

Execution Risk

The Company has undertaken a number of projects in the last year and several more are in the pipeline. Project execution is largely dependent upon project management skills and timely delivery by equipment suppliers. Any delay in project implementation can impact revenue and profit for that period. Our implementation schedules are in line with the plans. Emergency and contingency plans are in place to prevent or minimize business interruptions. Therefore, we

do not expect this risk to affect us materially in the future. Concerns like complex tax structure, infrastructure bottlenecks, retaining talent and unprecedented natural and man-made disasters and political/social turmoil which may affect our business, remain. However, these are threats faced by the entire industry. With superior methodologies and improved processes and systems, the Company is well positioned to lead a high growth path.

OPPORTUNITIES

- **Mobile penetration:** The proportion of new/unique mobile subscribers to the total population is expected to reach around 63% in 2025 from 58% in July 2018
- **Increase in internet users:** Rise in mobile-phone penetration along with decline in data costs is expected to add 500 million new internet users in India
- **Untapped rural market:** Rural tele-density reached 58.8%, while 44.6% of the total wireless subscribers are from rural market
- **Exploring adjacent businesses in an evolving environment:** Moving beyond traditional telecom business to wider digital consumer space like content and mobile banking solutions.
- **Rise in electricity demand:** The all-India demand for electricity is expected to grow from 1212BU to 1691BU by 2022 and 2509BU by 2027 representing a CAGR of 8%. The rise in power demand and consumption would lead to higher investment in transmission and distribution space. With such a huge increase in demand, India needs a large scale of investment to ensure the delivery of electricity to consumers.
- **Shift towards renewable energy to push transmission capacity:** The government's plan of adding 175 GW of renewable power by 2022 would require a yearly capacity addition of 15-20 GW. Given the ambitious target, it is crucial to plan for the evacuation of electricity generated. Renewable power developers have raised concerns for grid availability in the past which highlights the urgent need of expansion of grid connectivity to accomplish the renewable energy target.
- **Increasing inter regional power demand - supply gap:** The Indian power scenario is such that different regions of India have different power demand and availability, leading to some states being power surplus and some states being power deficit. This translated into a gap between generation and consumption pockets, which demands for higher evacuation capacity leading to increase in inter-state transmission capacity.
- **Railways orders on a rapid growth; aim to double their capacity:** The railway department has set forth plans for expansion, upgradation and modernization of its existing infrastructure. The railways have set a 100% electrification target by the next four years. The EPC players' order book has been already surged by railway orders.

THREATS

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

INTERNAL CONTROL SYSTEMS AND ADEQUACY

In view of the changes in the Companies Act, the Company has taken additional measures to strengthen its internal control systems. Additional measures in this regard are fraud risk assessment, mandatory leave for employees, strengthening background verification process of new joiners, whistle blower policy and strengthening the process of risk management. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

Periodical audit and verification of the systems enables the various business groups to plug any shortcomings in time. As stated earlier the Company has improved effectiveness of the risk management process wherein it evaluates the Company's risk management system and suggests improvement in strengthening risk mitigation measures for all key operations, controls and governance process. In addition, the top management and the Audit committee of the Board periodically review the findings and ensure corrective measures are taken.

HUMAN RESOURCES

The Company has Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans. The Human Relations team continually conducts training programs for the development of employees.

The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's successful growth. The Company's employees' age bracket represents a healthy mix of experienced and willing-to-experience employees.

Human resources are the principal drivers of change. They push the levers that take futuristic businesses to the next level of excellence and achievement. The Company focuses on providing individual development and growth in a work culture that enables cross-pollination of ideas, ensures high performance and remains empowering.

As on March 31, 2019, the Company had a workforce of 1655 people on rolls.

OUTLOOK

Telecom – The telecom infrastructure industry, with more than 5 lakh mobile towers mounted with 20 lakh BTSs, extends mobile telecommunication services to more than 1.1 billion subscribers. Undoubtedly, the Indian telecommunication sector has undergone a revolutionary transition in the last two decades to become the world's second largest telecommunication market. The telecom infrastructure industry strongly believes that the future of Indian tower companies rests on the exponential rise in data traffic and harnessing emerging business opportunities. Further, the Government's thrust towards launch of 5G services, digital India, smart cities, Bharat Net, and the proliferation of 4G services will boost the demand for roll-out of telecom infrastructure such as fibre cable, telecom towers, small cell solutions, Wi-Fi networks and IBS. The physical infrastructure needs to be robust to meet the growing need and demand of ubiquitous connectivity.

Salasar is well positioned to leverage on these opportunities. The Company's technical tie-up with Ramboll, a leading Danish Company into designing along with majority market share in the manufacturing of telecom towers, gives Salasar an added advantage to grab this opportunity and grow our revenue manifold.

Transmission Towers- The growth prospects for the transmission sector are driven by greater emphasis on grid reliability and spread of new urban and rural load centres arising from urbanization and rural electrification. Further, the renewable sector would generate fresh potential for the transmission sector and will add to the demand for transmission towers in the coming years as these projects come up in the hinterland, and the consumer is far from place of generation, the infrastructure that needs to be set up in terms of transmission lines & substations would be huge. Salasar's active presence in this space, and approvals from power grid in the EPC of substation and rural electrification, combined with its capabilities to manufacture solar modules mounting structure will benefit the Company to further increase its presence, and increase its share in the transmission & distribution segment in India.

Railways- The outlook for the railways sector is very positive, with a rapid growth path anticipated. The Indian Government has set plans for network expansion as well as upgradation & modernization of existing infrastructure. Indian budget on railways had decoded ample opportunities for players like us. Some of the positive outcomes from the budget include an increase in capital outlay, which is a very positive indicator. Approvals from Central Organization for Railways Electrification (CORE), increasing capabilities to handle all railway related projects combined with active bidding to grab orders individually and in joint ventures, will enable the Company to increase the share of revenue from this segment over the coming years.

(Source – ibef, ministry of Power, Trai, DoT)

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS SALASAR TECHNO ENGINEERING LIMITED

Report on the Financial Statements

Opinion

We have audited the financial statements of **SALASAR TECHNO ENGINEERING LIMITED** (“the Company”), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S.NO	KEY AUDIT MATTERS	AUDITOR’S RESPONSE
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115.	Principal Audit Procedures:- We assessed the Group’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:
	“Revenue from Contracts with Customers” (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgements 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	<ul style="list-style-type: none"> • 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:

	<p>periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. (Refer Note – 1 (B) (xviii) (a) and (C) (i))</p>	<ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Group. • 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. • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems. • 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.
<p>2.</p>	<p>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. (Refer Note – 1 (B) (xviii) (a) and (C) (i))</p>	<p>Principal Audit Procedures Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. • Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is 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 financial statements and our auditor's report thereon. This other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information and if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance and take necessary action as per applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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.

Salasar Techno Engineering Limited

- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable 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 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 be reasonably expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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, 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 financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For ARUN NARESH & COMPANY
Chartered Accountants,
ICAI Firm Registration Number: 007127N

Place : Ghaziabad
Dated : May 28, 2019

Arun Kumar Jain
Partner
M.No. 084598

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SALASAR TECHNO ENGINEERING LIMITED of even date)

- i.
 - a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
 - c) The title deeds of immovable properties, as disclosed in Note 2 on fixed assets to the standalone Ind AS financial statements, are held in the name of the Company.
- ii. According to the information available to us that physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies is noticed on physical verification between the physical stocks and the book records.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to its Joint Venture, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which.
 - a. The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c. There is no overdue amount remaining outstanding as at the year-end.
- iv. 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 the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) The particulars of dues of Income Tax, Sales Tax, GST, Service Tax, Customs Duty, Excise Duty and Value Added Tax as at March 31, 2019 which have not been deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which the Amount Relates	Amount (in lakh)
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax, UP VAT and Central Sales Tax	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP	Financial Year 2012-13	77.68

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which the Amount Relates	Amount (in lakh)
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax,	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP)	Financial Year 2014-15	5.39
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax, and Central Sales Tax	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP)	Financial Year 2015-16	21.10
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax, UP VAT and Central Sales Tax	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP)	Financial Year 2016-17	74.54
Income Tax Act 1962	Income Tax	CIT (A) – 3, New Delhi	A.Y. 2011-12	84.06

- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any bank. Further, there were no dues payable to financial institution or Government or debenture holders as at Balance Sheet date.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).The company has not raised any term loans during the Financial year ended on 31st March, 2019.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. The Company has paid/ provided for managerial remuneration during the year in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules,2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company

Salasar Techno Engineering Limited



xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For ARUN NARESH & COMPANY
Chartered Accountants,
ICAI Firm Registration Number: 007127N

Place : Ghaziabad
Dated : May 28, 2019

Arun Kumar Jain
Partner
M.No. 084598

Salasar Techno Engineering Limited

Annexure - B to the Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SALASAR TECHNO ENGINEERING LIMITED of even date)

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 **SALASAR TECHNO ENGINEERING LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

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 be come in adequate 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 ARUN NARESH & COMPANY
Chartered Accountants,
ICAI Firm Registration Number: 007127N

Place : Ghaziabad
Dated : May 28, 2019

Arun Kumar Jain
Partner
M.No. 084598

BALANCE SHEET AS AT 31ST MARCH 2019

(Rs. in Lakhs)

Particulars	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	7,729.71	7,170.94
Capital Work-in-Progress	2	–	108.25
Financial assets			
(a) Investments	3	0.59	0.49
(b) Other financial asset	4	926.55	630.80
Current assets			
Inventories	5	11,793.00	8,901.23
Financial Assets			
(a) Investments	6	205.42	40.59
(b) Trade Receivables	7	21,660.72	15,162.00
(c) Cash and Cash Equivalent	8	182.42	615.19
(d) Bank balances other than (c) above	9	990.13	893.75
(e) Other financial assets	10	942.36	947.65
Current tax assets (Net)			–
Other current assets	11	2,719.09	2,362.61
Total Assets		47,149.98	36,833.50
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	1,328.53	1,328.53
Other Equity	13	17,584.68	14,571.34
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(a) Borrowings	14	489.23	477.47
(b) Other Financial Liabilities	15	926.20	828.65
Provisions	16	128.33	123.25
Deferred Tax Liabilities (Net)	17	509.76	197.08
Other Non-current Liabilities	18	63.15	147.35
Current Liabilities			
Financial Liabilities			
(a) Borrowings	19	14,538.57	10,424.88
(b) Trade Payables	20	5,826.88	3,201.26
(c) Other Financial Liabilities	21	26.71	20.26
Provisions	22	14.58	28.58
Other Current Liabilities	23	5,650.08	5,221.42
Current Tax Liability (Net)	24	63.27	263.45
Total Equity & Liabilities		47,149.98	36,833.50

Notes referred to above and notes attached there to form an integral part of Balance Sheet.
This is the Balance Sheet referred to in our Report of even date.

For ARUN NARESH & CO.
Firm Registration No. 007127N
Chartered Accountants

CA. Arun Kumar Jain
Partner
M. No. 084598
Place : Ghaziabad
Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
Managing Director

Shashank Agarwal
Jt. Managing Director

Pramod Kr. Kala
(Chief Financial Officer)

Rahul Rastogi
(Company Secretary)

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

(Rs. in Lakhs)

Particulars	Note No.	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
REVENUES			
Revenue from Operations	25	65,431.82	50,268.71
Other Income	26	86.31	123.94
Total Revenue		65,518.13	50,392.65
Expenses			
Cost of revenue operations	27	53,406.05	40,565.68
Changes in inventories of finished goods, work-in-progress and others	28	(803.81)	(1,901.38)
Excise Duty		-	794.64
Employee benefits expenses	29	2,803.39	2,296.29
Finance Costs	30	1,631.91	841.68
Depreciation and amortization expenses	2	460.19	386.09
Other Expenses	31	2,737.11	3,111.97
Total Expenses		60,234.84	46,094.97
Profit before Exceptional Items & Taxes		5,283.29	4,297.67
Exceptional Items	32	-	25.62
Profit before tax		5,283.29	4,323.29
Tax Expenses	33		
(a) Current Tax		1,811.51	1,420.81
(b) Deferred Tax		175.53	(60.10)
Profit for the year		3,296.24	2,962.59
Other Comprehensive Income (OCI)			
(A) Items that will not be classified to profit or loss			
Remeasurements of the defined benefit plans		57.52	6.80
Income tax relating to items that will not be classified to profit or loss		20.10	2.07
(B) Items that will be classified to profit or loss		-	-
Total Comprehensive Income for the year		3,333.66	2,967.32
Earning per Equity share of Rs. 10 each			
(1) Basic (in ₹)		24.81	24.21
(2) Diluted (in ₹)		24.81	24.21

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

For ARUN NARESH & CO.
Firm Registration No. 007127N

Chartered Accountants

CA. Arun Kumar Jain

Partner

M. No. 084598

Place : Ghaziabad

Date : 28-May-2019

For and on behalf of Board of Directors
Alok Kumar
 Managing Director

Shashank Agarwal
 Jt. Managing Director

Pramod Kr. Kala
 (Chief Financial Officer)

Rahul Rastogi
 (Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in Lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	5,283.29	4,323.29
Adjustments for:		
Depreciation & amortization	460.19	386.09
Loss (Profit) on sale of property, plant and equipment	-	(2.71)
Finance costs	1,631.91	841.68
Provision for doubtful debts	-	26.04
Adjustment on account of fair valuation of assets	57.52	6.80
Dividend Income	(2.51)	-
Interest income	(83.81)	(121.23)
Loss /(Profit) on Sale of Investments	-	(25.62)
Operating Profit before Working Capital Changes	7,346.60	5,434.35
Adjustments For Working Capital		
Adjustment for (increase) / decrease in operating assets		
Inventories	(2,891.77)	(2,019.71)
Trade receivables	(6,498.72)	(7,217.40)
Other financial assets	5.29	831.41
Other current assets	(239.43)	(886.77)
Adjustment for increase/(decrease) in operating assets		
Trade payables	2,625.63	(209.18)
Other current liabilities	228.47	1,270.55
Other financial liabilities	104.01	7.99
Provisions	(8.91)	(39.05)
Other non-current liabilities	(84.20)	(6.27)
Cash Generated From Operations	586.96	(2,834.08)
Income Tax Paid	1,811.51	1,420.81
Net Cash Flow from Operating Activities (A)	(1,224.55)	(4,254.89)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale (Purchase) of current investments	(164.84)	105.59
Interest Income	83.81	121.23
Investment in Joint Venture	(0.10)	(0.49)
Dividend Income	2.51	-
Purchase of property, plant and equipment	(910.70)	(1,514.22)
Bank Balance (not consider as cash and cash equivalents)	(96.37)	(278.76)
Proceeds from sale of Property, Plant and Equipment	-	9.85
Net Cash flow from Other Financial Assets	(295.74)	(67.82)
Net Cash Used In Investing Activities (B)	(1,381.44)	(1,624.64)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares	-	3,436.62
Increase/(Decrease) in Long Term Borrowings	11.76	(227.48)
Increase/(Decrease) in Short Term Borrowings	4,113.70	4,264.43
Dividend Paid (including dividend distribution tax)	(320.32)	(159.90)
Finance Costs	(1,631.91)	(841.68)
Net Cash flow from Financing Activities (C)	2,173.22	6,471.99
Net Changes in Cash & Cash Equivalents (A + B + C)	(432.77)	592.47
Add : Opening Cash & Cash Equivalents	615.19	22.73
Closing Cash & Cash Equivalents	182.42	615.19

This is the Cash Flow Statement referred to in our Report of even date.

For ARUN NARESH & CO.

Firm Registration No. 007127N

Chartered Accountants

CA. Arun Kumar Jain

Partner

M. No. 084598

Place : Ghaziabad

Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
Managing Director

Shashank Agarwal
Jt. Managing Director

Pramod Kr. Kala
(Chief Financial Officer)

Rahul Rastogi
(Company Secretary)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital:

(Rs. in Lakhs)

Particulars	For the year ended 31 st March, 2019		
	Balance as at 01.04.2018	Changes in equity share capital during the year	Balance as at 31.03.2019
For the year ended 31 st March, 2018	1,328.53	-	1,328.53
For the year ended 31 st March, 2019	1,328.53	-	1,328.53

B. Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income		Total
	Securities Premium Reserve	General Reserve	Surplus	Equity Instruments through OCI	Remeasurement of defined benefit Plan	
Balance as at March 31, 2018	5,488.89	-	9,072.72	-	9.73	14,571.34
Profit for the period	-	-	3,296.24	-	37.42	3,333.66
Other Comprehensive Income (net of tax)	-	-	3,296.24	-	37.42	3,333.66
Issue of Equity Shares (net of transition cost)	-	-	-	-	-	-
Less : Final Dividend FY 2017-18	-	-	132.85	-	-	-
Less : Interim Dividend	-	-	132.85	-	-	-
Less: Dividend Distribution Tax on Dividend	-	-	54.62	-	-	-
Balance as at March 31, 2019	5,488.89	-	12,048.64	-	47.15	17,584.68

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Securities Premium Account: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

The Board of Directors has recommended a dividend of 15 % for the financial year 2018-19, on 28 May, 2018 amounting to ₹ 1.50 per share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included in liability in the financial statements.

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement
This is the Statement of Changes in Equity referred to in our Report of even date.

This is the Balance Sheet referred to in our Report of even date.

For ARUN NARESH & CO.

Firm Registration No. 007127N

Chartered Accountants

CA. Arun Kumar Jain

Partner

M. No. 084598

Place : Ghaziabad

Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
Managing Director

Shashank Agarwal
Jt. Managing Director

Pramod Kr. Kala
(Chief Financial Officer)

Rahul Rastogi
(Company Secretary)

Notes on Financial Statements for the Year ended 31st March 2019

Notes to the Standalone Financial Statements

Note -1 : Significant Accounting Policies

A. CORPORATE INFORMATION

Salasar Techno Engineering Limited (the 'Company') is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India viz, the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The Company is engaged in manufacturing and sale of Galvanized Steel Structure including Telecom Towers, Transmission Line Towers and Solar Panels. The Company has three manufacturing facilities one at Jindal Nagar, Hapur (UP) and two at Khera Dehat, Hapur (UP).

B. SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS AND SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of compliance

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the 2013 Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Basis of Preparation of Financial Statement

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

(iii) Critical accounting estimates, assumptions and judgements

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

(i) Useful life of Property, Plant and Equipment

The cost of property, plant and equipment is depreciated over the useful life, which is based on expected usage of the assets, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and residual value.

(ii) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Allowance for uncollectable accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written

off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(iv) Use of estimates

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period/year.

The difference between the actual results and estimates are recognised in the year in which the results are known/materialise.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(v) Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

(vi) Property, Plant & Equipment

On transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently, Property, Plant and Equipment, other than land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on PPE is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, vehicles, being part of PPE are depreciated on a straight-line method over the shorter of their respective useful lives as prescribed in Schedule-II to the Companies Act, 2013. Freehold land is not depreciated.

Schedule II to the Companies Act 2013 ('Schedule') prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that, the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of fixed assets are as given below:

Assets	Useful Life
Plant & Machinery	15 years
Factory Buidings	30 years
Furniture and Fittings and Office Equipment	3-10 years
Vehicle	8 years

Useful lives and residual values of assets are reviewed at the end of each reporting period.

Losses arising from the retirement of, and gains or losses arising from disposal of PPE are recognised in the Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Intangible Asset under development includes cost of development of new intangible assets to complete the assets as at the balance sheet date.

Capital Expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

(vii) Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (if any). Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

Subsequent Expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortization of intangible assets with finite useful lives:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Computer Softwares are amortised on straight line basis over the estimated useful lives of 5 years.

(viii) Impairment of Non Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount of cash generating units exceeds its recoverable amount.

(ix) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: are valued at cost on FIFO basis.
- Finished goods and work in progress: are valued at cost or net realisable value, whichever is lower. In the case of finished goods and work in process cost comprises of material, direct labour and applicable overhead expenses. The cost of finished goods also includes applicable excise duty.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. These are valued at cost or net realisable value, whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(x) Financial Instruments-Initial Recognition, Subsequent Measurement and Impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

(a) Initial recognition and measurement:

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

(c) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(d) Financial assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

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

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

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

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

(g) Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

(h) Derecognition of Financial assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset, if an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

(i) Impairment of Financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. 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.

Financial Liabilities

(a) *Initial recognition and measurement:*

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(b) *Classification & Subsequent measurement:*

If a financial instrument that was previously recognised as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

(c) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

(d) Derecognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(e) Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial Guarantee contracts issued by a company are initially measured at their fair values and, if not designated as FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 'Revenue'

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

Subsequent recoveries of amounts previously written off are credited to Other Income.

(xi) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(xii) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xiii) Borrowing Costs

Borrowing costs directly attributable to the acquisition of fixed assets is capitalized as part of the cost of fixed assets till the date it is put to use. Other borrowing cost is recognized as expenditure in the period in which they are accrued.

(xiv) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as Current Investments. All other investments are classified as Non Current Investments. Current Investments are valued at lower of Cost and Fair value. Non Current Investments are valued at cost, except in the case of other than temporary decline in value, in which case necessary provision is made.

(xv) Foreign Currency Transactions

Transactions in foreign exchange are accounted for at the closing rate of previous month. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and the resultant gain or loss is recognized in the Statement of Profit and Loss. Exchange difference arising on payment or translation of liabilities and receivables is recognized as income or expense in the year in which the same arises.

(xvi) Provisions, Contingent Liabilities, Contingent Assets and Commitments**(a) General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation. Provisions are therefore discounted, when effect is material, The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

(xvii) Share capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

(xviii) Revenue Recognition**(a) Sale of goods and Services**

The Company derives revenues primarily from sale of manufactured goods and services. Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

(b) Other Income**– Interest income**

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

– Dividends

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

(xix) Taxation**Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

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

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of 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 utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when it relates to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities simultaneously.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

(xx) Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

(xxi) Earnings per Share

As per Ind AS 33, Earning Per Share, Basic earnings per share are computed by dividing the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments. Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

(xxii) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and performance incentives.

Provident Fund:

The Company has Defined Contribution plan for the post employment benefits namely Provident Fund which is recognised by the income tax authorities. These funds are administered through the Regional Provident Fund Commissioner and the Company's contributions thereto are charged to Statement of Profit and Loss every year.

Compensated Absences:

"Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise."

Gratuity:

The Company has Defined Benefit plan, namely gratuity for employees (unfunded), the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

(xxiii) Disclosure in respect of operating leases as per IND AS 17 'Leases'

A. Operating Lease

The Company has entered into lease arrangements for lease of offices generally for a period of 11 months with renewal option on mutual consent, and which can be terminated after lock in period by serving notice period as per the terms of the agreements.

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(i) Information related to leases		
Total of minimum lease payments		
– Not later 1 year	44.18	25.04
– Later than 1 year and not later 5 years	-	-
– Later than 5 years	-	-
(ii) Lease Payment recognized in the statement of profit and loss for the year	42.10	24.92

B. Finance Lease

The Company has taken certain vehicles under finance lease. There is an option to purchase the assets at the end of the lease terms. The obligation under finance leases are secured by the leased assets. There are no restrictions such as additional debt and further leasing imposed by the lease agreement.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 8.6% to 9.75%.

Finance Lease Liabilities

Particulars	As at	Total minimum lease payments outstanding	Future Finance Charges	Present Value of minimum lease payments
Not later 1 year	March 31, 2019	31.24	5.40	25.84
	March 31, 2018	28.81	5.49	23.40
Later than 1 year and not later 5 years	March 31, 2019	53.31	4.51	30.50
	March 31, 2018	84.55	9.91	56.34
Later than 5 years	March 31, 2019	-	-	-
	March 31, 2018	-	-	-
Included in the Financial Statements as				
Particulars			Year ended 31 March 2019	Year ended 31 March 2018
-Vehicle Loan from banks [Refer note 14]			48.80	61.05
-Current maturities of Finance lease obligations [Refer note 21]			25.84	19.82
Total			74.64	80.87

(xxiii) Related Party Transactions

Disclosure is being made separately for all the transactions with related parties as specified under IND AS 24 "Related Party Disclosure" issued by the Institute Chartered Accountants of India.

(xxiv) Dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(xxv) The figures appearing in the Financial Statements is rounded off to the nearest lakh or decimals thereof.

C. Recent Accounting Pronouncements

(i) Ind AS 115 - Revenue from Contracts with Customers

In March, 2018 the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after April 1, 2018. This standard replaces existing revenue recognition rules with a single comprehensive model to use in accounting for revenue arising from contract with customers. Under IND AS 115, revenue is recognized when the entity transfers control of promised goods or services to customers. An entity is required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows, if any arising from contracts with customers.

To identify the potential impact of the standard on the Company's financial statements, the Company has analyzed contracts of the relevant revenue streams of the Company.

The impact of the new standard is identified to be not materially affecting the current recognition and measurement of revenues, though there would be significant additional disclosure requirements for the Company's to comply with.

(ii) Other recently issued accounting pronouncements and not effective for the year ended March 31, 2019:

- (a) Amendments to Ind AS 12: Recognition of Deferred Tax Assets for Unrealized Losses
- (b) Amendments to Ind AS 19: Employee Benefits
- (c) Ind AS 116: Leases

Application of above pronouncements are not expected to have any significant impact on the Company's financial statements.

Notes on Financial Statements for the Year ended 31st March 2019

Note-2: Property Plant and Equipment

(₹ in Lakh)

	Freehold Land	Plant & Equipment	Buidings	Furniture & Fixtures	Office Equipment	Vehicle	Total
Gross Carrying Value							
As at March 31, 2018	2,393.35	4,121.32	1,010.01	12.42	126.86	216.70	7,880.65
Add : Addition	42.92	767.91	57.27	25.74	55.96	72.23	1,022.03
Less : Diposals	-	0.71	-	-	2.37	-	3.08
As at March 31, 2019	2,436.27	4,888.52	1,067.28	38.16	180.44	288.93	8,899.60
Accumulated Depreciation							
As at March 31, 2018	-	565.42	67.95	3.06	22.50	50.78	709.71
Add : Charge For the year	-	362.18	36.99	2.49	19.30	39.24	460.19
Less : Disposals	-	-	-	-	-	-	-
As at March 31, 2019	-	927.60	104.94	5.55	41.79	90.02	1,169.90
Net Block							
As at March 31, 2018	2,393.35	3,555.90	942.06	9.36	104.36	165.92	7,170.94
As at March 31, 2019	2,436.27	3,960.92	962.34	32.61	138.65	198.91	7,729.71
Capital Work-in-Progress							
As at March 31, 2018	-	108.25	-	-	-	-	108.25
Add : Addition	-	93.43	-	-	-	-	93.43
Less : Diposals	-	201.68	-	-	-	-	201.68
As at March 31, 2019	-	-	-	-	-	-	-

Notes on Financial Statements for the Year Ended 31st March 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 3: Investments		
Investment in Joint Venture (At Cost)		
Salasar - HPL JV	0.10	-
Sikka-Salasar-JV	0.49	0.49
Total	0.59	0.49
Note 4: Other Financial Assets		
Security Deposits	135.97	74.66
Unsecured, considered good		
Earnest Money Deposit	35.07	38.12
Balances with banks to the extent held as margin money with more than 12 months maturity	755.51	518.02
Total	926.55	630.80
Note 5: Inventories		
Raw Materials	3,302.07	1,422.62
Work in Progress:		
Goods	4,824.15	5,529.19
Project	697.36	310.16
Finished Goods	2,558.13	1,577.21
Scrap	181.03	40.30
Stores, Spare Parts and Packing Materials	230.26	21.75
Total	11,793.00	8,901.23
(i) Inventories include goods in transit:		
Finished Goods	46.23	216.34
	46.23	216.34
(ii) Details of Raw Materials		
Shape & Section	1,060.04	237.57
Zinc	966.87	666.08
Nut & Bolt	404.51	224.83
Others	870.64	294.14
	3,302.07	1,422.62
(iii) Details of Finished Goods		
Galvanised and Non-galvanised M.S. Steel Structures	2,558.13	1,577.21
	2,558.13	1,577.21

(iv) Inventories have been offered as security against the working capital loans provided by the banks.

Notes on Financial Statements for the Year Ended 31st March 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 6: Investments		
Investments other than in Cold Coins measured at fair value through Profit and Loss		
Quoted:		
Investment in Equity Shares:		
4,000 (Previous Year 4,000) Equity Shares of Fourth Dimension solutions Ltd. of Rs. 10 each fully paid up.	1.08	7.04
13,338 (Previous Year 13,338) Equity Shares of Rama Steel Tubes Ltd. of Rs. 5 each fully paid up.	15.23	23.54
5,01,000 (Previous Year Nil) Equity Shares of Rudrabhishek Enterprises Ltd. of Rs. 10 each fully paid up.	179.11	-
Investment in Bonds:	-	-
Gold Bond	1.45	1.45
Unquoted (At Cost)		
Gold Coin - Bullion (market value - 8.75 lacs)	8.56	8.56
Total	205.42	40.59
Aggregate book value of unquoted investments	10.00	10.00
Aggregate amount of quoted investments		
Cost	239.19	27.96
Market Value	195.42	30.58
Note 7: Trade Receivables		
Unsecured, considered good	21,660.72	15,162.00
Doubtful	186.01	186.01
	21,846.73	15,348.01
Less : Provision for Doubtful Debts	(186.01)	(186.01)
Total	21,660.72	15,162.00

(i) Retention money, with UP Power Transmission Corporation Ltd which will be receive on completion of the project, has been shown under other current assets as "Security Deposit" (Refer Note-11).

(ii) Trade receivables are netted with Bill discounting of ₹ Nil Lakh (previous year ₹ 104.17 Lakh).

(iii) Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality. Credit limits scoring attributed to customers are reviewed periodically by the Management.

(iv) Movement in allowance for doubtful debts

Particulars	As at 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	186.01	159.97
Allowance for doubtful debts	-	-
Provision during the year	-	56.10
Reversal during the year	-	(30.06)
Balance at the end of the year	186.01	186.01

(v) Trade receivables have been offered as security against the working capital loans provided by the banks.

Notes on Financial Statements for the Year Ended 31st March 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 8: Cash & Cash Equivalents		
Cash on hand	16.12	9.99
Balances with Banks		
Current Accounts	166.30	605.20
Total	182.42	615.19
Note 9: Other Bank Balances		
Balances with banks to the extent held as margin money*	989.26	893.31
Earmarked balance with bank - unpaid dividend account	0.87	0.44
Total	990.13	893.75
*Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.		
Note 10: Other Financial Assets		
Interest Accrued on FDR	123.66	89.28
Security deposit	818.70	822.50
Security Deposit with NSE	–	35.87
Total	942.36	947.65
*Retention money with UP Power Transmission Corporation Ltd which will be receive on completion of the project.		
Note 11: Other Current Assets		
Advances to suppliers	847.90	550.92
Balance with tax authorities	165.47	340.56
Prepaid expenses	105.23	132.00
Advances to related parties	1,540.02	1,276.01
Other receivables	60.47	63.11
Total	2,719.09	2,362.61
*Retention money with UP Power Transmission Corporation Ltd which will be receive on completion of the project.		
Note 12: Equity Share Capital		
Authorised Capital		
20,50,00,000 (1,40,00,000 previous year) Equity Shares of Rs. 10/- each	2050.00	1,400.00
	2050.00	1,400.00
Issued, Subscribed and Paid up Capital		
1,32,85,264 (1,32,85,264 previous year) Equity Shares of Rs. 10/- each fully paid up in cash	1,328.53	1,328.53
Total	1,328.53	1,328.53

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

A. Reconciliation of Shares outstanding at the beginning and at the end of year:

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Numbers	Amount	Numbers	Amount
Equity Shares outstanding at the beginning of the year	13,285,264	132,852,640	9,956,300	99,563,000
Add: Equity Shares Issued during the year	-	-	3,328,964	33,289,640
Equity Shares outstanding at the end of the year	13,285,264	132,852,640	13,285,264	132,852,640

B. Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31 st March 2019		As at 31 st March 2018	
	No. of Shares held	% of holding	No. of Shares held	% of holding
M/s Hill View Infrabuild Ltd	2,874,300	21.64%	2,874,300	21.64%
Sh. Shalabh Agarwal	1,280,592	9.64%	1,280,592	9.64%
M/s Shikhar Febtech (P) Ltd.	985,000	7.41%	985,000	7.41%
Sh. Alok Kumar	894,000	6.73%	894,000	6.73%
Sh. Shashank Agarwal	710,592	5.35%	710,592	5.35%

C. Equity Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March

Particulars	No. of Shares
	As at 31 st March 2017
Bonus Shares issued in FY 2016-17	4,978,150

D. Rights, Preferences and restrictions attached to shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share. 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.

E. The Company has issued 33,28,964 Equity Shares at a premium of Rs. 98 per share in pursuant to IPO dated 25-July-2017.

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 13: Other Equity		
Securities Premium Account	5,488.89	5,488.89
General Reserves	-	-
Retained Earning*	12,095.79	9,082.45
Total	17,584.68	14,571.34
For movement during the year in Other Equity, refer 'Statement of Changes in Equity'.		
*Retained Earning includes Other Comprehensive Income.		
Note 14: Borrowings		
Secured		
Vehicle Loan from Banks	74.64	80.87
Less: Current Maturities transferred to other financial liabilities	25.84	19.82
Total (A)	48.80	61.05
Unsecured		
Loans & advances from Related parties	440.42	416.42
Total (B)	440.42	416.42
Total (A+B)	489.23	477.47

A. Nature of Security and terms of repayment for Long Term Secured Borrowings:-

Nature of Security	Repayment Terms
Various Vehicle Loans total amount Rs.74.64 Lakh (Previous Year Rs. 80.87 Lakh) secured by way of hypothecation of vehicles	Repayable in 36-84 monthly installments commencing from various dates.

Installment falling due in respect of all the above Loans upto 31.03.2020 have been grouped under "Current Maturities of long term debt" (Refer Note No. 21).

B. Long Term Borrowings from related parties:

Name of the Party	Nature of Borrowings	Relationship	As at 31 March, 2019	As at 31 March, 2018
Mrs. Taru Agarwal	Unsecured Loans	Relative of KMP	18.15	18.15
Mr. Shashank Agarwal	Unsecured Loans	Jt. Managing Director	85.50	-
Hill View Infrabuild Ltd	Unsecured Loans	Associate	336.77	398.27
			440.42	416.42

Note 15: Other Financial Liabilities

Security Deposits from Contractor*	914.67	828.65
Deferred Income - EPCG Licence	11.53	-
Total	926.20	828.65

*Security deposit of ₹ 9.85 Crore received from Aarvanss Buildwell and Infracon LLP (Contractor) against installation, erection and commission of transmission line project (Tender No.- PVVNL-MT/DDUGYJY/353/15-16 and PVVNL-MT/DDUGYJY/359/15-16).

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 16: Provisions		
Provision for Gratuity	127.74	115.75
Provision for Earned Leave Encashment	0.59	7.50
Total	128.33	123.25
Note 17: Deferred Tax Liabilities (net)		
Deferred Tax Liabilities :		
Opening Balance	426.65	447.21
Increase/(decrease) on account of Property, Plant and equipment	192.12	(26.66)
Increase/(decrease) on account of Fair Valuation of Investment	(15.29)	0.92
Increase/(decrease) on account of IND AS adjustments	19.46	5.19
Total (a)	622.94	426.65
Deferred Tax Assets :		
Opening Balance	229.57	240.73
Increase / (decrease) on account of Provisions	0.66	37.47
Increase / (decrease) on account of MAT Credit	(117.05)	(48.62)
Total (b)	113.18	229.57
Total (a-b)	509.76	197.08
Deferred Tax Assets Comprises:		
(i) Provisions		
Opening Balance	112.52	75.05
Increase / (decrease) during the year	0.66	37.47
	113.18	112.52
(ii) MAT Credit Entitlement		
Opening Balance	117.05	165.67
Increase / (decrease) during the year	(117.05)	(48.62)
	0.00	117.05
Total Deferred Tax Assets	113.18	229.57
Note 18: Other Non-current Liabilities		
Deferred Expenses	63.15	147.35
Total	63.15	147.35

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 19: Borrowings		
Secured Loans		
Loan repayable on demand from banks	13,434.14	9,463.18
Unsecured Loans		
Loan repayable on demand from banks	1,008.00	775.10
Loans & advances from Others	96.43	186.60
Total	14,538.57	10,424.88
Secured by the hypothecation of Raw Material, WIP, Finished Goods and Book Debts, pledge of cash margin money in the form of FDR and exclusive charges over the fixed assets. Mr. Alok Kumar, Mr. Gyanendra Kumar Agarwal, Mr. Shashank Agarwal and Mr. Shalabh Agarwal have given the personal guarantees and corporate guarantee of M/s. Shikhar Fabtech Pvt Ltd to the Banks for Working Capital facilities.		
Note 20: Trade Payables		
<i>Payable to Raw Materials Suppliers :</i>		
Total outstanding dues of micro enterprises and small enterprises	68.17	44.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,758.72	3,156.80
Total (a)	5,826.88	3,201.26
Note 21: Other Financial Liabilities		
Current Maturities of Long Term Borrowing	25.84	19.82
Unpaid/ unclaimed dividend	0.87	0.44
Total	26.71	20.26
Note 22: Provisions		
Provision for Gratuity	10.14	27.54
Provision for Earned Leave Encashment	4.45	1.04
Total	14.58	28.58
Note 23: Other Current Liabilities		
Other Payables:		
Total outstanding dues of micro enterprises and small enterprises	1.81	11.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,941.78	4,238.60
Advance from Customers	919.84	290.66
Capital Advance	165.00	175.00
Due to Employees	383.06	289.74
Statutory Dues	203.68	185.25
Expenses payable	34.90	30.77
Total	5,650.08	5,221.42

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a) The principal amount remaining unpaid to any supplier at the end of the year (Refer Note No. 20 and Note No. 23)	69.98	55.87
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) 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 the MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the	-	-
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made to these suppliers.		
Note 24: Current Tax Liability (net)		
Provision for Tax (Net of Advance Tax / TDS)	63.27	263.45
Total	63.27	263.45

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Note 25- Revenue from operations		
Sale of Products		
(a) Within India	53,963.83	42,373.38
(b) Outside India	2,690.86	2,359.43
Sale of Services	7,084.55	4,302.72
Other Operating Revenues	1,692.58	1,233.18
Total	65,431.82	50,268.71
Sale of Services Comprises:		
Erection Service	6,141.93	3,871.53
Others	942.62	431.19
	7,084.55	4,302.72
Other Operating Revenue Comprises:		
Sale of Scrap	1,560.76	1,050.72
Export Incentives	27.50	37.33
Others	104.32	145.13
	1,692.58	1,233.18
Note 26 - Other Income		
Interest on Bank Deposits	81.97	74.20
Interest on other financial assets	1.84	44.40
Dividend Income	2.51	-
Profit on sale of Property, Plant and Equipment	-	2.71
Gain on fair valuation of investments	-	2.62
Total	86.31	123.94
Note 27 - Cost of Revenue Operations		
(a) Cost of Raw Material Consumed		
Opening Stock	1,422.62	1,231.04
Add : Purchases	48,019.97	35,730.44
	49,442.59	36,961.48
Less :- Closing Stock	3,302.07	1,422.62
Total (a)	46,140.53	35,538.85
(b) Cost of Other Revenue from Operations		
Consumption of Stores and spare parts	1,369.99	1,109.58
Power & Fuel	1,033.98	754.70
Labour Processing, Testing and Machinery Hire Charges	672.20	348.44
Installation and Erection Charges	4,147.79	2,751.09
Job Work Charges	41.57	63.02
Total (b)	7,265.52	5,026.83
Total	53,406.05	40,565.68

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Details of Raw Material Consumed		
Shape and Section	32,581.83	21,429.75
Zinc	9,153.11	7,911.95
Nuts & Bolts	1,833.48	1,271.52
Other Material	2,572.11	4,925.63
Total	46,140.53	35,538.85
Note 28-Changes in Inventories of Finished goods, Work-in-progress and others		
Opening Stock		
Finished Goods	1,577.21	922.76
Work in Progress:		
Goods	5,529.19	3,917.86
Project	310.16	778.75
Scrap	40.30	18.61
Total (a)	7,456.85	5,637.97
Closing Stock		
Finished Goods	2,558.13	1,577.21
Work in Progress:		
Goods	4,824.15	5,529.19
Project	697.36	310.16
Scrap	181.03	40.30
Total (b)	8,260.67	7,456.85
Add/(Less):- Variation in excise duty on opening and closing stock of finished goods		
Opening Balance	-	82.50
Closing Balance	-	-
Total (c)	-	82.50
(Increase) / Decrease in Stock (a-b-c)	(803.81)	(1,901.38)
Note 29: Employee benefits expenses		
Salary and Wages	2,598.70	2,113.53
Contribution to Provident Fund & ESI	163.87	152.58
Staff Welfare	40.82	30.18
Total	2,803.39	2,296.29
Note 30: Finance Costs		
Bank Interest	1,034.53	646.04
Bank Charges	246.86	62.80
Interest to Others	326.71	117.37
Interest on Unsecured Loan	23.81	15.47
Total	1,631.91	841.68

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Note 31 : Other Expenses		
Repairs to Building	20.90	36.63
Repairs to Machinery	238.30	246.56
Insurance	36.70	38.94
Legal & Professional Charges	1,218.88	1,378.07
Security Expenses	85.21	67.10
Printing & Stationery	24.39	19.32
Conveyance & Travelling Exp	121.27	92.37
Repair & Maintenance others	86.44	57.26
Rent, Rates & Taxes	178.90	207.33
Corporate Social Responsibility Expenses	16.50	47.79
Postage & Telephone	26.45	20.57
Auditors' Remuneration	5.50	4.50
Freight & Forwarding (net)	299.11	358.84
Commission	25.09	119.07
Business Promotion	37.10	56.28
Packing Material	216.83	201.85
Advertisement	10.20	7.35
Miscellaneous Expenses	45.56	117.24
Loss on sale of Property, Plant and Equipment	-	1.10
Bad Debts Written off	-	7.75
Provision for Diminution in value of investment	43.77	-
Provision for doubtful Debts	-	26.04
Total	2,737.11	3,111.97
Note 32 : Exceptional Item:		
Profit (Loss) on Sale of Shares	-	25.62
Total	-	25.62
Note 33 : Tax Expenses		
Current Tax		
In respect of the current year	1,811.32	1,430.07
In respect of the prior year	0.19	(9.26)
	1,811.51	1,420.81
Deferred Tax		
Incremental/ (Decremental) Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	191.48	(63.97)
Incremental/ (Decremental) Deferred Tax Liability on account of Fair Valuation of Investments	(15.29)	(0.40)
(Incremental)/ Decremental Deferred Tax Assets on account of Provisions	(0.66)	4.27
	175.53	(60.10)
Total	1,987.04	1,360.70

Notes on Financial Statements for the Year Ended 31st March 2019

(In Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Note 34 : Earnings per Share		
Profit for the period	3,296	2,963
Weighted average number of Equity Shares outstanding	13,285,264	12,236,412
Weighted average number of Diluted Shares outstanding	13,285,264	12,236,412
Face Value per share	10.00	10.00
Basic EPS (₹)	24.81	24.21
Diluted EPS (₹)	24.81	24.21

Note 35 : Segment Information in accordance to Ind AS- 108 - 'Operating Segments'

The Company primarily engaged in manufacturing of Galvanise M.S. Steel Structures and related activities. Information reported to and evaluated regularly by the Coperational Decision Maker (CODM) i.e. Managing Director for the purpose of resouce allocation and assessing performance focuses on the business as whole. The CODM reviews the Company's performance focuses on the analysis of profit before tax at an overall entity level. Accordingly, there is no other seperate reportable segment as defined by Ind As 108 "Operating Segments". As the Company also prepares the Consolidated Financial Statements (CFS), other relevent segment information is disclose in the CFS.

Note 36 : Employee Benefit Obligations

(i) Defined Contribution Plans:

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 108.57 Lakh (previous year Rs. 108.85 Lakh) for Provident Fund contributions, and Rs. 52.01 Lakh (previous year Rs. 40.36 Lakh) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plans (Unfuded):

(a) Gratuity: The Company has an unfunded defined benefit gratuity plan which entitles every employee who departs after the completion of 5 or more years of service to a gratuity calculated at fifteen days salary (last drawn salary) for each completed year of service, in accordance with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

(i) Change in present value of obligation

(₹ in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Present value of obligation as at the beginning of the period	143.29	94.71
Acquisition adjustment	-	-
Interest cost	11.06	6.96
Past service cost	-	-
Current service cost	43.18	39.54
Curtailment cost/(Credit)	-	11.95
Settlement cost/(Credit)	-	-
Benefits paid	(2.13)	(3.07)
Actuarial (gain)/loss on obligation	(57.52)	(6.80)
Present value of obligation as at the end of period	137.88	143.29

Notes on Financial Statements for the Year Ended 31st March 2019

(ii) Assets and Liabilities recognised in the Balance Sheet (₹ in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Present value of obligation as at the end of the period	137.88	143.29
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	(137.88)	(143.29)
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net Asset/(Liability) recognised in Balance Sheet	137.88	143.29
Recognised Under :		
Long Term Provision	127.74	115.75
Short Term Provision	10.14	27.54
Total	137.88	143.29

(iii) Expense recognised in the Statement of Profit and Loss (₹ in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Total service cost	43.18	39.54
Interest cost	11.06	6.96
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Expenses recognised in the Statement of Profit & Losses	54.24	46.50

(iv) Other Comprehensive Income (OCI) (₹ in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Net cumulative unrecognized actuarial gain/ (loss) opening	-	-
Actuarial gain/ (loss) for the year on PBO	(57.52)	(6.80)
Actuarial gain/ (loss) for the year on Assets	-	-
Unrecognized actuarial gain/ (loss) for the year	(57.52)	(6.80)

(v) Principal Actuarial assumptions (₹ in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Discount Rate per annum	7.66%	7.72%
Salary Escalation rate per annum	5.50%	5.50%
Retirement age	58 Years	58 Years
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Estimate of amount of contribution in the immediate next year	66.63	62.01

(b) Leave Encashment : The employees are entitled for each year of service and part thereof and subject to the limits specified, the unavailed portion of such leaves can be accumulated or encashed during/at the end of the service period. The plan is not funded.

Notes on Financial Statements for the Year Ended 31st March 2019

The reconciliation of opening and closing balances of the present vale of the defined benefit obligations are as below:

(i) Change in present value of obligation (₹ in Lakh)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Present value of obligation as at the beginning of the period	8.53	13.67
Acquisition adjustment	-	-
Interest cost	0.66	1.00
Past service cost	-	-
Current service cost	1.21	2.52
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	(0.99)	(14.03)
Actuarial (gain)/loss on obligation	(4.38)	5.37
Present value of obligation as at the end of period	5.04	8.53
(ii) Assets and Liabilities recognised in the Balance Sheet (₹ in Lakh)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Present value of obligation as at the end of the period	5.04	8.53
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	(5.04)	(8.53)
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net Asset/(Liability) recognised in Balance Sheet	(5.04)	(8.53)
(iii) Expense recognised in the Statement of Profit and Loss (₹ in Lakh)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Current service cost	1.21	2.52
Past service cost	-	-
Interest cost	0.66	1.00
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Net actuarial (gain)/ loss recognized in the period	(4.38)	5.37
Net Asset/(Liability) recognised in Balance Sheet	(2.51)	8.89
(iv) Principal Actuarial assumptions (₹ in Lakh)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Discount Rate per annum	7.66%	7.72%
Salary Escalation rate per annum	5.50%	5.50%
Retirement age	58 Years	58 Years
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Employee Turnover/Attrition Rate		
Upto 30 Years	3%	3%
From 31 to 44 Years	2%	2%
Above 44 Years	1%	1%

Notes on Financial Statements for the Year Ended 31st March 2019

Note 37 : Related Parties Disclosures

1. Name of Related Parties and Nature of Relationship:

Particulars

Where control exists

Jonit Venture	Sikka-Salasar-JV Salasar-HPL JV
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Other Related Parties with whom transactions have taken place during the year:

Associates :	Hill View Infrabuild Ltd. Capital Udyog Capital Founder
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Key Management Personnels:	Mr. Alok Kumar (Chairman and Managing Director)
	Mr. Shashank Agrawal (Joint Managing Director)
	Mr. Shalabh Agrawal (Director)
	Ms. Tripti Gupta (Director)
	Mr. Anil Kumar Jain (Independent Director)
	Mr. Vijay Kumar Jain (Independent Director)
	Mr. Sanjay Chandak (Independent Director)
	Mr. Amit Jain (Independent Director)
	Mr. Kamlesh Kr. Sharma (Chief Financial Officer)
	Mr. Pramod Kr. Kala (Chief Financial Officer)
	Mr. Rahul Rastogi (Company Secretary)

Relatives of Key Management Personnels

Mrs. Anshu Agrawal	(Wife of Mr. Shashank Agarwal)
Mrs. Kamlesh Gupta	(Wife of Mr. Alok Kumar)
Mr. Raghav Agarwal	(Son of Mr. Shashank Agarwal)
Mr. Shikhar Gupta	(Son of Mr. Alok Kumar)
Mrs. Taru Agrawal	(Wife of Mr. Shalabh Agarwal)

2. Transaction Carried out with related parties referred to in (1) above, in ordinary course of business:

Nature of Transactions	Associates / Joint Ventures	Key Management Personnel	Relatives
Sale of goods			
Sikka-Salasar -JV	1,947.67 (34.37)	- (-)	- (-)
Salasar - HPL JV	465.65 (-)	- (-)	- (-)
Purchase of goods			
Capital Founder	- (0.16)	- (-)	- (-)
Capital Udyog	2.60 (2.96)	- (-)	- (-)
Directors Remuneration			
Sh. Alok Kumar	- (-)	72.60 (66.00)	- (-)
Sh. Shashank Agarwal	- (-)	66.00 (60.00)	- (-)
Sh. Shalabh Agarwal	- (-)	52.80 (48.00)	- (-)
Ms. Tripti Gupta	- (-)	46.20 (42.00)	- (-)

Notes on Financial Statements for the Year Ended 31st March 2019

Director's Sitting Fee				
Sh. Anil Kumar Jain		- (-)	0.75 (0.60)	- (-)
Sh. Vijay Kumar Jain		- (-)	0.85 (0.45)	- (-)
Sh. Sanjay Chandak		- (-)	0.15 (0.60)	- (-)
Mr. Amit Jain		- (-)	0.55 (0.40)	- (-)
Salary				
Mr. Kamlesh Kumar Sharma		- (-)	9.20 9.60	- (-)
Mr. Pramod Kumar Kala		- (-)	5.32 (-)	- (-)
Mr. Rahul Rastogi		- (-)	5.40 (2.68)	- (-)
Mrs. Anshu Agarwal		- (-)	- (-)	19.80 (18.00)
Mrs. Taru Agarwal		- (-)	- (-)	19.80 (18.00)
Mrs. Kamlesh Gupta		- (-)	- (-)	24.00 (18.00)
Mr. G. K. Agarwal		- (-)	- (-)	25.00 (24.00)
Mr. Shikhar Gupta		- (-)	- (-)	30.00 (24.00)
Mr. Raghav Agarwal		- (-)	- (-)	24.00 (18.00)
Lease Rent-Car				
Sh. Shashank Agarwal		- (-)	1.35 (5.40)	- (-)
Sh. Shalabh Agarwal			1.65 (6.60)	- (-)
Mrs. Anshu Agarwal		- (-)	- (-)	0.75 (3.00)
Mrs. Kamlesh Gupta		- (-)	- (-)	0.45 (1.80)
Loans Received				
Sh. Shashank Agarwal		- (-)	85.50 (-)	- (-)
Interest Paid				
Sh. Shashank Agarwal		- (-)	- (2.10)	- (-)
Sh. Shalabh Agarwal		- (-)	- (6.74)	- (-)
Repayment of Loan and Advances				
Hillview Infrabuild Ltd		- (-)	61.50 (-)	- (-)
Loan and Advances Given				
Sikka-Salasar-JV		264.01 (1,276.01)	- (-)	- (-)

*Figures in bracket represent previous year amount.

Notes on Financial Statements for the Year Ended 31st March 2019
3. Balance outstanding at the end of the year.
(Rs. in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Payables		
Hillview Infrabuild Ltd.	336.77	398.27
Mrs. Taru Agarwal	18.15	18.15
Mr. Shashank Agarwal	85.50	–
Receivables		
Salasar - HPL JV	452.61	–
Sikka- Salasar-JV	3,435.47	1,276.01

Note 38 : Disclosure of Merger

Effective April 1, 2018 being the appointed date, the Company completed the merger of Salasar Stainless Limited pursuant to a scheme of arrangement of merger as approved by the principal bench of National Company Law Tribunal, New Delhi on 9-Jan-2019. As Salasar Stainless Limited is a wholly owned subsidiary of the Company, the merger has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103); (Business Combination of entities under common control), notified under the Companies Act, 2013.

Accordingly, all assets, liabilities and reserves of Salasar Stainless Limited have been recorded in the books of accounts of the Company at their existing carrying amounts and in the same form. To the extent that there are inter company loans, advances, deposits, balances or other obligations as between Salasar Stainless Limited and the Company, have been eliminated. The differences, between the investments held by the company and all assets, liabilities and reserves of Salasar Stainless Limited, have been adjusted with reserves and surplus.

Comparative accounting period presented in the financial statements of the Company has been restated for the accounting impact of the merger, as stated above, as if the merger had occurred from the beginning of the comparative period in the financial statements i.e. April 1, 2017.

Note 39 : Corporate Social Responsibility (CSR)

As per Section 135 of Companies Act, 2013 the Company was to require an amount of Rs. 52.41 Lakh in CSR activities, out of which Rs. 35.91 Lakh remain unspent at the end of the year.

Note 40 : Contingent Liabilities and commitments (to the extent not provided for)
(Rs. in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Bank Guarantee and LC for which FDR margin has been given to the bank as security	10,033.19	7,738.21
Income Tax, for the A. Y. 2011-12 (Petition is pending with CIT(A)-3, New Delhi)	84.06	-
Entry Tax, UP VAT and Central Sales Tax, for the FY 2012-13 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	77.68	77.68
Entry Tax, for the FY 2014-15 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	5.39	5.39
Entry Tax, and Central Sales Tax, for the FY 2015-16 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	21.10	-
Entry Tax, UP VAT and Central Sales Tax, for the FY 2016-17 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	74.54	-

The company does not expect any outflow of resources in respect of the above.

Note 41:

In the opinion of the Board of Directors, all the Known liabilities and expenses have been provided in the books of accounts.

Note 42:

Balances under the head loans and advances, sundry debtors, sundry creditors are relied upon and subject to reconciliation and confirmation.

For ARUN NARESH & CO.

Firm Registration No. 007127N

Chartered Accountants

CA. Arun Kumar Jain

Partner

M. No. 084598

Place : Ghaziabad

Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
Managing Director

Shashank Agarwal
Jt. Managing Director

Pramod Kr. Kala
(Chief Financial Officer)

Rahul Rastogi
(Company Secretary)

CONSOLIDATED PART

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS SALASAR TECHNO ENGINEERING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SALASAR TECHNO ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and 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 then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, and consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S.NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements 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.</p> <p>(Refer Note – 1 (B) (xviii) (a) and (C) (i))</p>	<p>Principal Audit Procedures</p> <p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • 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, analysed and identified the distinct performance obligations in these contracts.

		<ul style="list-style-type: none"> • Compared these performance obligations with that identified and recorded by the Group. • 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. • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems. • 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.
<p>2.</p>	<p>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates</p> <p>Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. (Refer Note – 1 (B) (xviii) (a) and (C) (i))</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. • Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is 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 consolidated financial statements and our auditor's report thereon. This other information is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information and if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance and take necessary action as per law and regulations.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls system in place and the operating effectiveness of such controls.

Salasar Techno Engineering Limited

- 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 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the consolidated 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 consolidated 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 consolidated 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 be reasonably expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one entity M/s Salasar HPL JV included in the consolidated financial results, whose financial statements reflect total assets of Rs. 842.83 lacs, total revenues of Rs.721.30 and total net profit after tax of Rs.30.88 lacs for the year ended 31.03.2019 as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entity is based solely on the reports of the other auditors.

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 consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed 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 of the Company 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".
- 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, 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 consolidated financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For ARUN NARESH & COMPANY
Chartered Accountants,
ICAI Firm Registration Number: 007127N

Arun Kumar Jain
Partner
M.No. 084598

Place : Ghaziabad
Dated : May 28, 2019

Salasar Techno Engineering Limited

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 to the Members of Salasar Techno Engineering Limited of even date)

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 consolidated financial reporting of **SALASAR TECHNO ENGINEERING LIMITED**. ("the Company") as of March 31, 2019 in conjunction with our audit of the consolidated 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, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 ARUN NARESH & COMPANY
Chartered Accountants,
ICAI Firm Registration Number: 007127N

Place : Ghaziabad
Dated : May 28, 2019

Arun Kumar Jain
Partner
M.No. 084598

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Salasar Techno Engineering Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties as disclosed in Note-2 on fixed assets to the standalone Ind AS financial statements are held in the name of the company.
- ii. According to the information available to us that physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies is noticed on physical verification between the physical stocks and the book records.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to its Joint Venture, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which
 - a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c. There is no overdue amount remaining outstanding as at the year-end.
- iv. 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 the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of the Companies Act, 2013, and are of the opinion that , prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, GST, Entry Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:-

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which the Amount Relates	Amount (in lakh)
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax, UP VAT and Central Sales Tax	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP)	Financial Year 2012-13	77.68
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax,	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP)	Financial Year 2014-15	5.39
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax, and Central Sales Tax	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP)	Financial Year 2015-16	21.10
UP Tax on Entry of goods in to Local areas ordinance, 2007, UP VAT Act, 2008 and Central Sales Tax Act	Entry Tax, UP VAT and Central Sales Tax	Before the Additional Commissioner (Appeal) Commercial Tax Ghaziabad (UP)	Financial Year 2016-17	74.54
Income Tax Act 1962	Income Tax	CIT (A) – 3, New Delhi	A.Y. 2011-12	84.06

- viii. The Company has not defaulted in repayment of loan or borrowing to any bank. The Company has not obtained any loans from debenture holders, financial institution and government. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

Salasar Techno Engineering Limited

- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For ARUN NARESH & COMPANY
Chartered Accountants,
ICAI Firm Registration Number: 007127N

Place : Ghaziabad
Dated : May 28, 2019

Arun Kumar Jain
Partner
M.No. 084598

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	7,729.71	7,170.94
Capital Work-in-Progress	2	–	108.25
Financial assets			
(a) Investment in Joint Venture	3	–	–
(b) Other financial asset	4	926.55	630.80
Current assets			
Inventories	5	11,793.00	8,901.23
Financial Assets			
(a) Investments	6	205.42	40.59
(b) Trade Receivables	7	21,724.14	15,162.00
(c) Cash and Cash Equivalent	8	182.61	615.19
(d) Bank balances other than (c) above	9	990.13	893.75
(e) Other financial assets	10	942.36	947.65
Current tax assets (Net)		–	–
Other current assets	11	2,719.09	2,362.61
Total Assets		47,213.00	36,833.01
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	1,328.53	1,328.53
Other Equity	13	17,615.08	14,570.85
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(a) Borrowings	14	489.23	477.47
(b) Other Financial Liabilities	15	926.20	828.65
Provisions	16	128.33	123.25
Deferred Tax Liabilities (Net)	17	509.76	197.08
Other Non-current Liabilities	18	63.15	147.35
Current Liabilities			
Financial Liabilities			
(a) Borrowings	19	14,538.57	10,424.88
(b) Trade Payables	20	5,826.88	3,201.26
(c) Other Financial Liabilities	21	26.71	20.26
Provisions	22	14.58	28.58
Other Current Liabilities	23	5,666.79	5,221.41
Current Tax Liability (Net)	24	79.19	263.45
Total Equity & Liabilities		47,213.00	36,833.01

Notes referred to above and notes attached there to form an integral part of Balance Sheet
 This is the Balance Sheet referred to in our Report of even date.

For ARUN NARESH & CO.
Firm Registration No. 007127N
 Chartered Accountants

CA. Arun Kumar Jain
 Partner
 M. No. 084598
Place : Ghaziabad
Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
 Managing Director

Shashank Agarwal
 Jt. Managing Director

Pramod Kr. Kala
 (Chief Financial Officer)

Rahul Rastogi
 (Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019

(Rs. in Lakhs)

Particulars	Note No.	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
REVENUES			
Revenue from Operations	25	65,488.08	50,268.71
Other Income	26	86.31	123.94
Total Revenue		65,574.39	50,392.65
Expenses			
Cost of revenue operations	27	53,406.05	40,565.68
Changes in inventories of finished goods, work-in-progress and others	28	(803.81)	(1,901.38)
Excise Duty		–	794.64
Employee benefits expenses	29	2,803.39	2,296.29
Finance Costs	30	1,631.91	841.68
Depreciation and amortization expenses	2	460.19	386.09
Other Expenses	31	2,746.56	3,111.97
Total Expenses		60,244.29	46,094.97
Profit before exceptional items, share of net profit of investments accounted for using equity method & tax		5,330.10	4,297.67
Share of net profit of investments accounted for using equity method			(0.49)
Profit before exceptional items & tax		5,330.10	4,297.18
Exceptional Items	32	–	25.62
Profit before Tax		5,330.10	4,322.80
Tax Expenses	33		
(a) Current Tax		1,827.44	1,420.81
(b) Deferred Tax		175.53	(60.10)
Profit for the year		3,327.13	2,962.10
Other Comprehensive Income (OCI)			
(A) Items that will not be classified to profit or loss			
Remeasurements of the defined benefit plans		57.52	6.80
Income tax relating to items that will not be classified to profit or loss		20.10	2.07
(B) Items that will be classified to profit or loss		–	–
Total Comprehensive Income for the year		3,364.55	2,966.83
Earning per Equity share of Rs. 10 each			
(1) Basic (in ₹)		25.04	24.21
(2) Diluted (in ₹)		25.04	24.21

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement
 This is the Profit & Loss Statement referred to in our Report of even date.

For ARUN NARESH & CO.
Firm Registration No. 007127N
 Chartered Accountants

CA. Arun Kumar Jain
 Partner
 M. No. 084598
Place : Ghaziabad
Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
 Managing Director

Shashank Agarwal
 Jt. Managing Director

Pramod Kr. Kala
 (Chief Financial Officer)

Rahul Rastogi
 (Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019
(Rs. in Lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Income Tax	5,330.10	4,322.80
Adjustments for:		
Depreciation & amortization	460.19	386.09
Loss (Profit) on sale of property, plant and equipment	-	(2.71)
Finance costs	1,631.91	841.68
Provision for doubtful debts	-	26.04
Adjustment on account of fair valuation of assets	57.52	6.80
Dividend Income	(2.51)	-
Interest income	(83.81)	(121.23)
Loss /(Profit) on Sale of Investments	-	(25.62)
Operating Profit Before Working Capital Changes	7,393.41	5,433.86
Adjustments For Working Capital		
Adjustment for (increase) / decrease in operating assets		
Inventories	(2,891.77)	(2,019.71)
Trade receivables	(6,562.14)	(7,217.40)
Other financial assets	5.29	831.41
Other current assets	(239.43)	(886.77)
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	2,625.61	(209.18)
Other current liabilities	261.11	1,270.55
Other financial liabilities	104.01	7.99
Provisions	(8.91)	(39.05)
Other non-current liabilities	(84.20)	(6.27)
Cash Generated From Operations	602.98	(2,834.57)
Income Tax Paid	1,827.44	1,420.81
Net Cash Flow from Operating Activities (A)	(1,224.45)	(4,255.38)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale (Purchase) of current investments	(164.84)	105.59
Interest Income	83.81	121.23
Dividend Income	2.51	-
Purchase of property, plant and equipment	(910.70)	(1,514.22)
Bank Balance (not consider as cash and cash equivalents)	(96.37)	(278.76)
Proceeds from sale of Property, Plant and Equipment	-	9.85
Net Cash flow from Other Financial Assets	(295.74)	(67.82)
Net Cash Used In Investing Activities (B)	(1,381.34)	(1,624.15)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares	–	3,436.62
Increase/(Decrease) in Long Term Borrowings	11.75	(227.48)
Increase/(Decrease) in Short Term Borrowings	4,113.70	4,264.43
Dividend Paid (including dividend distribution tax)	(320.32)	(159.90)
Finance Costs	(1,631.91)	(841.68)
Net Cash flow from Financing Activities (C)	2,173.21	6,471.99
Net Changes in Cash & Cash Equivalents (A + B + C)	(432.59)	592.47
Add : Opening Cash & Cash Equivalents	615.19	22.73
Closing Cash & Cash Equivalents	182.61	615.19

This is the Cash Flow Statement referred to in our Report of even date.

For ARUN NARESH & CO.

Firm Registration No. 007127N

Chartered Accountants

CA. Arun Kumar Jain

Partner

M. No. 084598

Place : Ghaziabad

Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
Managing Director

Shashank Agarwal
Jt. Managing Director

Pramod Kr. Kala
(Chief Financial Officer)

Rahul Rastogi
(Company Secretary)

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital (Note-12)

(₹ in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
For the year ended 31 st March, 2018	1,328.53	-	1,328.53
For the year ended 31 st March, 2019	1,328.53	-	1,328.53

B. Other Equity (Note - 13)

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total
	Securities Premium Reserve	General Reserve	Surplus	Equity Instruments through OCI	Remeasurement of defined benefit Plan	
Balance as at March 31, 2018	5,488.89	-	9,072.23	-	9.73	14,570.85
Profit for the period			3,327.13		37.42	3,364.55
Other Comprehensive Income (net of tax)						-
Total Comprehensive Income for the year	-	-	3,327.13	-	37.42	3,364.55
Issue of Equity Shares (net of transition cost)	-					-
Less : Final Dividend FY 2017-18			132.85			132.85
Less : Interim Dividend			132.85			132.85
Less Dividend Distribution Tax on Dividend			54.62			54.62
Balance as at March 31, 2019	5,488.89	-	12,079.03	-	47.15	17,615.08

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Securities Premium Account: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

The Board of Directors has recommended a dividend of 15% for the financial year 2018-19, on 28 May, 2018 amounting to ₹ 1.50 per share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included in liability in the financial statements.

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement.

This is the Statement of Changes in Equity referred to in our Report of even date.

For ARUN NARESH & CO.

Firm Registration No. 007127N

Chartered Accountants

CA. Arun Kumar Jain

Partner

M. No. 084598

Place : Ghaziabad

Date : 28-May-2019

For and on behalf of Board of Directors

Alok Kumar
Managing Director

Shashank Agarwal
Jt. Managing Director

Pramod Kr. Kala
(Chief Financial Officer)

Rahul Rastogi
(Company Secretary)

Notes on Financial Statements for the Year ended 31st March 2019

Notes to the Consolidated Financial Statements

Note -1 : Significant Accounting Policies

A. CORPORATE INFORMATION

Salasar Techno Engineering Limited (the 'Company') is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India viz, the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The Company is engaged in manufacturing and sale of Galvanized Steel Structure including Telecom Towers, Transmission Line Towers and Solar Panels. The Company has three manufacturing facilities one at Jindal Nagar, Hapur (UP) and two at Khera Dehat, Hapur (UP).

B. BASIS OF CONSOLIDATION

The CFS comprise the financial statements of the Company, its subsidiaries and the Group's interest in associate and jointly ventures as at the reporting date.

Subsidiary

Subsidiary include all the entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which Group attains control and are deconsolidated from the date that control ceases to exist.

Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint venture are accounted for using the equity method of accounting.

The CFS have been prepared on the following basis

The financial statements of the Company and its subsidiary entity has been consolidated on a lineby-line basis by adding together of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standard in India. Accounting policies of the respective subsidiary entity are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The CFS include the share of profit / loss of the joint ventures and the associate company which are accounted as per the 'equity method'.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the postacquisition profits or losses of the investee in profit or loss, and the Group's share of movements in OCI of the investee in OCI.

The CFS are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Company's separate financial statements.

C. SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS AND SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of compliance

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the 2013 Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Basis of Preparation of Financial Statement

The financial statements have been prepared under the historical cost convention using the accrual method of accounting basis, except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the significant accounting polices below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

(iii) Critical accounting estimates, assumptions and judgements

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below :

(i) Useful life of Property, Plant and Equipment

The cost of property, plant and equipment is depreciated over the useful life, which is based on expected usage of the assets, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and residual value.

(ii) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Allowance for uncollectable accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(iv) Use of estimates

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period/year.

The difference between the actual results and estimates are recognised in the year in which the results are known/materialise.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(v) Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

(vi) Property, Plant & Equipment

On transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed

cost of Property, Plant and Equipment on the date of transition. Subsequently, Property, Plant and Equipment, other than land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on PPE is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, vehicles, being part of PPE are depreciated on a straight-line method over the shorter of their respective useful lives as prescribed in Schedule -II to the Companies Act, 2013 . Freehold land is not depreciated.

Schedule II to the Companies Act 2013 ('Schedule') prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that, the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of fixed assets are as given below:

Assets	Useful Life
Plant & Machinery	15 years
Factory Buildings	30 years
Furniture and Fittings and Office Equipment	3-10 years
Vehicle	8 years

Useful lives and residual values of assets are reviewed at the end of each reporting period.

Losses arising from the retirement of, and gains or losses arising from disposal of PPE are recognised in the Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Intangible Asset under development includes cost of development of new intangible assets to complete the assets as at the balance sheet date.

Capital Expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

(vii) Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (if any). Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

Subsequent Expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortization of intangible assets with finite useful lives:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Computer Softwares are amortised on straight line basis over the estimated useful lives of 5 years.

(viii) Impairment of Non Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount of cash generating units exceeds its recoverable amount.

(ix) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- *Raw materials: are valued at cost on FIFO basis.*
- Finished goods and work in progress: are valued at cost or net realisable value, whichever is lower. In the case of finished goods and work in process cost comprises of material, direct labour and applicable overhead expenses. The cost of finished goods also includes applicable excise duty.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. These are valued at cost or net realisable value, whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(x) Financial Instruments-Initial Recognition, Subsequent Measurement and Impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

(a) Initial recognition and measurement:

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

(c) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(d) Financial assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

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

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

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

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

(g) Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

(h) Derecognition of Financial assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset, if an entity

transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

(i) Impairment of Financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. 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.

Financial Liabilities

(a) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(b) Classification & Subsequent measurement:

If a financial instrument that was previously recognised as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

(c) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

(d) Derecognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(e) Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial Guarantee contracts issued by a company are initially measured at their fair values and, if not designated as FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 'Revenue'.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

Subsequent recoveries of amounts previously written off are credited to Other Income.

(xi) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(xii) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xiii) Borrowing Costs

Borrowing costs directly attributable to the acquisition of fixed assets is capitalized as part of the cost of fixed assets till the date it is put to use. Other borrowing cost is recognized as expenditure in the period in which they are accrued.

(xiv) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as Current Investments. All other investments are classified as Non Current Investments. Current Investments are valued at lower of Cost and Fair value. Non Current Investments are valued at cost, except in the case of other than temporary decline in value, in which case necessary provision is made.

(xv) Foreign Currency Transactions

Transactions in foreign zexchange are accounted for at the closing rate of previous month. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and the resultant gain or loss is recognized in the Statement of Profit and Loss. Exchange difference arising on payment or translation of liabilities and receivables is recognized as income or expense in the year in which the same arises.

(xvi) Provisions, Contingent Liabilities, Contingent Assets and Commitments**(a) General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation. Provisions are therefore discounted, when effect is material, The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

(xvii) Share capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

(xviii) Revenue Recognition

(a) Sale of goods and Services

The Company derives revenues primarily from sale of manufactured goods and services. Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

(b) Other Income

– Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

– Dividends

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

(xix) Taxation

Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

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

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of 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 utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when it relates to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities simultaneously.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

(xx) Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current best estimate

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

(xxi) Earnings per Share

As per Ind AS 33, Earning Per Share, Basic earnings per share are computed by dividing the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments. Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.\

(xxii) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and performance incentives.

Provident Fund:

The Company has Defined Contribution plan for the post employment benefits namely Provident Fund which is recognised by the income tax authorities. These funds are administered through the Regional Provident Fund Commissioner and the Company's contributions thereto are charged to Statement of Profit and Loss every year.

Compensated Absences:

"Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise."

Gratuity:

The Company has Defined Benefit plan, namely gratuity for employees (unfunded), the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

(xxiii) Disclosure in respect of operating leases as per IND AS 17 'Leases'

A. Operating Lease

- (i) The Company has entered into lease arrangements for lease of offices generally for a period of 11 months with renewal option on mutual consent, and which can be terminated after lock in period by serving notice period as per the terms of the agreements. (Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(i) Information related to leases		
Total of minimum lease payments		
– Not later 1 year	44.18	25.04
– Later than 1 year and not later 5 years	-	-
– Later than 5 years	-	-
(ii) Lease Payment recognized in the statement of profit and loss for the year	42.10	24.92

B. Finance Lease

The Company has taken certain vehicles under finance lease. There is an option to purchase the assets at the end of the lease terms. The obligation under finance leases are secured by the leased assets. There are no restrictions such as additional debt and further leasing imposed by the lease agreement.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 8.6% to 9.75%

Finance Lease Liabilities

Particulars	As at	Total minimum lease payments outstanding	Future Finance Charges	Present Value of minimum lease payments
Not later 1 year	March 31, 2019	31.24	5.40	25.84
	March 31, 2018	28.81	5.49	23.40
Later than 1 year and not later 5 years	March 31, 2019	53.31	4.51	30.50
	March 31, 2018	84.55	9.91	56.34
Later than 5 years	March 31, 2019	-	-	-
	March 31, 2018	-	-	-
Included in the Financial Statements as				
Particulars			Year ended 31 March 2019	Year ended 31 March 2018
- Vehicle Loan from banks [Refer note 14]			48.80	61.05
- Current maturities of Finance lease obligations [Refer note 21]			25.84	19.82
Total			74.64	80.87

(xxiii) Related Party Transactions

Disclosure is being made separately for all the transactions with related parties as specified under IND AS 24 "Related Party Disclosure" issued by the Institute Chartered Accountants of India.

(xxiv) Dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

- (xxv)** The figures appearing in the Financial Statements is rounded off to the nearest lakh or decimals thereof.

C. Recent Accounting Pronouncements

(i) Ind AS 115 - Revenue from Contracts with Customers

In March, 2018 the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after April 1, 2018. This standard replaces existing revenue recognition rules with a single comprehensive model

to use in accounting for revenue arising from contract with customers. Under IND AS 115, revenue is recognized when the entity transfers control of promised goods or services to customers. An entity is required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows, if any arising from contracts with customers.

To identify the potential impact of the standard on the Company's financial statements, the Company has analyzed contracts of the relevant revenue streams of the Company.

The impact of the new standard is identified to be not materially affecting the current recognition and measurement of revenues, though there would be significant additional disclosure requirements for the Company's to comply with.

(ii) Other recently issued accounting pronouncements and not effective for the year ended March 31, 2019:

- (a) Amendments to Ind AS 12: Recognition of Deferred Tax Assets for Unrealized Losses
- (b) Amendments to Ind AS 19: Employee Benefits
- (c) Ind AS 116: Leases

Application of above pronouncements are not expected to have any significant impact on the Company's financial statements.

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

Note-2: Property Plant and Equipment

(₹ in Lakh)

	Freehold Land	Plant & Equipment	Buidings	Furniture & Fixtures	Office Equipment	Vehicle	Total
Gross Carrying Value							
As at March 31, 2018	2,393.35	4,121.32	1,010.01	12.42	126.86	216.70	7,880.65
Add : Addition	42.92	767.91	57.27	25.74	55.96	72.23	1,022.03
Less : Dipoals	-	0.71	-	-	2.37	-	3.08
As at March 31, 2019	2,436.27	4,888.52	1,067.28	38.16	180.44	288.93	8,899.60
Accumulated Depreciation							
As at March 31, 2018	-	565.42	67.95	3.06	22.50	50.78	709.71
Add : Charge For the year	-	362.18	36.99	2.49	19.30	39.24	460.19
Less : Disposals	-	-	-	-	-	-	-
As at March 31, 2019	-	927.60	104.94	5.55	41.79	90.02	1,169.90
Net Block							
As at March 31, 2018	2,393.35	3,555.90	942.06	9.36	104.36	165.92	7,170.94
As at March 31, 2019	2,436.27	3,960.92	962.34	32.61	138.65	198.91	7,729.71
Capital Work-in-Progress							
As at March 31, 2018	-	108.25	-	-	-	-	108.25
Add : Addition	-	93.43	-	-	-	-	93.43
Less : Dipoals	-	201.68	-	-	-	-	201.68
As at March 31, 2019	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 3: Investment in Joint Venture		
Investment in Joint Venture (At Cost)		
Salasar - HPL JV	-	-
Sikka-Salasar-JV	-	-
Total	-	-

Following are details of investment in joint venture:

Particulars	Country of Incorporation	Percentage of ownership interest
Sikka - Salasar -JV	India	49.00%
Salasar - HPL JV	India	100.00%

The Group had no contingent liabilities or capital commitments relating to its interest in joint ventures as at 31 March, 2019.

Carrying amount of investment in joint venture

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Opening Carrying value	-	0.49
Group's share of profit for the year*	-	(0.49)
Closing Carrying value	-	-

*The Group has impaired 100% investment during the year ended 31 March 2018.

Note 4: Other Financial Assets

Security Deposits	135.97	74.66
Unsecured, considered good		
Earnest Money Deposit	35.07	38.12
Balances with banks to the extent held as margin money with more than 12 months maturity	755.51	518.02
Total	926.55	630.80

Note 5: Inventories

Raw Materials	3,302.07	1,422.62
Work in Progress:		
Goods	4,824.15	5,529.19
Project	697.36	310.16
Finished Goods	2,558.13	1,577.21
Scrap	181.03	40.30
Stores, Spare Parts and Packing Materials	230.26	21.75
Total	11,793.00	8,901.23

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
(i) Inventories include goods in transit:		
Finished Goods	46.23	216.34
	<u>46.23</u>	<u>216.34</u>
(ii) Details of Raw Materials		
Shape & Section	1,060.04	237.57
Zinc	966.87	666.08
Nut & Bolt	404.51	224.83
Others	870.64	294.14
	<u>3,302.07</u>	<u>1,422.62</u>
(iii) Details of Finished Goods		
Galvanised and Non-galvanised M.S. Steel Structures	2,558.13	1,577.21
	<u>2,558.13</u>	<u>1,577.21</u>

(iv) Inventories have been offered as security against the working capital loans provided by the banks.

Note 6: Investments
Investments other than in Cold Coins measured at fair value through Profit and Loss
Quoted:
Investment in Equity Shares:

4,000 (Previous Year 4,000) Equity Shares of Fourth Dimension solutions Ltd. of Rs. 10 each fully paid up.	1.08	7.04
13,338 (Previous Year 13,338) Equity Shares of Rama Steel Tubes Ltd. of Rs. 5 each fully paid up.	15.23	23.54
5,01,000 (Previous Year Nil) Equity Shares of Rudrabhishek Enterprises Ltd. of Rs. 10 each fully paid up.	179.11	-

Investment in Bonds:

Gold Bond	1.45	1.45
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Unquoted (At Cost)

Gold Coin - Bullion (market value - 8.75 lacs)	8.56	8.56
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Total

	<u>205.42</u>	<u>40.59</u>
Aggregate book value of unquoted investments	10.00	10.00
Aggregate amount of quoted investments		
Cost	239.19	27.96
Market Value	195.42	30.58

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 7: Trade Receivables		
Unsecured, considered good	21,724.14	15,162.00
Doubtful	186.01	186.01
	21,910.15	15,348.01
Less : Provision for Doubtful Debts	(186.01)	(186.01)
Total	21,724.14	15,162.00

- (i) Retention money, with UP Power Transmission Corporation Ltd which will be receive on completion of the project, has been shown under other current assets as "Security Deposit" (Refer Note -11).
- (ii) Trade receivables are netted with Bill discounting of ₹ Nil Lakh (previous year ₹ 104.17 Lakh).
- (iii) Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality. Credit limits scoring attributed to customers are reviewed periodically by the Management.

(iv) Movement in allowance for doubtful debts

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Balance at the beginning of the year	186.01	159.97
Allowance for doubtful debts	-	-
Provision during the year	-	56.10
Reversal during the year	-	(30.06)
Balance at the end of the year	186.01	186.01

- (v) Trade receivables have been offered as security against the working capital loans provided by the banks.

Note 8: Cash & Cash Equivalents		
Cash on hand	16.22	9.99
Balances with Banks		
Current Accounts	166.40	605.20
Total	182.61	615.19

Note 9: Other Bank Balances		
Balances with banks to the extent held as margin money*	989.26	893.31
Earmarked balance with bank - unpaid dividend account	0.87	0.44
Total	990.13	893.75

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

Note 10: Other Financial Assets		
Interest Accrued on FDR	123.66	89.28
Security deposit	818.70	822.50
Security Deposit with NSE	-	35.87
Total	942.36	947.65

*Retention money with UP Power Transmission Corporation Ltd which will be receive on completion of the project.

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 11: Other Current Assets		
Advances to suppliers	847.90	550.92
Balance with tax authorities	165.47	340.56
Prepaid expenses	105.23	132.00
Advances to related parties	1,540.02	1,276.01
Other receivables	60.47	63.11
Total	2,719.09	2,362.61
*Retention money with UP Power Transmission Corporation Ltd which will be receive on completion of the project.		
Note 12: Equity Share Capital		
Authorised Capital		
20,50,00,000 (1,40,00,000 previous year) Equity Shares of Rs. 10/- each	2050.00	1,400.00
	2050.00	1,400.00
Issued, Subscribed and Paid up Capital		
1,32,85,264 (1,32,85,264 previous year) Equity Shares of Rs. 10/- each fully paid up in cash	1,328.53	1,328.53
Total	1,328.53	1,328.53

A. Reconciliation of Shares outstanding at the beginning and at the end of period /year:

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Numbers	Amount	Numbers	Amount
Equity Shares outstanding at the beginning of the year	13,285,264	132,852,640	9,956,300	99,563,000
Add: Equity Shares Issued during the year	-	-	3,328,964	33,289,640
Equity Shares outstanding at the end of the year	13,285,264	132,852,640	13,285,264	132,852,640

B. Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31 st March 2019		As at 31 st March 2018	
	No. of Shares held	% of holding	No. of Shares held	% of holding
M/s Hill View Infrabuild Ltd	2,874,300	21.64%	2,874,300	21.64%
Sh. Shalabh Agarwal	1,280,592	9.64%	1,280,592	9.64%
M/s Shikhar Febtech (P) Ltd.	985,000	7.41%	985,000	7.41%
Sh. Alok Kumar	894,000	6.73%	894,000	6.73%
Sh. Shashank Agarwal	710,592	5.35%	710,592	5.35%

C. Equity Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March

Particulars	No. of Shares
	As at 31 st March 2017
Bonus Shares issued in FY 2016-17	4,978,150

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
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D. Rights, Preferences and restrictions attached to shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share. 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.

E. The Company has issued 33,28,964 Equity Shares at a premium of Rs. 98 per share in pursuant to IPO dated 25-July-2017.

Note 13: Other Equity

Securities Premium Account	5,488.89	5,488.89
General Reserves	-	-
Retained Earning*	12,126.18	9,081.96
Total	17,615.08	14,570.85

For movement during the year in Other Equity, refer 'Statement of Changes in Equity'.

*Retained Earning includes Other Comprehensive Income.

Note 14: Borrowings

Secured

Vehicle Loan from Banks	74.64	80.87
Less: Current Maturities transferred to other financial liabilities	25.84	19.82
Total (A)	48.80	61.05

Unsecured

Loans & advances from Related parties	440.42	416.42
Total (B)	440.42	416.42
Total (A+B)	489.23	477.47

A. Nature of Security and terms of repayment for Long Term Secured Borrowings:-

Nature of Security	Repayment Terms
Various Vehicle Loans total amount Rs.74.64 Lakh (Previous Year Rs. 80.87 Lakh) secured by way of hypothecation of vehicles	Repayable in 36-84 monthly installments commencing from various dates.

Installment falling due in respect of all the above Loans upto 31.03.2020 have been grouped under "Current Maturities of long term debt" (Refer Note No. 21).

B. Long Term Borrowings from related parties:

Name of the Party	Nature of Borrowings	Relationship	As at 31 st March, 2019	As at 31 st March, 2018
Mrs. Taru Agarwal	Unsecured Loans	Relative of KMP	18.15	18.15
Mr. Shashank Agarwal	Unsecured Loans	Jt. Managing Director	85.50	-
Hill View Infrabuild Ltd	Unsecured Loans	Associate	336.77	398.27
			440.42	416.42

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 15: Other Financial Liabilities		
Security Deposits from Contractor*	914.67	828.65
Deferred Income - EPCG Licence	11.53	-
Total	926.20	828.65
*Security deposit of ₹ 9.85 Crore received from Aarvanss Buildwell and Infracon LLP (Contractor) against installation, erection and commission of transmission line project (Tender No.-PVVNL-MT/DDUGYJY/353/15-16 and PVVNL-MT/DDUGYJY/359/15-16).		
Note 16: Provisions		
Provision for Gratuity	127.74	115.75
Provision for Earned Leave Encashment	0.59	7.50
Total	128.33	123.25
Note 17: Deferred Tax Liabilities (net)		
Deferred Tax Liabilities :		
Opening Balance	426.65	447.21
Increase/(decrease) on account of Property, Plant and equipment	192.12	(26.66)
Increase/(decrease) on account of Fair Valuation of Investment	(15.29)	0.92
Increase/(decrease) on account of IND AS adjustments	19.46	5.19
Total (a)	622.94	426.65
Deferred Tax Assets :		
Opening Balance	229.57	240.73
Increase / (decrease) on account of Provisions	0.66	37.47
Increase / (decrease) on account of MAT Credit	(117.05)	(48.62)
Total (b)	113.18	229.57
Total (a-b)	509.76	197.08
Deferred Tax Assets Comprises:		
(i) Provisions		
Opening Balance	112.52	75.05
Increase / (decrease) during the year	0.66	37.47
	113.18	112.52
(ii) MAT Credit Entitlement		
Opening Balance	117.05	165.67
Increase / (decrease) during the year	(117.05)	(48.62)
	0.00	117.05
Total Deferred Tax Assets	113.18	229.57

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Note 18: Other Non-current Liabilities		
Deferred Expenses	63.15	147.35
Total	63.15	147.35
Note 19: Borrowings		
Secured Loans		
Loan repayable on demand from banks	13,434.14	9,463.18
Unsecured Loans		
Loan repayable on demand from banks	1,008.00	775.10
Loans & advances from Others	96.43	186.60
Total	14,538.57	10,424.88
Secured by the hypothecation of Raw Material, WIP, Finished Goods and Book Debts, pledge of cash margin money in the form of FDR and exclusive charges over the fixed assets. Mr. Alok Kumar, Mr. Gyanendra Kumar Agarwal, Mr. Shashank Agarwal and Mr. Shalabh Agarwal have given the personal guarantees and corporate guarantee of M/s. Shikhar Fabtech Pvt Ltd to the Banks for Working Capital facilities.		
Note 20: Trade Payables		
<i>Payable to Raw Materials Suppliers :</i>		
Total outstanding dues of micro enterprises and small enterprises	68.17	44.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,758.72	3,156.80
Total (a)	5,826.88	3,201.26
Note 21: Other Financial Liabilities		
Current Maturities of Long Term Borrowing	25.84	19.82
Unpaid/ unclaimed dividend	0.87	0.44
Total	26.71	20.26
Note 22: Provisions		
Provision for Gratuity	10.14	27.54
Provision for Earned Leave Encashment	4.45	1.04
Total	14.58	28.58
Note 23: Other Current Liabilities		
Other Payables:		
Total outstanding dues of micro enterprises and small enterprises	1.81	11.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,944.40	4,250.01
Advance from Customers	919.84	290.66
Capital Advance	165.00	175.00
Due to Employees	383.06	289.74
Statutory Dues	219.38	185.24
Expenses payable	35.10	30.77
Total	5,666.79	5,221.41

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(Rs. in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Dues to Micro and Small Enterprises		
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to the said MSMED Act are as follows:		
a) The principal amount remaining unpaid to any supplier at the end of the year (Refer Note No. 20 and Note No. 23)	69.98	55.87
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) 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 the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the	-	-
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made to these suppliers.		
Note 24: Current Tax Liability (net)		
Provision for Tax (Net of Advance Tax / TDS)	79.19	263.45
Total (a)	79.19	263.45

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(In Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Note 25- Revenue from operations		
Sale of Products		
(a) Within India	54,020.09	42,373.38
(b) Outside India	2,690.86	2,359.43
Sale of Services	7,084.55	4,302.72
Other Operating Revenues	1,692.58	1,233.18
Total	65,488.08	50,268.71
Sale of Services Comprises :		
Erection Service	6,141.93	3,871.53
Others	942.62	431.19
	7,084.55	4,302.72
Other Operating Revenue Comprises:		
Sale of Scrap	1,560.76	1,050.72
Export Incentives	27.50	37.33
Others	104.32	145.13
	1,692.58	1,233.18
Note 26 - Other Income		
Interest on Bank Deposits	81.97	74.20
Interest on other financial assets	1.84	44.40
Dividend Income	2.51	-
Profit on sale of Property, Plant and Equipment	-	2.71
Gain on fair valuation of investments	-	2.62
Total	86.31	123.94
Note 27 - Cost of Revenue Operations		
(a) Cost of Raw Material Consumed		
Opening Stock	1,422.62	1,231.04
Add : Purchases	48,019.97	35,730.44
	49,442.59	36,961.48
Less :- Closing Stock	3,302.07	1,422.62
Total (a)	46,140.53	35,538.85
(b) Cost of Other Revenue from Operations		
Consumption of Stores and spare parts	1,369.99	1,109.58
Power & Fuel	1,033.98	754.70
Labour Processing, Testing and Machinery Hire Charges	672.20	348.44
Installation and Erection Charges	4,147.79	2,751.09
Job Work Charges	41.57	63.02
Total (b)	7,265.52	5,026.83
Total	53,406.05	40,565.68

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(In Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Details of Raw Material Consumed		
Shape and Section	32,581.83	21,429.75
Zinc	9,153.11	7,911.95
Nuts & Bolts	1,833.48	1,271.52
Other Material	2,572.11	4,925.63
Total	46,140.53	35,538.85
Note 28 - Changes in Inventories of Finished goods, Work-in-progress and others		
Opening Stock		
Finished Goods	1,577.21	922.76
Work in Progress:		
Goods	5,529.19	3,917.86
Project	310.16	778.75
Scrap	40.30	18.61
Total (a)	7,456.85	5,637.97
Closing Stock		
Finished Goods	2,558.13	1,577.21
Work in Progress:		
Goods	4,824.15	5,529.19
Project	697.36	310.16
Scrap	181.03	40.30
Total (b)	8,260.67	7,456.85
Add/(Less):- Variation in excise duty on opening and closing stock of finished goods		
Opening Balance	-	82.50
Closing Balance	-	-
Total (c)	-	82.50
(Increase) / Decrease in Stock (a-b-c)	(803.81)	(1,901.38)
Note 29: Employee benefits expenses		
Salary and Wages	2,598.70	2,113.53
Contribution to Provident Fund & ESI	163.87	152.58
Staff Welfare	40.82	30.18
Total	2,803.39	2,296.29
Note 30: Finance Costs		
Bank Interest	1,034.53	646.04
Bank Charges	246.86	62.80
Interest to Others	326.71	117.37
Interest on Unsecured Loan	23.81	15.47
Total	1,631.91	841.68

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(In Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Note 31 : Other Expenses		
Repairs to Building	20.90	36.63
Repairs to Machinery	238.30	246.56
Insurance	36.70	38.94
Legal & Professional Charges	1,219.83	1,378.07
Security Expenses	85.21	67.10
Printing & Stationery	24.39	19.32
Conveyance & Travelling Exp	121.27	92.37
Repair & Maintenance others	86.44	57.26
Rent, Rates & Taxes	187.39	207.33
Corporate Social Responsibility Expenses	16.50	47.79
Postage & Telephone	26.45	20.57
Auditors' Remuneration	5.50	4.50
Freight & Forwarding (net)	299.11	358.84
Commission	25.09	119.07
Business Promotion	37.10	56.28
Packing Material	216.83	201.85
Advertisement	10.20	7.35
Miscellaneous Expenses	45.56	117.24
Loss on sale of Property, Plant and Equipment		1.10
Bad Debts Written off		7.75
Provision for Diminution in value of investment	43.77	–
Provision for doubtful Debts	–	26.04
Total	2,746.56	3,111.97
Note 32 : Exceptional Item:		
Profit (Loss) on Sale of Shares	–	25.62
Total	–	25.62
Note 33 : Tax Expenses		
Current Tax		
In respect of the current year	1,827.25	1,430.07
In respect of the prior year	0.19	(9.26)
	1,827.44	1,420.81
Deferred Tax		
Incremental/ (Decremental) Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	191.48	(63.97)
Incremental/ (Decremental) Deferred Tax Liability on account of Fair Valuation of Investments	(15.29)	(0.40)
(Incremental)/ Decremental Deferred Tax Assets on account of Provisions	(0.66)	4.27
	175.53	(60.10)
Total	2,002.97	1,360.70

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(In Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Note 34 : Earnings per Share		
Profit for the period	3,327	2,962
Weighted average number of Equity Shares outstanding	13,285,264	12,236,412
Weighted average number of Diluted Shares outstanding	13,285,264	12,236,412
Face Value per share	10.00	10.00
Basic EPS (₹)	25.04	24.21
Diluted EPS (₹)	25.04	24.21

Note 35 : Segment Information in accordance to Ind AS- 108 - 'Operating Segments'

The Company primarily engaged in manufacturing of Galvanise M.S. Steel Structures and related activities. Information reported to and evaluated regularly by the Coperational Decision Maker (CODM) i.e. Managing Director for the purpose of resouce allocation and assessing performance focuses on the business as whole . The CODM reviews the Company's performance focuses on the analysis of profit before tax at an overall entity level. Accordingly, there is no other seperate reportable segment as defined by Ind As 108 "Operating Segments". As the Company also prepares the Consolidated Financial Statements (CFS), other relevent segment information is disclose in the CFS.

Note 36 : Employee Benefit Obligations

(i) Defined Contribution Plans:

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 108.57 Lakh (previous year Rs. 108.85 Lakh) for Provident Fund contributions, and Rs. 52.01 Lakh (previous year Rs. 40.36 Lakh) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plans (Unfuded):

(a) **Gratuity:** The Company has an unfunded defined benefit gratuity plan which entitles every employee who departs after the completion of 5 or more years of service to a gratuity calculated at fifteen days salary (last drawn salary) for each completed year of service, in accordance with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

(i) Change in present value of obligation

(₹ in Lakh)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Present value of obligation as at the beginning of the period	143.29	94.71
Acquisition adjustment	-	-
Interest cost	11.06	6.96
Past service cost	-	-
Current service cost	43.18	39.54
Curtailment cost/(Credit)	-	11.95
Settlement cost/(Credit)	-	-
Benefits paid	(2.13)	(3.07)
Actuarial (gain)/loss on obligation	(57.52)	(6.80)
Present value of obligation as at the end of period	137.88	143.29

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

(ii) Assets and Liabilities recognised in the Balance Sheet (₹ in Lakh)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Present value of obligation as at the end of the period	137.88	143.29
Fair value of plan assets as at the end of the period	–	–
Funded status / Difference	(137.88)	(143.29)
Excess of actual over estimated	–	–
Unrecognized actuarial (gains)/losses	–	–
Net Asset/(Liability) recognised in Balance Sheet	(137.88)	(143.29)
Recognised Under :		
Long Term Provision	127.74	115.75
Short Term Provision	10.14	27.54
Total	137.88	143.29

(iii) Expense recognised in the Statement of Profit and Loss (₹ in Lakh)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Total service cost	43.18	39.54
Interest cost	11.06	6.96
Expected return on plan assets	–	–
Curtailment cost / (Credit)	–	–
Settlement cost / (credit)	–	–
Expenses recognised in the Statement of Profit & Losses	54.24	46.50

(iv) Other Comprehensive Income (OCI) (₹ in Lakh)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Net cumulative unrecognized actuarial gain/ (loss) opening	–	–
Actuarial gain/ (loss) for the year on PBO	(57.52)	(6.80)
Actuarial gain/ (loss) for the year on Assets	–	–
Unrecognized actuarial gain/ (loss) for the year	(57.52)	(6.80)

(v) Principal Actuarial assumptions (₹ in Lakh)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Discount Rate per annum	7.66%	7.72%
Salary Escalation rate per annum	5.50%	5.50%
Retirement age	58 Years	58 Years
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Estimate of amount of contribution in the immediate next year	66.63	62.01

- (b) **Leave Encashment:** The employees are entitled for each year of service and part thereof and subject to the limits specified, the unavailed portion of such leaves can be accumulated or encashed during/at the end of the service period. The plan is not funded.

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Change in present value of obligation (₹ in Lakh)		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Present value of obligation as at the beginning of the period	8.53	13.67
Acquisition adjustment	-	-
Interest cost	0.66	1.00
Past service cost	-	-
Current service cost	1.21	2.52
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	(0.99)	(14.03)
Actuarial (gain)/loss on obligation	(4.38)	5.37
Present value of obligation as at the end of period	5.04	8.53

(ii) Assets and Liabilities recognised in the Balance Sheet (₹ in Lakh)		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Present value of obligation as at the end of the period	5.04	8.53
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	(5.04)	(8.53)
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net Asset/(Liability) recognised in Balance Sheet	(5.04)	(8.53)

(iii) Expense recognised in the Statement of Profit and Loss (₹ in Lakh)		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current service cost	1.21	2.52
Past service cost	-	-
Interest cost	0.66	1.00
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (Credit)	-	-
Net actuarial (gain)/ loss recognized in the period	(4.38)	5.37
Expenses recognised in the Statement of Profit & Losses	(2.51)	8.89

(iv) Principal Actuarial assumptions (₹ in Lakh)		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Discount Rate per annum	7.66%	7.72%
Salary Escalation rate per annum	5.50%	5.50%
Retirement age	58 Years	58 Years
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Employee Turnover/Attrition Rate		
Upto 30 Years	3%	3%
From 31 to 44 Years	2%	2%
Above 44 Years	1%	1%

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

Note 37 : Related Parties Disclosures

1. Name of Related Parties and Nature of Relationship:

Particulars

Where control exists

Jonit Venture	Sikka-Salasar-JV Salasar-HPL JV
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Other Related Parties with whom transactions have taken place during the year :

Associates :	Hill View Infrabuild Ltd. Capital Udyog Capital Founder
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Key Management Personnels:	Mr. Alok Kumar	(Chairman and Managing Director)
	Mr. Shashank Agrawal	(Joint Managing Director)
	Mr. Shalabh Agrawal	(Director)
	Ms. Tripti Gupta	(Director)
	Mr. Anil Kumar Jain	(Independent Director)
	Mr. Vijay Kumar Jain	(Independent Director)
	Mr. Sanjay chandak	(Independent Director)
	Mr. Amit Jain	(Independent Director)
	Mr.Kamlesh Kr. Sharma	(Chief Financial Officer)
	Mr. Pramod Kr. Kala	(Chief Financial Officer)
	Mr. Rahul Rastogi	(Company Secretary)

Relatives of Key Management Personnels

Mrs. Anshu Agrawal	(Wife of Mr. Shashank Agarwal)
Mrs. Kamlesh Gupta	(Wife of Mr. Alok Kumar)
Mr. Raghav Agarwal	(Son of Mr. Shashank Agarwal)
Mr. Shikhar Gupta	(Son of Mr. Alok Kumar)
Mrs.Taru Agrawal	(Wife of Mr. Shalabh Agarwal)

2. Transaction Carried out with related parties referred to in (1) above, in ordinary course of business:

Nature of Transactions	Associates / Joint Ventures	Key Management Personnel	Relatives
Sale of goods			
Sikka-Salasar -JV	1,947.67 (34.37)	- (-)	- (-)
Purchase of goods			
Capital Founder	- (0.16)	- (-)	- (-)
Capital Udyog	2.60 (2.96)	- (-)	- (-)
Directors Remuneration			
Sh. Alok Kumar	- (-)	72.60 (66.00)	- (-)
Sh. Shashank Agarwal	- (-)	66.00 (60.00)	- (-)
Sh. Shalabh Agarwal	- (-)	52.80 (48.00)	- (-)
Ms. Tripti gupta	- (-)	46.20 (42.00)	- (-)
Director's Sitting Fee			
Sh. Anil Kumar Jain	- (-)	0.75 (0.60)	- (-)

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

Sh. Vijay Kumar Jain		- (-)	0.85 (0.45)	- (-)
Sh. Sanjay Chandak		- (-)	0.15 (0.60)	- (-)
Mr. Amit Jain		- (-)	0.55 (0.40)	- (-)
Salary				
Mr. Kamlesh Kumar Sharma		- (-)	9.20 9.60	- (-)
Mr. Pramod Kumar Kala		- (-)	5.32 (-)	- (-)
Mr. Rahul Rastogi		- (-)	5.40 (2.68)	- (-)
Mrs. Anshu Agarwal		- (-)	- (-)	19.80 (18.00)
Mrs. Taru Agarwal		- (-)	- (-)	19.80 (18.00)
Mrs. Kamlesh Gupta		- (-)	- (-)	24.00 (18.00)
Mr. G. K. Agarwal		- (-)	- (-)	25.00 (24.00)
Mr. Shikhar Gupta		- (-)	- (-)	30.00 (24.00)
Mr. Raghav Agarwal		- (-)	- (-)	24.00 (18.00)
Lease Rent-Car				
Sh. Shashank Agarwal		- (-)	1.35 (5.40)	- (-)
Sh. Shalabh Agarwal			1.65 (6.60)	- (-)
Mrs. Anshu Agarwal		- (-)	- (-)	0.75 (3.00)
Mrs. Kamlesh Gupta		- (-)	- (-)	0.45 (1.80)
Loans Received				
Sh. Shashank Agarwal		- (-)	85.50 (-)	- (-)
Interest Paid				
Sh. Shashank Agarwal		- (-)	- (2.10)	- (-)
Sh. Shalabh Agarwal		- (-)	- (6.74)	- (-)
Repayment of Loan and Advances				
Hillview Infrabuild Ltd		- (-)	61.50 (-)	- (-)
Loan and Advances Given				
Sikka-Salasar-JV		264.01 (1,276.01)	- (-)	- (-)

*Figures in bracket represent previous year amount.

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2019

3. Balance outstanding at the end of the year.

(Rs. in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Payables		
Hillview Infrabuild Ltd.	336.77	398.27
Mrs. Taru Agarwal	18.15	18.15
Mr. Shashank Agarwal	85.50	-
Receivables		
Sikka- Salasar-JV	3,435.47	1,276.01

Note 38 : Disclosure of Merger

Effective April 1, 2018 being the appointed date, the Company completed the merger of Salasar Stainless Limited pursuant to a scheme of arrangement of merger as approved by the principal bench of National Company Law Tribunal, New Delhi on 9-Jan-2019. As Salasar Stainless Limited is a wholly owned subsidiary of the Company, the merger has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103); (Business Combination of entities under common control), notified under the Companies Act, 2013.

Accordingly, all assets, liabilities and reserves of Salasar Stainless Limited have been recorded in the books of accounts of the Company at their existing carrying amounts and in the same form. To the extent that there are inter company loans, advances, deposits, balances or other obligations as between Salasar Stainless Limited and the Company, have been eliminated. The differences, between the investments held by the company and all assets, liabilities and reserves of Salasar Stainless Limited, have been adjusted with reserves and surplus.

Comparative accounting period presented in the financial statements of the Company has been restated for the accounting impact of the merger, as stated above, as if the merger had occurred from the beginning of the comparative period in the financial statements i.e. April 1, 2017.

Note 39 : Corporate Social Responsibility (CSR)

As per Section 135 of Companies Act, 2013 the Company was to require an amount of Rs. 52.41 Lakh in CSR activities, out of which Rs. 35.91 Lakh remain unspent at the end of the year.

Note 40 : Contingent Liabilities and commitments (to the extent not provided for)

(Rs. in Lakh)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Bank Guarantee and LC for which FDR margin has been given to the bank as security	10,033.19	7,738.21
Income Tax, for the A. Y. 2011-12 (Petition is pending with CIT (A) - 3, New Delhi)	84.06	-
Entry Tax, UP VAT and Central Sales Tax, for the FY 2012-13 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	77.68	77.68
Entry Tax, for the FY 2014-15 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	5.39	5.39
Entry Tax, and Central Sales Tax, for the FY 2015-16 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	21.10	-
Entry Tax, UP VAT and Central Sales Tax, for the FY 2016-17 (Petition is pending with Additional Commissioner (Appeals) Commercial Tax Ghaziabad (UP))	74.54	-

The company does not expect any outflow of resources in respect of the above

Note 41:

In the opinion of the Board of Directors, all the Known liabilities and expenses have been provided in the books of accounts.

Note 42:

Balances under the head loans and advances, sundry debtors, sundry creditors are relied upon and subject to reconciliation and confirmation.

For ARUN NARESH & CO.
Firm Registration No. 007127N
Chartered Accountants

CA. Arun Kumar Jain
Partner
M. No. 084598

Place : Ghaziabad
Date : 28-May-2019

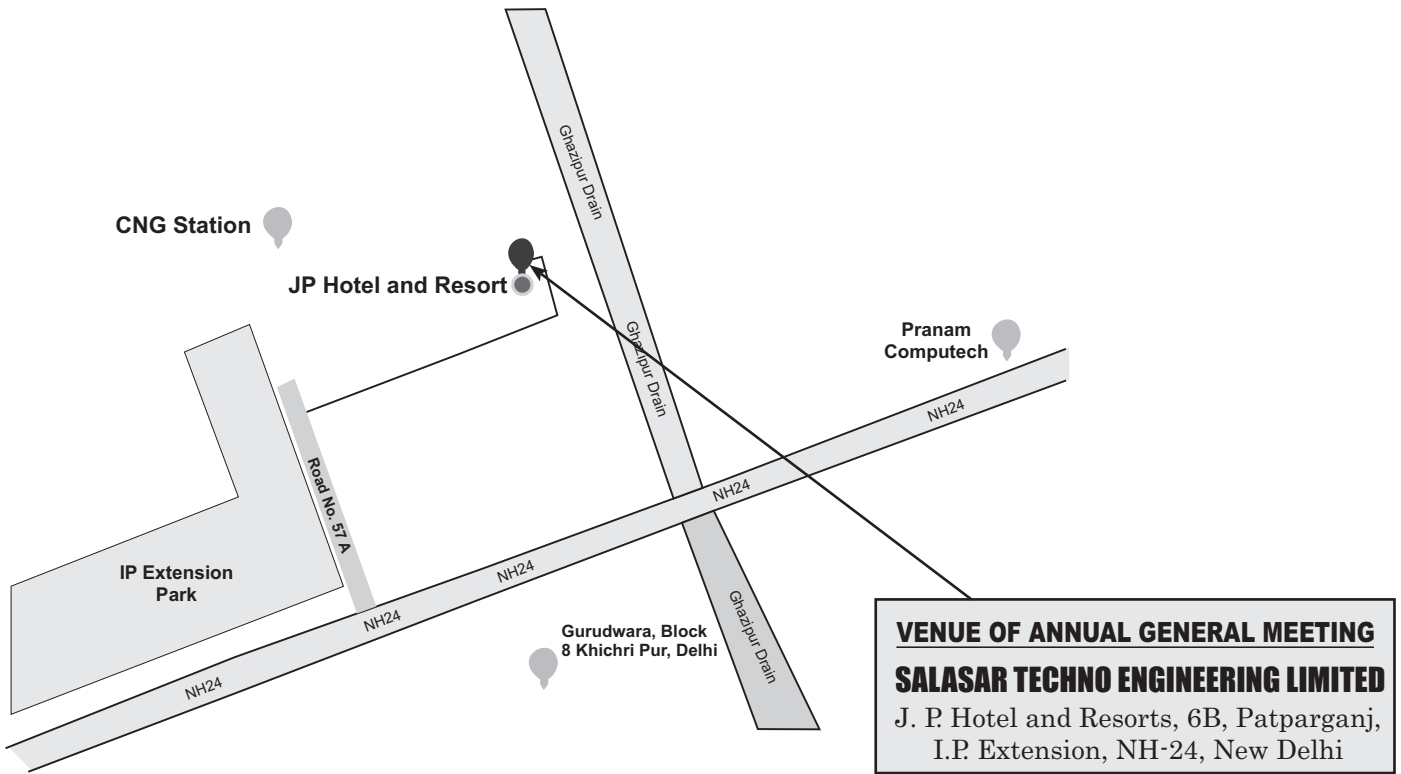
For and on behalf of Board of Directors

Alok Kumar
Managing Director

Shashank Agarwal
Jt. Managing Director

Pramod Kr. Kala
(Chief Financial Officer)

Rahul Rastogi
(Company Secretary)



SALASAR

Techno Engineering Limited

SALASAR TECHNO ENGINEERING LTD.
ISO 9001 : 14001 : 2015 OHSAS 18001 : 2007



SALASAR

Techno Engineering Limited

SALASAR TECHNO ENGINEERING LTD.

ISO 9001 : 2015 14001 : 2015 OHSAS 18001 : 2007

Unit-I: Khasra No. 265, 281-283, Vill-Parsaun Dasna,
P.O.- Jindal Nagar, Distt. Hapur - 201313 (U.P.)

Unit-II: Khasra No. 1184, 1185, Vill.-Khera,
P.O. Pilkhuwa, Tehsil Dhaulana, Distt. Hapur-245304 (U.P.)

Unit-III: Khasra No. 686/6, Village-Khera, P.O. Pilkhuwa,
Dhaulana, Distt. Hapur-245304 (U.P.)

Ph: 8447326923, 8527979371

Registered Off: E-20, South Extension-I, New Delhi - 110049

E-mail: compliance@salasartechno.com, towers@salasartechno.com

Website: www.salasartechno.com