



Steel Exchange India Limited

Regd. Office : 303, My Home Laxminivas Apartments, Greenlands, Ameerpet, Hyderabad - 500 016. T.S

Phone: +91-40-23403725, Fax : +91-40-23413267

Corp. Office : Block-A, Green City Towers, Green City, Near Apparel Export Park,

Vadlapudi (Post), Visakhapatnam-530049, Andhra Pradesh

Phone: +91-891-2587175, 2587573, Fax : +91-891-2749215, 2749218

www.seil.co.in

GST NO: 37AABCP9362L1ZV

CIN No. : L74100AP1999PLC031191

E-mail : info@seil.co.in

17th October, 2018

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

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

Scrip Code: 534748

Scrip ID: STEELXIND

Dear Sir,

Sub: Submission of Annual Report under Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

Pursuant to the Regulations 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith Annual Report 2017-18 of Steel Exchange India Limited for your reference and records.

Thanking you,

For Steel Exchange India Limited

Raveendra Babu M
Raveendra Babu M
Company Secretary



CCto: The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700 001

Encl: 19th Annual Report of the Company for the year ended 31.03.2018

WORKS

Integrated Steel Plant	: Sreerampuram, L.Kota Mandal, Vizianagaram District-535161. Phone : 08966-267172, Fax : 08966-267218
Power Plant & SMS	: Opp. Mandapalli New Bridge, Kothapeta, East Godavari District-533223. Phone: 08855-244400, Fax : 08855-244406
Re-Rolling Unit	: Plot No : 1, I.D.A. Edulapaka Bonangi, Paravada Mandal, Visakhapatnam-531201. Phone: 08924-247055, Fax: 08924-247685

STEEL EXCHANGE INDIA LIMITED



NINETEENTH ANNUAL REPORT 2017-2018



BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER
B RAMESH KUMAR

COMPANY SECRETARY & COMPLIANCE OFFICER
RAVEENDRA BABU M

STATUTORY AUDITORS
M/s. PAVULURI & Co.,
Chartered Accountants,
Plot No-48, Flat No-301,
Sucasa, Phase-I, Kavuri Hill's,
Hyderabad - 500 033

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

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



BANKERS

1. State Bank of India, Mid Corporate Commercial Branch, Visakhapatnam
2. Punjab National Bank, Large Corporate Branch, Banajara Hills, Hyderabad
3. Syndicate Bank, Mid Corporate Branch, Dabagardens, Visakhapatnam
4. Canara Bank, Industrial Finance Branch, Hyderguda, Hyderabad
5. Bank of India, Mid Corporate Banking Branch, Visakhapatnam
6. IDBI Bank Limited, Specialized Corporate Branch, Visakhapatnam
7. The Karur Vysya Bank Limited, Main Branch, Dabagardens, Visakhapatnam
8. The Lakshmi Vilas Bank Ltd., Gajuwaka Branch, Visakhapatnam
9. Andhra Bank, Specialized SME Branch, Gajuwaka, Visakhapatnam
10. Dhanlaxmi Bank Limited, Main Branch, CBM Compound, Visakhapatnam

REGISTRARS & SHARE TRANSFER AGENTS:

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

REGISTERED OFFICE:

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

CORPORATE OFFICE:

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

WORKS

Power Plant & Steel Ingot Division:
Opp: Mandapalli New Bridge, Kothapeta (V & M) – 533 223 East Godavari (Dt).

Rolling Division:

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

Wire Drawing Division (HC Wire Products):

Plot No.17 & 18, E-Block, IDA, Auto Nagar, Visakhapatnam – 530 012.
Bobbili Wire Drawing Division (Galvanising Wire Products):
S. No. 295 to 300, APIIC Growth Centre, Bobbili– 535 558.

Integrated Steel Plant (ISP) - Sponge Iron Division, Rolling Division,

SMS Billet Unit and Simhadri Power Division:

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



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NINETEENTH ANNUAL GENERAL MEETING

Date : 28th September, 2018
Day : Friday
Time : 11.30 A.M.
Place : The Plaza, # 6-3-870, Tourism Plaza,
Greenlands, Begumpet,
Hyderabad - 500 016
Phone: 040 - 4949 5959

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 19th Annual General Meeting of the Members of STEEL EXCHANGE INDIA LIMITED will be held on Friday, the 28th day of September 2018 at 11.30 A.M. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 500 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** the audited Balance Sheet as at 31st March, 2018, Statement of Profit and Loss, Cash Flow Statement together with related notes for the year ended 31st March, 2018, the Auditor's Report thereon and the Directors Report thereon be and are hereby received, considered, approved and adopted.”
2. To appoint a director in the place of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:
“**RESOLVED That** Mr. Bavineni Suresh (DIN 00181832) be and is hereby re-appointed as a director liable to retire by rotation.
3. To appoint a director in the place of Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution.
“**RESOLVED THAT** Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884) be and is hereby re-appointed as a director liable to retire by rotation.

SPECIAL BUSINESS:

4. **Re-appointment of Mr. Bandi Ramesh Kumar (DIN 00206293), as Joint Managing Director of the Company.**
To Consider and, if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Members of the Company, approval be and is hereby accorded to the re-appointment of Shri. B. Ramesh Kumar (DIN: 00206293) as Joint Managing Director of the Company for a further period of three years with effect from 09th February, 2018, on the terms and conditions including remuneration and perquisites etc., as given in explanatory statement annexed to this notice.
5. **To ratify the remuneration payable to M/s. DZR & Co., the Cost Auditors of the Company.**
To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014, the Company be and hereby ratifies and confirms the payment of remuneration of Rs. 3,50,000/- (plus applicable taxes and out of pocket expenses that may be incurred) to M/s. DZR & Co., Cost Accountants, Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of cost records of the company for the financial year ending March 31, 2019.”
FURTHER RESOLVED THAT Mr. B. Satish Kumar, Chairman & Managing Director, Mr. B. Suresh Kumar, Joint Managing Director of the Company be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”
6. **To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:**
“**RESOLVED THAT** pursuant to the provisions of Regulation 3(d) (ii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of members of the Company be and is hereby accorded to Mr. Shiva Prasad Chivukula (DIN: 01904785), who has already attained the age of 75 years, to continue as Independent Director of the Company on and after April 01, 2019 until expiry of his existing term.”
“**RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

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

Place: Visakhapatnam
Date: 14.08.2018

Raveendra Babu M
Company Secretary

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to the Special Business under Item Nos. 4 to 6 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item Nos. 2 and 3 of the Notice, are also annexed.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the company.
3. The Proxy form duly completed must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
5. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 21st day of September, 2018 to Friday the 28th day of September, 2018 (both days inclusive).
7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 31st December, 2014, for a period of 5 years.
8. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Venture Capital & Corporate Investments Private Limited / Investor Service Department of the Company immediately. Members holding shares in physical form are also requested to convert their shares in electronic form (Demat) as per SEBI (LODR) Regulations, 2018 no. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and BSE circular no. LIST/COMP/15/2018-19 dated 05.07.2018 request for effecting transfer of shares in physical form shall not be processed after 5th December 2018 unless the shares are held in dematerialized form with a depository
9. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are Interested under section 189 of Companies Act, 2013 will be available for inspection at the register office of the company.
10. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
11. Pursuant to prohibition imposed vide Secretarial Standards on General Meetings (SS-2) issued by ICSI and the MCA Circular, no gifts shall be distributed at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated submission of the permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital & Corporate Investments Private Limited / Investor Service Department of the Company.
13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' to M/s. Venture Capital & Corporate Investments Pvt. Ltd., or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to



receive such communication in physical form, upon request.

14. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email addresses are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
15. All Documents referred to in the accompanying notice and the Explanatory Statement is open for inspection at the registered office of the company on all working days between 3.00 p.m. and 6.00 p.m. up to the date of the Annual General Meeting. The Register of Directors share holding shall be open for inspection during the period beginning 14 days before the Annual General Meeting and ending 3 days after its conclusion.

16. Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide its members facility to exercise their right to vote on Resolutions proposed to be considered at the 19th Annual General Meeting by electronic means known as remote e-voting. The Company also will be providing voting facility through polling paper at the Meeting and the members attending the Meeting who have not already cast their vote by remote e-voting may be able to exercise their voting right at the Annual General Meeting. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2018 at 9.00 a.m. and ends on 27th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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 STEEL EXCHANGE INDIA LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

- I. The Company has appointed M/s B S S & Associates, Company Secretaries, as the scrutinizer to scrutinize the e-voting process as well as the Ballot process at the Annual General Meeting in a fair and transparent manner.
- II. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman, who shall declare the result of the voting forthwith.
- III. The Results shall be declared on or after the Annual General Meeting of the Company. This Notice as well as the Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchange(s)

All documents referred in the accompanying notice and the statement pursuant to section 102 (1) of the Companies Act, 2013, will be available for inspection at the registered office of the Company during business hours on all working days upto the date of 19th Annual General Meeting of the Company.

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”):

Item No. 4

Pursuant to the recommendation Nomination and Compensation Committee the Board of Directors of the Company in their meeting held on February 09, 2018 approved re-appointment of Mr. Bandi Ramesh Kumar (DIN:00206293) as Joint Managing Director of the Company with effect from February 09, 2018 in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013 and that Mr Bandi Ramesh Kumar (DIN: 00206293) for a period of three years on the terms and conditions including remuneration and



perquisites etc., as mentioned below.

1. Salary : Rs. 1, 50,000/- Per Month

2. Commission : Nil

3. Perquisites/ Allowances :

- i) Medical Reimbursement: Reimbursement of expenses incurred in India and/or abroad for Medical treatment of self and his family, subject to a ceiling one month's salary in a year or three month's salary over a period of three years.
- ii) Leave Travel Concession: Reimbursement of actual travelling expenses for self and his family, once in a year for proceeding on leave in accordance with the rules of the Company.
Explanation: For (i) and (ii) Family means the spouse, dependent children and the dependent parents.
- iii) Motor Car and Telephone: Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Private use of car and personal long distance calls on telephone shall be billed by the Company.
- iv) Other Perquisites: Subject to the overall ceiling on remuneration the Joint Managing Director, he may be given any other allowances, benefits and perquisites as the Board of Directors from time to time, decide, whose value together with the perquisites mentioned above, shall not exceed 10% of the salary per month."

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

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

Except Mr. B. Ramesh Kumar himself, Mr. B. Satish Kumar and Mr. B. Suresh Kumar and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in this resolution set out at item no. 4.

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

Item No. 5

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

On the recommendation of the Audit Committee, the Board has, considered and approved the appointment of M/s. DZR & Co., Cost Accountants as cost auditor for the financial year 2017-18 at a remuneration of Rs. 3,50,000/- per annum plus applicable taxes and reimbursement of out of pocket expenses.

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

Certificate dated 26.05.2018 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 10.00 A.M to 12.00 Noon and shall also be available at the meeting.

The Board recommends this resolution for approval of the Members. None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 6

The Securities and Exchange Board of India vide its notification dated May 09, 2018, issued Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as the 'Regulations'). The Regulation 3 (d) (ii) of the Regulations specifies that no listed entity shall continue the directorship of any person as a nonexecutive director who has attained the age of seventy five years unless a special resolution is passed to that effect. The said Regulation shall come into force with effect from April 01, 2019.

Mr. Siva Prasad Chivukula (DIN: 01904785), who was appointed as an Independent Director of the Company at the 15th Annual General Meeting of the Company held on December 31, 2014 for a period of five years, has already attained the age of 75 years. Accordingly, it is proposed to pass special resolution as set out at Item Nos. 6 to enable him to continue his directorship for the respective term of his appointment.

The Board considering benefits of the expertise of Mr. Siva Prasad Chivukula recommends the resolution for approval of shareholders by way of special resolution.

Mr. Siva Prasad Chivukula is deemed to be interested in the resolution as set out at Item No. 6 of the Notice. His relatives may also be deemed to be interested in the said respective resolution, to the extent of his shareholding interest, if any, in the Company. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

**Annexure to the Notice**

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

Name of the Director	Bavineni Suresh	V.V. Krishna Rao
Date of Birth	30.08.1968	10.06.1948
Nationality	Indian	Indian
Date of Appointment	28.02.2000	12.01.2000
Qualification	B. Tech. M.B.A	M.A.
Expertise in Specific Functional Area	Rich Experience of more than 18 years in Finance and Steel Industries	More than 38 years of Experience in Marketing and Steel industry.
Relationship with Directors	None	None
Board Memberships as on March 31, 2018	1.Vizag Profiles Pvt Ltd 2.Umashiv Garments Pvt. Ltd 3.Simhadri Wires Pvt. Ltd 4.Satyatej Vyapaar Pvt. Ltd	1.Vizag Profiles Pvt Ltd
Chairman/Member of the committee of the Board of Directors as on March 31,2018	Nil	NIL
Number of Equity Shares held in the Company as on March 31,2018	11,38,350 Equity shares of Rs. 10/- each	6,43,736 Equity shares of Rs.10/- each

Important Communication to Members:

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

Registrars and Share Transfer Agents: M/s Venture Capital and Corporate Investments Pvt. Ltd.

#12-10-167, Bharatnagar, Hyderabad – 500 018, Telephone: +91 – 40 – 23818475 / 76, Fax: +91 – 40 – 23868024, Email: info@vccilindia.com

Company: The Company Secretary, Steel Exchange India Limited,

303, My Home LaxmiNivas, Greenlands, Ameerpet, Hyderabad – 500 016, Telephone: +91 – 40 – 23403725 or 040-40033501 Email: cs@seil.co.in, or csravindra.seil@gmail.com or seilsecretarial@gmail.com

Note : KYC Updation form is available at website of the company www.seil.co.in.



Board's Report

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report together with the Standalone Audited Accounts for the year ended 31st March, 2018.

Financial Results

The performance of the Company for the Financial Year ended March 31, 2018 is as under:

(Rs. in Lakhs)

PARTICULARS	31-Mar-18	31-Mar-17
Total Revenue	93951.36	133798.84
Profit/ (Loss) before finance cost, depreciation and tax expense	(5017.50)	2835.45
Finance cost	13552.06	15744.23
Profit / (Loss) before depreciation and tax expense	(18569.56)	(12908.78)
Depreciation	2899.87	2975.59
Profit/(Loss) before tax expense	(21469.43)	(15884.37)
Tax expense		
i. Tax expense of prior years	--	23.49
ii. Deferred Tax	(4456.23)	(191.88)
Profit/(Loss) for the year	(17013.20)	(15715.98)
Add: Other Comprehensive Income	0.80	(9.61)
Total Comprehensive Income/(Loss) for the year	(17012.40)	(15725.59)

Review of operations:

During the year under review, the total revenue of the company was Rs. 939.51 crores as against the 1337.98 Crores. Net Profit/Loss recorded at (170.12) Crores as against Net Profit/Loss of (157.25) crores in the Previous Year.

The Manufacturing Sales including power sales were Rs.610.36 Crores in the current year compared to 645.96 crores in the previous year. The trading sales during the year amounted to Rs.317.36 Crores compared to 669.68 Crores in the previous year.

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

SEIL Debt Resolution Scheme

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

On reference to the Lenders, it was agreed for a debt resolution under the S4A scheme and the sanction was received during the year. However due to the effects of demonetization and introduction of GST in the intervening period, the steel markets were adversely affected resulting in lower than anticipated earnings under the S4A scheme. There has been no improvement in power off take even during 2017-18. The S4A scheme was therefore not implemented by the Lenders.

With the uptrend and strong demand witnessed in the steel markets since October 2017, the company has requested the lenders for a suitable debt restructuring for a possible debt resolution. RBI has changed the guidelines vide its notification in February 2018 wherein all existing schemes like CDR, S4A, SDR etc have been completely withdrawn and new guidelines have been introduced with onus of debt resolution to be decided by the Lenders subject to guidelines of RBI. The Lenders have broadly agreed for debt resolution by way of restructuring the debt. The Lenders in a JLM held on 20.06.18 have agreed on the broad contours of the draft proposal submitted to them.

The revised proposals with couple of options have been submitted to the Lenders based on the observations made. The proposal is based on the outstanding of Rs.1046.78 cr as on 31.3.18 as per the balances given by the Lenders. The final proposal is expected to be selected by the Lenders in the ensuing JLM to be held on 17.08.18. Thereafter the accepted proposal has to be rated by two external agencies appointed by the Lenders before receiving the final approval and sanction.



The operations of the company have been ensured with the support of operational creditors to continue production so that Plant does not shut down and thus is having large overdue outstanding payments to operational creditors.

Listing of Equity Shares

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees. The company has paid the listing fee for the financial year 2018-19.

Delisting from Calcutta Stock Exchange Limited (CSE)

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

Unclaimed Suspense Account/Escrow Account:

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

Subsidiaries, Joint Ventures or Associate Companies

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

Number of Meetings of the Board of Directors

During the year ended March 31, 2018, Seven Board Meetings were held.

The dates on which the Board meetings were held are May 27, 2017, May 30, 2017, June 24, 2017, August 16, 2017, September 11, 2017, December 14, 2017, and February 9, 2018.

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

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

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2018 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

The company has not given any Loans / Guarantees and not made any Investments during the FY 2017-18, as specified under the provisions of section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the disclosure in the prescribed format is annexed as **Annexure-1**

**Related Party Transactions**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is given in notes to accounts of the company wide note no 4.36.3.

Transfer of Amount to Reserves

The Company doesn't propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2018.

Dividend

The Board of Directors of the Company has not recommend Dividend for the financial year ended March 31, 2018.

Share Capital

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

The Authorized Share Capital of the Company is Rs. 332, 00,00,000/- (Rupees three hundred and thirty two crores only) divided into 25,80,00,000 (Twenty Five crores Eighty Lakhs only) equity shares of Rs.10/- (Ten only) each, and 7,40,00,000 (Seven Crore Forty Lakhs only) preference shares of Rs. 10/- (Ten only) each and the said preference shares may be redeemable/non-redeemable, cumulative/non-cumulative, convertible/non-convertible, participating/non-participating or otherwise at the option of the Company, in the share capital of the Company with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential/deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company .

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

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

Deposits

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

Extracts of Annual Return

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at www.seil.co.in / investor relations.

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

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as **Annexure – 2** to this Report.

Risk Management

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

Corporate Social Responsibility

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

Committees of the Board

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

Corporate Governance

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

Management Discussion and Analysis

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

Whistle Blower Policy and Mechanism

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

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

Board Evaluation

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

Directors

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

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

Mr. B. Ramesh Kumar (DIN: 00206293) was reappointed as Joint Managing Director of the Company for a further period of three years with effect from 9th February, 2018 pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. B Ramesh Kumar, Joint managing Director of the Company was appointed as CFO of the company with effect from 14th December, 2017 and Mr. Raveendra Babu M was appointed as Whole time Company Secretary & Compliance officer of the company w.e.f 31st December, 2017 pursuant to the provision of Section 203 and all other applicable provisions of the Companies Act, 2013.

Resignations:

Mr. V S Rakesh resigned as CFO of the Company with effect from 14th December, 2017

Mr. A.L Babu resigned as Company Secretary of the company w.e.f 31st December, 2017.

Policy on directors' appointment and remuneration

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

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

Statutory Auditors

At the Annual General Meeting held on December 31st 2014, M/s. Pavuluri & Co, Chartered Accountants (Firm Registration No. 012194S), Hyderabad, were appointed as Statutory Auditors of the Company to hold office for a period of Five years i.e., till the conclusion of the Annual General Meeting to be held in the calendar year 2019.

As required under section 139 of the Companies Act, 2013, the Company has obtained written consent from M/s. Pavuluri & Co, Chartered



Accountants (Firm Registration No. 012194S), Hyderabad, to such appointment and also a certificate from the auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 139(1) of the Act and the rules made there under.

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

Attention is drawn to point No 8 of the Independent Auditors Report regarding Basis for Qualified Opinion. The detailed clarification of the same is provided in Note No. 4.11 of the Accounts of the Standalone Accounts

The Auditors observation in point No. 8 of the Annexure to the Auditors report regarding dues to financial institution and banks aggregating Rs 214.78 Cr were due to severe liquidity crisis being faced by the Company on account of continued cash losses incurred.

The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion / negotiation With the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not ' provided for is estimated at Rs.36,82,14,336 for the year ended 31st March 2018 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2018.

Cost Auditors:

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

Accordingly M/s. DZR & Co., Cost Accountants have been re-appointed as the Cost Auditors for the year ending 31st March 2019.

The Cost Audit Report for year ended 31st March 2017 was reviewed by the Audit Committee at its meeting held on September 11, 2017 and has been filed on October 10, 2017.

Internal Auditors

The Board of Directors of the Company has appointed M/s. Bhavani & CO., as Internal Auditors to perform Internal Audit of the operations of the Company for the Financial Year 2017-18 and the Internal Auditors have presented the observations to the Audit Committee at the meeting held on 30.05.2018.

Internal Control Systems and their Adequacy

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

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. B.S.S & Associates, Practicing Company Secretaries, Hyderabad to undertake the Secretarial Audit of your Company for the financial year 2017-18. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks. The Report in Form MR-3 is enclosed as **Annexure-4**.

Particulars of employees

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

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

Insurance

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

Change in the nature of business

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

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

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

Material changes and commitments

During the year under review the majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion / negotiation With the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not ' provided for is estimated at Rs.36,82,14,336 for the year ended 31st March 2018 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2018. Except this there are no Material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2018 to the date of signing of the Director's Report.

Prevention of Sexual Harassment at workplace

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. During the financial year 31st March, 2018, the company has not received any complaints pertaining to sexual harassment

Industrial Relations and Human Resources

Your company believes that its employees are one of the most valuable assets of the Company and the Board appreciates the employees across the cadres for their dedicated service to the company and expects their continuous support and higher level of productivity for achieving the targets set for the company. During the year under review, the company organized various training programmes at all levels to enhance skills of employees. The total employee strength is over 1092 as on 31st March, 2018.

Acknowledgement

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

On behalf of the Board of Directors
For STEEL EXCHANGE INDIA LIMITED

Place: Visakhapatnam

Date: 14.08.2018

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

**Disclosure of Particulars of Contracts/Arrangements entered into by the Company****Form No. AOC-2**

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

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

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

There were no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the year ended March 31, 2018, which are not at arm's length basis.

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

There were no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the year ended March 31, 2018, which were at arm's length basis.

For and on behalf of the Board of Directors

Place: Visakhapatnam
Date: 14.08.2018

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



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

CONSERVATION OF ENERGY:

- 1) The steps taken or impact on conservation of energy:
 - a. Oil purification machine-for maintaining the Oils quality & thereby conservation of lubricating Oil
 - b. VFD are installed for molasses pumps in Briquetting machine and weigh feeders of DRI feed system
- 2) The steps taken by the Company for utilizing alternate sources of energy: NA
- 3) The Capital investment on energy conservation equipment: -N.A.-
 - a. Installed Variable Frequency Drives (VFD) for pumps in the SMS to save the energy on regulating the valves.
 - b. Installed Variable frequency drives for Hot Charging System for efficient operation
 - c. Stoppage of Re-Heating Furnace completely and Re-rolling of Billets completely through Hot-Charging.
 - d. OMNI Screen was installed in DRI-RMPP coal stream with an investment of 1Cr to reduce the fines generation by avoiding long distance travel through exiting belt conveyors, which in turn reducing the Power consumption of Belt conveyors.

A. TECHNOLOGY ABSORPTION: Nil

- i. The Efforts made towards technology absorption: Nil
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii. Details of technology imported during the past 3 years:
No technology has been imported during the past 3 years.
 - a. The details of technology import: Nil
 - b. The year of import: Nil
 - c. Whether the technology has been fully absorbed: Nil
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -NIL-
- iv. The expenditure incurred on Research and Development: -N.A.

B. FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

Particulars	March 31, 2018	March 31, 2017
Used	342.78	1963.41
Earned	Nil	Nil

For and on behalf of the Board of Directors

Place: Visakhapatnam
Date: 14.08.2018

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

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

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

- Education
- Social Welfare
- Charitable Trust

2. Composition of CSR Committee:

Sl. No.	Name of the Member	Category	Designation
1	Chivukula Sivaprasad	Independent Director	Chairman
2	Ramineni Ramachandra Rao	Independent Director	Member
3	Kodali Krishna Rao	Independent Director	Member

3. Average Net profit for last three Financial Years:

	For the Financial Year ended (Rs. In Lakhs)		
Net Profit	2016-17	2015-16	2014-15
	(15713.11)	7.39	3063.24
Average Net Profit for the preceding three Financial Years			

1. Prescribed CSR expenditure (2% of Average Net Profit): **Rs. (75,12,529)**
2. Details of CSR spend for the financial year:
 - a. Total amount spent for the financial year: **Rs. 12,69,426**
 - b. Amount unspent, if any: **Nil**
 - c. Manner in which the amount spent during the financial year is detailed below:
3. The Company has spent two percent of average net profits of the last three financial years.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
1	Education	Education	Local Area	6,000	6,000	6,000	6,000
2	Park Development	Rural Development	Local Area	Nil	Nil	Nil	Nil
3	Social Welfare	Social Welfare	Local Area	10,79,525	10,79,525	10,79,525	10,79,525
4	Healthcare	Medical	Local Area	1,83,901	1,83,901	1,83,901	1,83,901
5	Charitable Trust	Charity	Local Area	Nil	Nil	Nil	Nil
	Total						

4. **Reasons for not spending the amount:** The company is in the process of identifying the social activity in the rural area for needy. The unspent amount will be spend in future years for social activities
5. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of Corporate Social Responsibility Committee

Chivukula Sivaprasad
Chairman of the Committee

Ramineni Ramachandra Rao
Member

Place: Visakhapatnam
Date: 14.08.2018



Form No. MR-3
Secretarial Audit Report
For the Financial Year ended 31st March, 2018

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

To,
The Members,
Steel Exchange India Limited,
CIN: L74100AP1999PLC031191
303, Laxmi Nivas Apts.
Hotel Green Park, Greenlands,
Hyderabad-500073

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Steel Exchange India Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **M/s. Steel Exchange India Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31st, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Steel Exchange India Limited** ("the Company") for the financial year ended on March 31st, 2018 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable to the Company during the Audit Period;**
 - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities;**
 - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
 - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted from any stock exchange during the financial year under review;** and
 - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back its securities during the financial year under review.**
- 6) **Other laws applicable specifically to the Company namely:**
 - i- The Electricity Act, 2003
 - ii- Indian Boilers Act, 1923
 - iii- Explosives Act, 1884
 - iv- National Tariff Policy
 - v- Mines Act, 1952



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. There were no changes in the Composition of Board of Directors during the period under review.

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

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

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

- i. Mr.Bandi Ramesh Kumar has appointed as CFO.
- ii. Mr. Lincoln Babu Are has resigned as Company Secretary and Mannem Raveendra Babu has appointed as Company Secretary.
- iii. Bhavani & Co., Chartered Accountants appointed as an Internal Auditors of the Company.
- iv. DZR & Co., Cost and Management Accountants as Cost Auditors of the company.
- v. Members granted their consent at the Extra Ordinary General Meeting of the Company held on 24th June, 2017 to Approve the conversion of loan by lenders into Equity Shares and/or Optionally Convertible Debentures (OCDs) of the Company ("Securities") pursuant to implementation of the Reserve Bank of India S4A Scheme for the Company – Special Resolution.
- vi. Members granted their consent at the Extra- Ordinary General Meeting of the Company held on 24th June, 2017, to approve for offer and Issue of 6,99,24,461 Equity Shares of the Company of face value of Rs. 10/- each and/or Optionally Convertible Debentures (OCDs) of face value Rs. 10/- each on Preferential Basis pursuant to implementation of the SEIL S4A Scheme - Special Resolution.
- vii. Members granted their consent at the Annual General Meeting of the Company held on 11th September, 2017 to convert the loan by lender into Optionally Convertible Debentures (OCDs) pursuant to implementation of S4A Scheme for the Company.

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

S.Srikanth
Partner

ACS No.: 22119
C P No.: 7999

Place: Hyderabad
Date: 14-08-2018

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



To,
The Members,
Steel Exchange India Limited,
CIN: L74100AP1999PLC031191
303, Laxmi Nivas Apts.,
Hotel Green Park, Greenlands
Hyderabad-500073

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place: Hyderabad
Date: 14-08-2018



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

Sl.No.	Name of the Director/CFO/Company Secretary	(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
1	B. SATISH KUMAR, MD	35.83	NIL
2	B. SURESH KUMAR, JMD	32.58	NIL
3	B.RAMESH KUMAR, JMD & CFO	9.77	NIL
4	V. V. KRISHNA RAO	NA	NIL
5	B. SURESH	NA	NIL
6	R. RAMACHANDRA RAO*	NA	NIL
7	C. SIVA PRASAD*	NA	NIL
8	K. KRISHNA RAO*	NA	NIL
9	G. VENKATA NARAYANA REDDY*	NA	NIL
10	SUJATA CHATTOPADHYAY*	NA	NIL
11	V S RAKESH, CFO**	NA	NIL
12	L BABU ARE, Company Secretary***	NA	NIL
13	M RAVEENDRA BABU, Company Secretary^	NA	100.00

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

**Mr. V S Rakesh resigned as CFO of the Company with effect from 14th December, 2017

*** Mr. A.L Babu resigned as Company Secretary of the company w.e.f 31st December, 2017

^ Mr. Raveendra Babu M was appointed as Whole time Company Secretary & Compliance officer of the company w.e.f 31st December, 2017

There was no increase in Remuneration paid to Managing Director and Joint Managing Directors of the company during the Financial Year ended 31.03.2018

(iii) The percentage increase in the median remuneration of employees in the financial year is 4.07%

(iv) The number of employees on the rolls of company as on 31.03.2018

There are 940 employees on the rolls of the Company.

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

Sl.No.	Average increase in remuneration	Company performance
1	NIL	Company posted Net Loss of Rs (1,701,240,502)

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

Sl.No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31 st March, 2018
1	Rs. 96,00,000	Rs (1,701,240,502)

(vii) variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the



rate at which the company came out with the last public offer.

Sl.No.	Particular	As at March 31, 2018		As at March 31, 2017	
1	Market Capitalization	BSE	Rs. 187.68 Crores	BSE	Rs. 617.37
2	Price Earnings Ratio	BSE	-	BSE	-

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

The Company came with an Initial Public Offer in **27.07.2000** at the price of Rs.10/- per equity share. As on March 31 2018 the Market Quotation of the Company Share Price (Closing Price) is as follows:

➤ **BSE Limited: Rs.24.70 and NSE : 24.95**

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

There are three Whole Time Directors i.e., B. Satish Kumar, Managing Director and B. Suresh Kumar, Joint Managing Director and B. Ramesh Kumar; Joint Managing Director. There was no increase in Remuneration paid to Whole Time Directors during the Financial Year ended March 31, 2018.

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

Sl.No.	Name	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31 st March, 2018
1	Mr. Bandi Satish Kumar, Managing Director	Rs. 66,00,000	Rs (1,701,240,502)
2	Mr. Bandi Ramesh Kumar, CFO	Rs. 18,00,000	Rs (1,701,240,502)
3	Mr. Raveendra Babu M, Company Secretary	Rs. 12,00,000	Rs (1,701,240,502)

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

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

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

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

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

Sl. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr. Bandi Satish Kumar Managing Director	Rs. 6,600,000	Contractual	26 years	01/03/2016	57 Years	NA	0.85%	Brother of Mr. Bandi Suresh Kumar and Mr. Bandi Ramesh Kumar
2	Mr. Bandi Suresh Kumar Joint Managing Director	Rs. 6,000,000	Contractual	21 years	27/10/2016	53 years	Vizag Profiles Pvt Ltd	2.04%	Brother of Bandi Satish Kumar and Mr. Bandi Ramesh Kumar
3	Mr. Bandi Ramesh Kumar Joint Managing Director & CFO	Rs. 18,00,000	Contractual	24 Years	09/02/2018	55 Years	Simhadri Power Ltd	0.42%	Brother of Bandi Satish Kumar and Mr. Bandi Suresh Kumar

Notes:

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


REPORT ON CORPORATE GOVERNANCE

In terms of Compliance to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on Corporate Governance, your Company is complying with the Listing Regulations. The report for the year ended on 31st March, 2018 is as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTORS :

(a) Composition and category of directors (e.g. promoter, executive, non-executive, non-executive and independent, nominee director - institution represented and whether as lender or as equity investor): The Board comprises ten directors, of which half of the total strength comprises non-executive and independent directors (including a Woman director).

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

S. No.	Name of the Director	Category	No. of Board Meetings attended out of 7 meetings held 2017-18	Whether attended last AGM	No. of Directorships and Committee Membership/ Chairmanship as on 31.03.2018		
					Directorships	Committee Memberships	Committee Chairmanships
1	Bandi Satish Kumar	Executive Director (Promoter)	7	YES	2	1	Nil
2	Bandi Suresh Kumar	Executive Director (Promoter)	6	YES	2	Nil	Nil
3	Bandi Ramesh Kumar	Executive Director (Promoter)	5	NO	2	Nil	Nil
4	Veeramachaneni Venkata Krishna Rao	Non-Executive Director (Promoter)	6	YES	1	Nil	Nil
5	Bavineni Suresh	Non-Executive Director (Promoter)	6	YES	1	Nil	Nil
6	Ramineni Ramachandra Rao	Independent Director	7	YES	1	4	1
7	Kodali Krishna Rao	Independent Director	7	YES	1	3	Nil
8	Siva Prasad Chivukula	Independent Director	6	YES	2	4	3
9	Venkata Narayana Reddy Godi	Independent Director	7	YES	1	Nil	Nil
10	Sujata Chattopadhyay	Independent Director	6	YES	5	2	1

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

b) Number of Board Meetings held during the Financial Year 20-17 and dates on which held:

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

During the year ended March 31, 2018, Seven Board Meetings were held as against the minimum requirement of four meetings.

The dates on which the Board meetings were held are May 27, 2017, May 30, 2017, June 24, 2017, August 16, 2017, September 11, 2017, December 14, 2017 and February 9, 2018.

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

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

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

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

During the year, a separate meeting of the Independent Directors was held on December 14, 2017 without the present of Non-Executive Directors /Managing Director and Joint Managing Directors to discuss the matter as required/agreed among them.

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

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

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

3. Audit Committee:

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

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

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

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

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

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

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

concern;

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

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

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

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

ix. Scrutiny of inter-corporate loans and investments;

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

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

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

The Audit Committee consists of Three Independent Directors. The Audit Committee has met 5 times during the financial year 2017-18 on 30.05.2017, 16.08.2017, 11.09.2017, 14.12.2017 and 9.02.2018.

The constitution of the Audit Committee and attendance details during the financial year ended 31st March, 2018, are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Siva Prasad Chivukula	Chairman, Independent Director	5	5
Mr. Kodali Krishna Rao	Member, Independent Director	5	5
Mr. Ramineni Ramachandra Rao	Member, Independent Director	5	5

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

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 11th September, 2017,

4. Nomination and Remuneration Committee

Brief description of terms of reference

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

Composition, name of members and Chairperson

The Nomination and Remuneration Committee has met 2 times during the financial year 2017-18 i.e., on 14.12.2017 and 9.02.2018. The constitution of the Committee and attendance details during the financial year ended 31st March, 2018, are given below:

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

5. Meeting of Independent Directors

A Separate meeting of the Independent Directors was held on 14.12.2017, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the



Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole and Chairman of the Company. Inputs and suggestions received from the Directors were considered at the Board meeting.

6. Remuneration of Directors

The Remuneration paid to the Managing and Whole-time Directors during the year and the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2018 are as follows:

Name of the Director and Designation	Salary	Benefits/ allowance/ perquisites	Bonuses/ Commission	Pension	Stock Option**	Sitting Fees	No. of Shares held
Mr Bandi Satish Kumar, Managing Director	6600000	159843	-	-	-	-	645944
Mr. Bandi Suresh Kumar, Joint Managing Director	6000000	-	-	-	-	-	1549950
Mr. Bandi Ramesh Kumar, Joint Managing Director	1800000	-	-	-	-	-	319418
Mr. Veeramachaneni Venkata Krishna Rao, Director	-	-	-	-	-	-	643736
Mr. Bavineni Suresh, Director	-	-	-	-	-	-	1138350
Mr. Ramineni Ramachandra Rao, Independent Director	-	-	--	-	-	60000	Nil
Mr. Kodali Krishna Rao, Independent Director	-	-	--	-	-	60000	Nil
Mr. Siva Prasad Chivukula, Independent Director	-	-	-	--	-	50000	Nil
Mr. Venkatanarayana Reddy Godi, Independent Director	-	-	-	--	-	60000	Nil
Ms. Sujata Chattopadhyay, Independent Director	-	-	-	-	-	80000	Nil

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

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

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

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

7. Stake Holders Relationship Committee

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

During the year ended 31.03.2018, Two Stakeholders Relationship Committee Meetings were held on 16.08.2017 and 14.12.2017.

The constitution of the Stakeholders Relationship Committee and attendance details during the financial year ended 31st March, 2018:

Sl. No	Name of the member	Designation	Meetings Held	Meetings Attended
1	Ramineni Ramachandra Rao	Chairman, Independent Director	2	2
2	Siva Prasad Chivukula	Member, Independent Director	2	2
3	Mr. Bandi Satish Kumar	Member, Managing Director	2	2

➤ Terms of Reference

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



- **Name and designation of Compliance Officer:** Mr. Raveendra Babu Mannem was appointed as Company Secretary and Compliance officer **Email-id for Investor Grievances:** cs@seil.co.in
- **Number of Shareholders complaints received so far:** During the year ended March 31, 2018, the Company has received 86 complaints and resolved all 86 complaints and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

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

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

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

During the year ended 31.03.2018, Two CSR Committee Meetings were held on 30.05.2017 and 9.02.2018.

The constitution of the CSR Committee and attendance details during the financial year ended 31st March, 2018 are given below:

Sl. No	Name of the member	Designation	Meetings Held	Meetings Attended
1	Chivukula Siva Prasad	Chairman, Independent Director	2	2
2	Ramineni Ramachandra Rao	Member , Independent Director	2	2
3	Kodali Krishna Rao	Member, Independent Director	2	2

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

10. Prevention of Insider Trading

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

11. COMPLIANCE

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

12. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

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

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

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



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

Annual General Meeting	Date	Time	Venue
2017	11.09.2017	11.45 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2016	30.09.2016	11.45 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2015	30.09.2015	11.45 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016

Special Resolutions passed during the previous three Annual General Meetings:

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

- To convert the loan by lender into Optionally Convertible Debentures (OCDs) pursuant to implementation of S4A Scheme for the Company
- To offer and issue Optionally Convertible Debentures (OCDs) of face value Rs. 10/- each on preferential basis pursuant to implementation of S4A Scheme for the Company.
- To offer and issue of equity shares on preferential basis, against conversion of unsecured loans of the Company

b) 17th Annual General Meeting – September 30, 2016 – The following Special Resolutions were passed:

- Reappointment of Mr. Bandi Satish Kumar as Chairman and Managing Director;
- To adopt new set of Articles of Association of the Company;

c) 16th Annual General Meeting – September 30, 2015 – No Special Resolutions were passed

d) Postal Ballot: Nil during the year.

e) During the year an EGM held on 24.06.2017, where in there were two special

Resolution was passed for:

- Approval for conversion of loan by lenders into Equity Shares/Optionally Convertible Debentures (OCDs) of the Company ("Securities) pursuant to implementation of the Reserve Bank of India S4A Scheme for the Company
- Approval for offer and Issue of Equity Shares of the Company of face value of Rs. 10/- each and/or Optionally Convertible Debentures (OCDs) of face value Rs. 10/- each on Preferential Basis pursuant to implementation of the SEIL S4A Scheme

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

15. DISCLOSURES:

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

In terms of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a policy to determine Related Party Transactions. The policy is placed on the website of the company.

Related party transactions have been disclosed in Notes to Accounts – Note No.4.36.3 annexed to the financial statements

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

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

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

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

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

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

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

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

The Chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2018.

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

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

16. RISK MANAGEMENT

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

17. GENERAL CODE OF CONDUCT

The Company has formulated and implemented a General Code of Conduct, which is available on company's website, for all its Directors and Senior Management of the Company in compliance with Listing Regulations. All the Board Members and Senior Management of the Company have affirmed compliance with the Said Code of Conduct for the financial year ended March 31, 2018. A declaration by the Chairman & Managing Director affirming compliance with the said Code of Conduct is annexed at the end of the Report and forms part of this Report.

18. MEANS OF COMMUNICATION

- (i) The Company does not send the quarterly results to the address of each of the shareholder as the quarterly results are intimated to the Stock Exchanges.
- (ii) The Company's quarterly, half yearly and annual results are published in prominent daily newspapers such as 'Business Standards' (English) and 'Endau' (Telugu).
- (iii) The Company posts all the vital information relating to the Company and its performance on the web site www.seil.co.in for the benefit of the shareholders and public at large.
- (iv) During the period under review, no presentations were made to any institutional investors or to the analysts.
- (v) The Management Discussion and Analysis Report is attached and forms part of the Annual Report.
- (vi) Further a direct communication is also made to the shareholders by the Managing Director/Authorised person from Secretarial Department of the company as and when required.

19. MD/ CEO & CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, a Certificate from Managing Director and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on 14.08.2018 and the same is annexed to this report, also forms part of this Annual Report.

20. REPORT ON CORPORATE GOVERNANCE

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

21. GENERAL SHAREHOLDER INFORMATION

- i) **19th Annual General Meeting:**

Date	: Friday, 28th September, 2018
Time	: 11.30 A.M.
Venue	: The Plaza, 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 16.
	Phone: 040 - 4949 5959
- ii) **Financial Year** : **1st April to 31st March**
Financial Calendar for 2018-19 : The following are tentative dates:

First Quarter results	: 2 nd Week of August, 2018
Second Quarter results	: 2 nd week of November, 2018
Third Quarter results	: 2 nd week of February, 2019
Annual results for 2018-189	: 4 th Week of May, 2019
AGM for the year 2018-19	: 4 th Week of September, 2019
- iii) **Dates of Book Closure** : **21thSeptember, 2018 to 28th September, 2018**
 (Both days inclusive)



- iv) **Dividend Payment Date** : No dividend is recommended for the Year ended on 31st March 2018.
- v) **Listing on Stock Exchanges** : Bombay Stock Exchange Ltd,
National Stock Exchange of India Limited
The Calcutta Stock Exchange (CSE) (delisting under process)
- vi) **Stock Code/Symbol** : BSE : 534748/STEELXIND
NSE : STEELXIND
CSE : 26498/PYXIS
- vii) **Market Price Data:**

The Securities of the Company are actively traded in the Bombay Stock Exchange Ltd, Mumbai. The monthly high/low prices of share of the Company and number of shares traded during each month on the Stock Exchange, Mumbai during year 2017-18, are given below:

Month & Year	Price in BSE		Price in NSE	
	High (Rs.)	Low (Rs.)	High	Low
Apr-2017	81.10	67.25	-	-
May-2017	74.30	65.00	-	-
Jun-2017	72.50	62.00	-	-
Jul-2017	100.00	56.25	100.65	85.55
Aug-2017	95.6	78.55	97.00	77.10
Sep-2017	90.00	74.05	94.80	73.00
Oct-2017	103.75	71.80	104.00	70.40
Nov-2017	133.45	83.40	133.55	83.40
Dec-2017	75.10	32.25	75.10	32.05
Jan-2018	50.65	31.60	50.70	31.80
Feb-2018	36.45	26.75	36.45	26.70
Mar-2018	30.50	22.40	30.30	23.40

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

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

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

- ix) **Share transfer System and Dematerialization of Shares:**

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

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

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

- x) **Dematerialization of Shares & Liquidity**

As on 31st March 2018, 70965063 equity shares representing 75.02% were held in dematerialized form and 50,19,749 equity shares representing 5.30% were in physical form. The Balance shares 1,86,08,750 are preferential shares allotted to the shareholders of Simhadri Power Limited as per the Scheme of Amalgamation approved by the Hon'ble High Court, which are in physical form.

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


xi) Distribution of Shareholding as on March 31, 2018:

Nominal Value Number of equity shares	Number of shareholders	shareholders %	No. of Equity Shares held	Shareholding %
Upto - 500	53997	90.75	4089954	5.38
501 - 1000	2858	4.8	2334525	3.07
1001 - 2000	1376	2.31	2067803	2.72
2001 - 3000	456	0.77	1154767	1.52
3001 - 4000	191	0.32	691903	0.91
4001 - 5000	156	0.26	730033	0.96
5001 - 10000	197	0.33	1429723	1.88
10001 and above	267	0.45	63486104	83.55
Total	59498	100	75984812	100

Pattern of shareholding by ownership as on 31st March 2018:

Sl.No.	Category	No. of Shares held	Shareholding %
	PROMOTER AND PROMOTER GROUP SHAREHOLDING		
1	- Indian Promoters	3,59,45,063	47.31
	- Foreign Promoters	211,504	0.28
	Sub-Total	3,61,56,567	47.58
	PUBLIC SHAREHOLDING		
2	Mutual Funds and UTI	9,260	0.01
3	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	3,09,342	0.40
4	Others	30,50,197	4.01
5	India Public	3,64,59,446	47.98
	Sub-Total	3,98,28,245	52.42
	Total	7,59,84,812	100.00

xii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity. As on 31st March 2018, there were no Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company. No convertible instruments were issued and allotted during the year 2017-18 and as such no outstanding instruments that have an impact on equity.

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

xiv) **Plant Locations:** **1. Power Plant & Steel Ingot Division**, Opp: Mandapalli New Bridge, Kothapeta (V & M) – 533 223 East Godavari (Dt). Andhra Pradesh. Tele fax: +91 – 8855 – 244406 . **2. Rolling Division**, Simhadri TMT Steels, Plot No 1, I.D.A., Edulapaka Bonangi, Paravada (Mandal), Visakhapatnam (Dt) – 531 201 Andhra Pradesh. Telephone: +91 – 8924 – 247055; Fax: +91 – 8924 – 247685, **3. Wire Drawing Division**, S. No. 88/50 to 88/101, R.G. Peta, L.Kota Mandal, Vizianagaram District – 533 301. **4. Bobbili Wire Drawing Division** (Galvanised Wire Products), S. No. 295 to 300, APIIC Growth Centre, Bobbili– 535 558. **5. Wire Drawing Division** (HC Wire Products), Plot No.17 & 18, E-Block, IDA, Auto Nagar, Visakhapatnam – 530 012, Andhra Pradesh, Telephone: +91 – 891 – 2587574; Fax: +91 – 891 – 2766437

xv) **Address for Correspondence:** Investor correspondence may be addressed to: Registrars and Share Transfer Agents: M/s Venture Capital and Corporate Investments Pvt. Ltd. # 12-10-167, Bharatnagar, Hyderabad – 500 018, Telephone: +91 – 40 – 23818475 / 76, Fax: +91 – 40 – 23868024, Email: info@vccilindia.com

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

For STEEL EXCHANGE INDIA LIMITED

Place: Visakhapatnam

Date: 14.08.2018

Bandi Satish Kumar

Chairman & Managing Director

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

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

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

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended March 31, 2018.

For STEEL EXCHANGE INDIA LIMITED

Place: Visakhapatnam

Date: 14.08.2018

Bandi Satish Kumar

Chairman & Managing Director

MD/CEO AND CFO CERTIFICATION

For FY ended March 31, 2018

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

To
The Board of Directors,
Steel Exchange India Limited

- a) we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2018 and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For STEEL EXCHANGE INDIA LIMITED

Place: Visakhapatnam

Date: 14.08.2018

Bandi Satish Kumar

Managing Director

Bandi Ramesh Kumar

Chief Financial Officer



AUDITORS' CERTIFICATE
ON CORPORATE GOVERNANCE

To the Members of

Steel Exchange India Limited

We have examined the compliance of conditions of Corporate Governance by Steel Exchange India Limited ("the Company") for the year ended 31st March 2018, as stipulated in Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015(Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Pavuluri & Co

Chartered Accountants

Firm Registration No: 012194S

Sd/-

CA. P.A.RAMIAH

Partner

M.No. F - 203300

Place: Visakhapatnam

Date: 14.08.2018

MANAGEMENT DISCUSSION AND ANALYSIS

Economic analysis**Global Economy:**

According to the International Monetary Fund (IMF), the global economy is on the road to recovery and grew by 3.8% in CY17, a 0.6 percentage point increase over CY16. This is the highest rate of global GDP growth after CY11. The growth happened owing to an increase in manufacturing activity, private consumption, investments and global trade.

The growth was broad based, with growth increasing in more than half of the world's economies aided by benign global financing conditions, revival in investment sentiment, accommodative monetary policies and higher commodity prices. The growth was higher as compared to the initial estimates with upside surprises in the second half of 2017 in advanced as well as emerging and developing countries. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 vis-à-vis previous year.

The advanced economies performed better than expected with a 0.6% growth in CY17 as compared to the previous year. There was stronger gross fixed capital formation and acceleration in stock building which contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

In terms of commodities, energy prices indices grew by 24% in CY17 (y-o-y) while the non- energy indices grew by 6%. The metal price indices grew by 24%. Accelerated global growth lifted the demand for commodities while a number of commodities faced supply side contractions.

The global recovery offers a window of opportunity to strengthen policies and reforms that sustain the current upswing and raise medium-term growth for the benefit of all countries. According to the IMF, such policies should focus on reinforcing the potential for higher and more inclusive growth, building buffers to deal more effectively with future economic headwinds and fostering international cooperation.

Indian Economy:

After a brief period that was dedicated to introducing economic reforms that would further formalise the economy and boost ease of doing business, India has achieved a growth of 6.7% in FY18 with a 7.1% growth in Q-4'18. India has bounced back as the fastest growing economy in the world during the third quarter for FY18.

The investment cycle exhibited a growth of 7.6% in FY18 and 14.4% in the Q-4'18. The FY18 is likely to see an improved growth of 7.5% due to transformative reforms undertaken by the Government.

India's economic fundamentals continued to improve during the year. The Index of Industrial Production (IIP) touched 4.3% during the FY18 after a robust growth of 6.2% in the Q-4'18, which was 1.9% in Q-1'18. Inflation figures are also largely in control, with the Consumer Price Inflation reducing to 3.6% in FY18 from a level of 4.5% in FY17, keeping the food prices under control. Through the year, India's foreign exchange reserves have also increased to more than US\$420 billion. The eight key sectors rose to 3.4% year-on-year in FY18, with cement, coal and electricity registering a growth of 13%, 9% and 6% respectively

The 2018-19 Union Budget has emphasised on India's infrastructural requirements and the allocation on roads, railways and rural infrastructure has been significant. The Budget also focussed considerably on health and education sectors, which are instrumental in developing a sustainable economy and society.

Industry analysis - Steel**Global Steel Sector:**

The year 2017 saw an improvement in global steel consumption, which grew 4.7% to 1.59 billion tonnes in the year, after a subdued growth of 1% in 2016. A low base-effect of 2016, along with improved steel consumption in China and investment-led recovery in advanced economies were the key factors driving this momentum. The government's stimulus measures and momentum in construction activities fuelled steel demand in China. Consumption in Europe (other than EU) too gathered pace in the year and grew ~2.5% with other countries like US with 6.4%, Brazil 5.3% Iran 4.5% follow the growth trajectory of rising global steel demand.

Global crude steel production grew by 5.3% or 63 million tonnes in 2017 to 1,691.2 million tonnes, as most economies registered good growth in steel production. Annual production grew between 4% and 6% for major economies of China, India, European Union and USA, among others. Turkey, South America and Brazil witnessed the highest growth in steel production at 13.1%, 8.7% and 9.9%, respectively.

Global steel prices remained buoyant in 2017 due to: a) falling exports from China as it continues to reduce excess capacities; b) firm iron ore prices; and c) improving demand from China following the upswing in the infrastructure and construction sectors. The global capacity utilization ratio stood at 69.5% in December 2017 — up 1.8 percentage points, compared to December 2016 level.

World Steel Association estimates suggest that global steel demand is likely to touch 1,616 million tonnes in 2018, a growth of 1.8% vis-à-vis

2017. Continued strengthening of investments in advanced economies, improving manufacturing climate and recovery in commodity prices are expected to act as key catalysts to drive global steel demand.

A large part of global steel demand is likely to emanate from the emerging and developing economies (excluding China) with an estimated increase of 4.9% in 2018.

Key sectors driving Global steel demand:

Oil & Gas: Production cuts announced by the Organization of the Petroleum Exporting Countries (OPEC) in 2017 lent support to crude oil prices and the good show is likely to continue, going forward. Strong demand and possibility of renewed US sanctions on Iran may lead to further escalation in crude oil prices from here on. Improving prospects of crude oil will augur well for the sector, as it will lead to higher production by upstream oil and gas companies. This, in turn, will benefit downstream companies as well. Higher investments in the sector will positively impact steel demand.

Metals and Mining: Commodity prices trended northwards for large parts of 2017; and the trend is likely to continue in 2018 as well. Higher prices will elevate production growth in the year and strengthen investments and upstream activity in this sector.

Infrastructure: According to a report by Global Infrastructure Hub, every year investment worth US\$3.7 trillion is required to be made in worldwide infrastructure to meet the demand of the rising global population. Asian economies will account for more than half of these investments. Thus, the infrastructure sector will continue to play a major role in driving demand for the global steel industry.

Capital Goods: Upswing in commodity prices, broad-based improvement in economic growth and positive outlook for automotive and construction sectors are likely to aid prospects of global capital goods companies. S&P Global Ratings expects the credit metrics of capital goods companies to improve on the strength of rising capital expenditure by private sector companies. Steel is the primary input to manufacture equipment and machinery; and hence stands to benefit from improving prospects of the capital goods sector.

Indian Steel Sector

India's steel production grew 4.5% to its highest ever level of 102 million tonnes in FY18. The Government of India has been proactive in addressing the issues faced by domestic steel makers. It has taken major steps to stop unfair trade and to safeguard the interests of domestic players.

This has been accompanied by recovery in construction activity and shut down of excess capacities in China. China has phased out capacities to the tune of 115 million tonnes in the past two years; and is gearing up for another production cut of 30 million tonnes in 2018. Leading steel makers in India are well poised to benefit from this development

Riding high on an all-round improvement in the growth of key sectors, namely automobiles, infrastructure, and capital goods, among others, India's steel demand grew at a high rate of 7.9% to 91 million tonnes in FY18. This pace may accelerate further as domestic steel demand growth is pegged at 8.3% to 98.2 million tonnes in the current fiscal year (Source: JPC). In FY18, India's per capita steel consumption grew 6.2% to 69 kg, while share of flats improved from 42% to 44%.

India's construction activity, particularly in highways, bridges and metro lines has bolstered the demand for long steel products in recent times. Given their size, long steel products are relatively difficult to ship and hence most contractors are sourcing them locally.

Domestic steel prices have started trending northwards since November 2017, owing to a surge in global prices, healthy recovery in domestic demand, and a weaker rupee. The prices though still trail international prices and hence there is a scope for further uptick in prices. Governmental measures such as the National Steel Policy and extension of anti-dumping duty on steel products, imposition of quality standards are key facilitators for the

Growth of domestic steel sector in India. Additionally, the Government has earmarked ` 14.3 lakh crores towards infrastructure spending, which will also enhance steel demand in the domestic market.

Highlights of India's Steel Industry:

- Achieved all-time high crude steel production in FY18
- Third largest crude steel producer in the world in 2017
- Third largest consumer of finished steel in the world in 2017
- Steel consumption grew at a multi-year high in FY18
- Contributes nearly 2% to the country's GDP
- Producer of world-class steel of all major varieties and grades
- Government's wide-ranging reforms may aid the steel sector
- Broad-based improvement in the growth of infrastructure, automobiles, capital goods, among others in FY18

Advantage India – Steel Industry:

The National Steel Policy, 2017 (NSP) aims to make India a self-sufficient steel producing nation by 2030. The Policy will promote the indigenous industry to eliminate steel imports in the country by 2030. Reduction in import dependence for procuring coking coal, emphasis on BF / BOF technology, sharper focus on pelletisation and installation of slurry pipelines and conveyors, promotion of domestically manufactured steel in government procurement and production of value-added steel indigenously are the key goals of this Policy.

To achieve these targets, some Indian companies have undertaken capacity expansions, which will drive their market shares further in the coming years. The acquisition of debt-laden steel companies will reduce the time for ramping up existing capacities. Investments worth US\$210 billion would be required to achieve the targeted steel capacity of 300 million tonnes by 2030. Overall, the NSP will empower domestic steel makers by making them more competitive globally.

In the domestic market as well, there are multiple catalysts to drive steel industry growth. Relatively lower per capita steel consumption, healthy prospects of consumption demand on the back of buoyant infrastructure growth and strong growth in the automobile and railways sector being the prominent ones. Against this backdrop, it is expected domestic steel demand would grow by around 5% in the financial year 2018-19.

National Steel Policy, 2017 – Ushering in the next phase of steel growth in India

PARTICULARS	FY18 ACTUALS	NCP TARGET BY 2030-31
Crude steel production (million tonnes)	102	300
Per capita steel consumption (kg)	69	160

Domestic Steel growth enablers

Rural steel demand: Rural India is expected to reach a per capita consumption from 12.11 kg to 14 kg for finished steel by CY20. The policies like Food for Work Programme (FWP) and Indira Awaas Yojana, Pradhan Mantri Gram Sadak Yojana and Affordable Housing, among others are expected to drive the demand.

Housing demand: The allocation towards building houses in rural and urban areas under the PMAY scheme stood at ` 275 billion in the Union Budget 2018-19. Rising transparency in the real-estate sector following the implementation of The Real Estate (Regulation and Development) Act has bolstered the confidence of both investors and home buyers. In this scenario, housing demand is likely to accelerate going forward, leading to higher steel demand in the domestic market.

Renewable Energy: India aims to generate 275 GW of total renewable energy by CY27. Of the total pie, 72 GW will be from hydro-energy and 15 GW from nuclear energy. Nearly 100 GW is expected to come from 'other zero emission' sources. Both generation and transmission capacities are expected to raise steel demand from the sector

Automobile: The automobile industry is estimated to grow by US\$260- 300 billion by 2026. With increasing capacity addition, steel demand is expected to be robust

Outlook – Steel Industry

According to the World Steel Association, consumption of finished steel products in India is estimated at 92 million tonnes in 2018 – a growth of 5.5% over 2017. Of the total incremental demand of 28.7 million tonnes in 2018 worldwide, India alone is likely to add steel demand of 4.8 million tonnes.

Pegged at 5.5%, the domestic steel demand is likely to grow at a faster pace than the global steel demand. Steel demand worldwide is likely to grow by 1.8% in 2018. The nation's per capita steel consumption is likely to improve to 72-74 kgs in 2018-19. Clearly, Indian steel players are looking inwards to achieve higher growth. As China continues to trim its excess capacities in 2018 as well, and given the low-cost, higher quality products offered by Indian companies, opportunity to grow exports is also sizeable. Against this backdrop, Indian players having significant capacity expansions on the cards are well poised to tap into these opportunities over the next few years.

The overall growth of this segment is driven by the rural sector recovery, with the last year witnessing a subdued base due to demonetization. Good monsoon, coupled with GST stabilization, has resulted in overall demand growth.

Opportunities:

India is expected to experience sustained growth in short to medium term driven by growth in steel consuming sectors, revival of rural demand, increased spending on infrastructure amongst others. Further, the conducive government stance towards the steel industry through policies focusing on 'Make in India' and Smart City Mission reinforces India's stance as an attractive place for the steel industry. India continues to be an attractive region for steel given its low per capita consumption of approximately 65 kg (world average of 208 kg, China 493 kg). This shows that there is significant headroom for consumption growth. The Company expects to take advantage of the growth opportunity provided by the Indian economy.

The Company aims to be at the forefront in attaining the leadership position in the steel industry. Towards this objective it has plans to grow organically as well as inorganically. The Company has seized the opportunity to acquire distressed assets in the steel industry under the Insolvency and Bankruptcy Code, 2016 and expects to leverage its acquisition opportunities on possibilities for synergies, broadening customer base, access to raw materials, manufacturing facilities, infrastructure, new geographic locations, advanced technology and growth.

Further, India's iron ore reserves and competitive labour costs give steel manufacturers based in the country a distinctive cost advantage. The Company seeks to leverage this advantageous position and strengthen its status as a low-cost and high-quality producer of steel.

Threats:

- Overcapacity and oversupply in the global steel industry as well as increased levels of imports may adversely affect steel prices, impacting profitability.
- Slower than expected pace of growth in India, coupled with expansion in domestic steel capacity, may result in lower than expected realizations
- Substantial amount of debt on the balance sheet may have an adverse impact on the Company's ability to raise finance at competitive rates.
- Non-compliance to increasing stringent regulatory environmental norms may result in liabilities and damage to reputation.
- The steel industry is prone to high proportion of fixed costs and volatility in prices of raw materials and energy. Limitations or disruptions in the supply of raw materials could adversely affect Company's profitability.
- Steel is a cyclical industry and excess volatility in the steel and raw material markets may adversely impact the Company's financial condition.

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

Industry Analysis - Power:

India is the third largest producer and fourth largest consumer of electricity in the world, with the installed power capacity reaching 330,860.58 GW as of December 2017. The country also has the fifth largest installed capacity in the world.

The government targets capacity addition of around 100 GW under the 13th Five-Year Plan (2017–22). It has based its capacity addition requirement on 19th Electric Power Survey (EPS), which has reduced the demand in FY22 by 18%. Under the National Electricity Plan (NEP), the new coal based capacity addition required is 94GW by FY22 primarily driven by accelerated retirement of older coal based capacity due to inability to meet new environmental norms and retire all capacity which have served 25 years of life. Given that 48GW is already under construction, no additional capacity is required till FY22 while 46GW of coal based capacity is required by FY27. This additional capacity requirement has been arrived based on 19th EPS survey assuming 6.2% growth in demand for FY17-22. We also note that capacity addition under 2017- 22 under last NEP was pegged at 80GW including 49GW of coal. As per 19th EPS the demand for power has been revised downwards compared to 18th EPS survey in line with the new realities.

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

However, a decrease in power revenue during the year is Rs. 40.65 crores as against the power revenue of Rs. 65.66 crores in the previous year ended 31st march 2017 due to reduction in off take of power by State Governments, as against the contracted quantities, affected margins of the during the year.

Opportunities and Threats – Power

Power consumption is estimated to increase from 1160.1 TWh in 2016 to 1,894.7 TWh in 2022. Growing population, increasing penetration, per-capita usage, expansion in the industrial activity will provide a boost to the demand for electricity. The power sector has been allowed 100% FDI which has stimulated investments in the sector that have reached US\$ 12.3 billion during April 2000 to September 2017, accounting for 3.44 per cent of total FDI inflows in India. Schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) have already been implemented for rural and urban areas respectively.

China's coal imports rose in March from a year ago as utilities boosted their purchases to replenish inventories amid colder than- usual winter weather that drew down fuel stockpiles. Coal imports earlier to that climbed 20.9 percent from a year ago to 26.7 million tonnes that was up from 20.9 million tonnes in February. For the first quarter, China imported 75.41 million tonnes of coal, which rose up 16.6 percent from the same period a year earlier.



India's coal-fired power sector continues to suffer multifaceted challenges posed. It's a situation for a complete misery for these plants running on historic low Plant load Factor (PLF), eroding the 'balance' of these balance sheets amongst the pool of bad planning, unexpected regulations, lack of PPAs, slowdown in the economy and a very notable factor of cheap renewables. Over the past five years, the Indian power sector witnessed rapid additions in anticipation of unrealistic demand. The price of one unit of power sold in the spot market has jumped over 50 per cent over a year ago. This implies an increase in demand and input cost. It may also be an early indicator for state distribution companies (discoms) to consider long-term options for power procurement. As the cost of short-term power rises, it is likely that state discoms would look at longer tenure for power purchase agreements (PPAs). The exchange prices have moved up and the bilateral agreement prices are also going up for the last one year. Rising coal prices also pose a challenge for state distribution companies. In February 2018, all-India peak demand for electricity increased 9.8 per cent year-on-year (y-o-y) to 158.3 gigawatt (GW). The peak supply improved 9.3 per cent y-o-y to 157.2 GW-a deficit of about 1.04 GW during the month.

Division wise Performance:

- 1) **Trading Division:** The Trading division deals with a wide range of products from finished steel products to related items semis, coal, scrap, Sponge Iron etc. The division has been primarily responsible for developing the marketing base for the company throughout the coastal region of Andhra Pradesh, and Cochin. The division deals with the products manufactured by the Company, RINL (Vizag Steel), and other manufacturers for the products. The division reported a turnover of Rs.319.57 crores for the year ended 31st March 2018 compared to Rs. 673.56 crores in the previous year ended 31st March 2017.
- 2) **Steel Ingot Division - 90,000 TPA :** This division manufactures ingots using sponge iron and scrap / pig iron. The unit also has a power generation unit using natural gas for captive consumption. The company continued with low level of operations for the period under review keeping in view the market conditions and sold the power produced from the Power Plant. The division reported a turnover of Rs.12.55 crores which came from sale of power compared to the turnover of power Rs. 34.58 crores in the previous year.
- 3) **Integrated Steel Plant:** The Integrated Steel Plant (ISP) of the Company is located at Sreerampuram Village, L. Kota Mandal, Vizianagaram District and consists of following units:

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

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

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

Financial Performance

- 1) **Share Capital :** The Authorised capital of the Company is Rs.332,00,00,000/- and the paid up share capital of the company is Rs.75,98,48,120/- There was no change in the Authorised and Paid up share capital of the Company during the year.
- 2) **Reserves and Surplus:** For the year ended 31st March 2018, the Reserves and Surplus have decreased from Rs. 222.36 crores to Rs. 52.23 crores due to the loss transferred from the profit and loss account amounting to Rs. 170.13 crores.
- 3) **Secured Loans:** There has been an increase in secured Loans from Rs.254.36 crores to Rs. 264.37 Crores.
- 4) **Unsecured Loans :** There has been a decrease in Unsecured Loans from Rs. 36.79 Crores to Rs. 30.55 Crores.
- 5) **Fixed Assets:** During the year under review, the Fixed Assets and the total Fixed Assets (net Block) stands at Rs. 717.25 crores as against Rs. 695.17 crores in the previous year.

Operational Performance

- 1) **Income:** The income of the Company was Rs.939.51 crores for the year ended 31st March, 2018 as against Rs. 1,337.98 crores in the previous year ended 31st March 2017.
- 2) **Direct Cost & Other expenses:** The Direct Costs comprising of cost material consumed and purchases of traded goods was to Rs. 773.10 crores for the year as against Rs. 1,049.06 crores in the previous year ended 31st March, 2017.

Other expenses comprises of other manufacturing expenses, staff costs, administration and selling & distribution expenses etc. The same was Rs. 142.83 crores for the year ended 31st March 2018 as against Rs. 117.57 crores in the previous year ended 31st March 2017. The Company continues its efforts to minimize the costs and overheads.

- 3) **Interest Cost:** For the year under review, the interest and financial charges were Rs. 135.52 Crores representing 14.55% of the turnover as against Rs. 157.44 crores representing 11.83% of the turnover in the previous year.
- 4) **Depreciation:** The company has provided a sum of Rs. 29.76 crores towards depreciation for the year under review as against Rs. 28.99 crores in the previous year.
- 5) **Provision for Tax:** The Company has not provided any amount towards income tax as the Company has accumulated losses. The accumulated losses of GSAL (India) Limited were transferred to the company upon its amalgamation with the company. The deferred tax provision for the period under review is Rs. (44.56) lakhs as against Rs. (1.92) crores in the previous year.
- 6) **Net Profit:** The operations for the year ended 31st March 2018 have resulted in a Net Loss of Rs. (170.13) crores as against Rs. (157.16) crores Net Loss in the year ended 31st March 2017. Decrease in margins in manufacturing activity and trading activity coupled with high raw material costs and decrease in steel prices resulted in lower net profit when compared to previous period.
- 7) **Dividend:** No Dividend is recommended on the Equity Shares for the year ended 31st March 2018.

Implementation of Debt Resolution Scheme:

With the uptrend and strong demand witnessed in the steel markets since October 2017, the company has requested the lenders for a suitable debt restructuring for a possible debt resolution. RBI has changed the guidelines vide its notification in February 2018 wherein all existing schemes like CDR, S4A, SDR etc have been completely withdrawn and new guidelines have been introduced with onus of debt resolution to be decided by the Lenders subject to guidelines of RBI. The Lenders have broadly agreed for debt resolution by way of restructuring the debt. The Lenders in a JLM held on 20.06.2018 have agreed on the broad contours of the draft proposal submitted to them.

Internal Controls & Their Adequacy

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

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

Human Resources Development and Industrial Relations

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

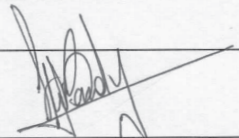
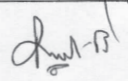
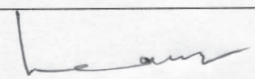
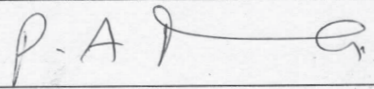
As on 31st March, 2018 the total strength of employees is about 1165. Your Company maintains a cordial relationship with its employees and values the safety of its employees ensuring safe work practices and the Board of Directors and the Management record their appreciation of all its employees for their valuable contribution towards the growth of the Company.

Cautionary Statement

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

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(₹. In lakhs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	93,114.83	93,114.83
	2.	Total Expenditure	1,10,661.91	1,14,344.06
	3.	Net Profit/(Loss)	(17,012.41)	(20,694.55)
	4.	Earnings Per Share	(22.39)	(27.24)
	5.	Total Assets	1,53,340.96	1,53,340.96
	6.	Total Liabilities	1,40,528.13	1,44,210.28
	7.	Net Worth	12,812.83	9,130.68
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: Basis for Qualified Opinion We draw your attention to note 4.33 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs 36.82 crores on the borrowings of the company for the year ended 31st March 2018 which is not in accordance with the requirements of Ind AS 23. Borrowing Cost read with Ind AS 109 Financial Instruments. Had the aforesaid interest expenses been recognized, finance costs for the year ended 31st March 2018 would have been Rs 172.34 crores instead of reported amount of Rs 135.52 crores. Total expenses for the year ended 31st March, 2018 would have been Rs 1143.44 crores instead of 1106.62 crores. Loss before exceptional items and tax for the year ended 31st March 2018 would have been Rs 203.92 crores instead of the reported amount of Rs 167.11 crores, Loss before Tax for the year ended 31st March 2018 would have been Rs 251.51 crores instead of the reported amount of Rs 214.69 crores, Net Loss after Tax for the year ended 31st March 2018 would have been Rs 206.95 crores instead of reported amount of Rs 170.13 crores. Total comprehensive loss for the year ended 31st March 2018 would have been Rs 206.94 instead of reported amount of Rs 170.12 crores and loss per share for the year ended 31st March 2018 would have been Rs 27.24 instead reported amount of Rs 22.39, other equity and other financial liabilities as at 31st March 2018 would have been Rs 15.32 crores and Rs 260.16 crores instead of reported amount of Rs 52.14 crores and Rs 223.34 crores respectively.		

	Qualified Opinion	
	In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and except the effect of matter referred to in paragraph 8 above give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its total comprehensive income (comprising loss and other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.	
	b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing.	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion / negotiation with the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.36,82,14,336 for the year ended 31st March 2018 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2018.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable	
	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same:	
	(iii) Auditors' Comments on (i) or (ii) above:	
III	Signatories:	
	• Managing Director	
	• CFO	
	• Audit Committee Chairman	
	• Statutory Auditor	
Place: Visakhapatnam Date: 30.05.2018		

**INDEPENDENT AUDITOR'S REPORT**

To
The members of,
M/s. STEEL EXCHANGE INDIA LIMITED,

Report on the Standalone Ind AS Financial Statements:

1. We have audited the accompanying Standalone Ind AS financial statements of M/s. STEEL EXCHANGE INDIA LIMITED, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of Cash Flows for the year ended 31st March, 2018 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.
5. We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the institute of chartered accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on Standalone Ind AS financial statements.

Basis for Qualified Opinion

8. We draw your attention to note 4.33 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs 36.82 crores on the borrowings of the company for the year ended 31st March 2018 which is not in accordance with the requirements of Ind AS 23. Borrowing Cost read with Ind AS 109 Financial Instruments.

Had the aforesaid interest expenses been recognized, finance costs for the year ended 31st March 2018 would have been Rs 172.34 crores instead of reported amount of Rs 135.52 crores. Total expenses for the year ended 31st March, 2018 would have been Rs 1143.44 crores instead of 1106.62 crores. Loss before exceptional items and tax for the year ended 31st March 2018 would have been Rs 203.92 crores instead of the reported amount of Rs 167.11 crores, Loss before Tax for the year ended 31st March 2018 would have been Rs 251.51 crores instead of the reported amount of Rs 214.69 crores, Net Loss after Tax for the year ended 31st March 2018 would have been Rs 206.95 crores instead of reported amount of Rs 170.13 crores. Total comprehensive loss for the year ended 31st March 2018 would have been Rs 206.94 instead of reported amount of Rs 170.12 crores and loss per share for the year ended 31st March 2018 would have been Rs 27.24 instead reported amount of Rs 22.39, other equity and other financial liabilities as at 31st March 2018 would have been Rs 15.32 crores and Rs 260.16 crores instead of reported amount of Rs 52.14 crores and Rs 223.34 crores respectively.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and except the effect of matter referred to in paragraph 8 above give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its total comprehensive income (comprising loss and other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion except matter referred to in paragraph 8 above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, 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, except for the matter referred in paragraph 8 above, the aforesaid Standalone Ind AS financial statements comply with the applicable accounting Standards specified under Section 133 of the Act;
 - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has disclosed the impact of pending litigations on its financial position in the Standalone Ind AS financial statements -Refer to note 4.32 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been no occasions during the year under report to transfer any sums to the Investor Education and Protection Fund by the company.

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

Place :Visakhapatnam
Date : 30.05.2018

(CA PA RAMAIAH)
PARTNER
M.No :203300

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1) (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets;
(b)The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
(c)The title deeds of immovable properties are held in the name of the company.
- 2) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (C) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



- 6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company's (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, there have been delay in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, the following dues of the service tax, duty of customs, duty of excise, value added tax, central sales tax, Cess and any other statutory dues which have not been deposited with appropriate authorities on account of any dispute.

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (in Rs.)	Deposits/paid in (Rs.)	Forum where the dispute is pending with
CST Act	Sales Tax Sales Tax	2003-04	22,43,895/-	2,80,487/-	CTO, Gajuwaka, Visakhapatnam
		2004-05	28,27,172/-	3,53,397/-	
CST Act	Sales Tax	2005-06	47,85,829/-	23,92,914/-	STAT, Visakhapatnam
AP VAT Act		2011-12	11,57,334/-	2,89,334/-	
AP VAT Act	Sales Tax	2011-12	13,94,858/-	3,48,715/-	The Hon'ble High Court of Telangana & AP
AP VAT Act	Sales Tax	2012-13	4,25,30,002/-	53,16,250/-	Appellate Deputy Commissioner, Vijayawada
AP VAT Act	Sales Tax	2013-14	31,41,694/-	7,85,424/-	Appellate Deputy Commissioner, Visakhapatnam
AP VAT Act	Sales Tax	2011-12 to 2015-16	21,40,76,014	NIL	Commerical Tax Officer, Visakhapatnam.
CST Act	Sales Tax	2013-14	8,16,219	NIL	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT Act	Sales tax	2013-14	11,85,189	5,54,294	Appellate Deputy Commissioner (CT), Vijayawada
Customs Act	Customs Duty	2003-04	54,35,648/-	NIL	Hon'ble High Court of Telangana & AP
Customs Act	Customs Duty	2012-13	67,38,452/-	NIL	CESTAT, Bangalore
Customs Act	Customs Duty	2012-13	37,66,062	NIL	Commissioner (Appeals), Visakhapatnam.
Central Excise Act,	Excise Duty	2007-08	86,30,228/-	10,00,000/-	CESTAT, Bangalore
		2008-09	1,91,708/-	NIL	
Central Excise Act	Excise Duty	2009-10, 2010-11 & 2011-12	61,18,776/-	50,00,000/-	Commissioner of Central Excise, Visakhapatnam
		2009-10	3,893/-	NIL	
Central Excise Act	Excise Duty	2010-11	14,35,189/-	NIL	Hon'ble High Court of Telangana & AP
Central Excise Act	Excise Duty	2014-15	6,32,86,487	NIL	Commissioner of Central Excise, Visakhapatnam.



Central Excise Act	Service Tax	2010-11, 2011-12, 2012-13, 2013-14 & 2014-15	26,468	NIL	Asst. Commissioner of Central Excise, Visakhapatnam.
Customs Act	Customs duty	2012-13	2,18,06,647/-	NIL	Hon'ble Customs, Central Excise & Service Tax-Appellate Tribunal, Telangana
Excise Act	Excise duty	2012-13	7,73,767/-	NIL	Assistant Commissioner of Customs & Central Excise, Visakhapatnam
Excise Act	Customs (CVD)	2012-13 To 2016-17	9,42,89,440/-	NIL	Commissioner of Central Tax (Audit), Guntur
Excise Act	Excise duty	2014-15 to 2017-18	87,30,013/-	NIL	Commissioner of Central Tax & Customs, (Appeals), Guntur
Service Tax Act	Service Tax	2013-14 to 2015-16	9,47,253/-	NIL	Assistant Commissioner of Central Tax, Vizianagaram
Buildings and Other Construction Workers Welfare Cess Act, 1996	Cess	2010-11	1,27,98,000/-	NIL	Hon'ble High Court of Telangana & AP
AP Registration & Stamps Act	Stamp Duty	2008-09	44,99,900/-	NIL	The District Registrar, Vizianagaram
AP Electricity & Regulatory Authority-EPDCL	Electricity Duty	2003-14	2,25,77,318/-	NIL	Hon'ble Supreme Court , New Delhi

- 8) In our opinion and according to the information and explanations given to us, except for loans and borrowings from banks and financial institutions aggregating Rs 214.78 Crores for the period set out below the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks as on at the balance sheet date.

(Rs in Crores)

Particulars	Upto 3 months		More than 3 months upto 12 months		More than 12 months		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
State Bank of India	8.38	19.35	27.84	49.96	13.34	2.48	49.56	71.79
Syndicate Bank	--	2.46	--	7.44	--	--	--	9.90
Punjab National Bank	1.12	3.43	4.44	9.24	--	--	5.56	12.67
Bank of India	--	2.35	--	6.12	--	--	--	8.47
Karur Vysya Bank	2.08	2.25	6.24	5.51	4.16	0.28	12.48	8.04
Lakshmi Vilas Bank	--	0.95	5.00	1.83	5.00	--	10.00	2.78
IDBI Bank	--	1.77	--	3.47	--	0.51	--	5.75
Dhanlaxmi Bank	--	0.90	--	2.70	--	--	--	3.60
Andhra Bank	--	1.38	--	4.01	--	0.19	--	5.58
Canara Bank	--	1.97	--	6.02	--	0.61	--	8.60
Total	11.58	36.81	43.52	96.30	22.50	4.07	77.60	137.18



- 9) According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, paragraph 3 (ix) of the Order are not applicable.
- 10) According to the information and explanations given by the management to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of audit.
- 11) According to the information and explanations to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- 13) According to the information and explanations to us and based on our examination of the records of the company transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order are not applicable.
- 15) According to the information and explanations to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order are not applicable.
- 16) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, paragraph 3 (xvi) of the Order are not applicable.

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

Place : Visakhapatnam
Date : 30.05.2018

(CA PA RAMAIAH)
PARTNER
M.No.203300

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of
STEEL EXCHANGE INDIA LIMITED**

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

We have audited the internal financial controls over financial reporting of STEEL EXCHANGE INDIA LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively



in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **PAVULURI & Co.**

Chartered Accountants

Firm Reg. No:012194S

Place :Visakhapatnam

Date : 30.05.2018

(CA PA RAMAIAH)

PARTNER

M.No :203300

**BALANCE SHEET AS AT 31ST MARCH 2018**

Particulars	Note No.	As at 31.03.2018 Amount ₹	As at 31.03.2017 Amount ₹	As at 01.04.2016 Amount ₹
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	4.1	7,172,475,442	6,951,660,373	7,200,469,667
b) Capital work-in-progress		48,715,880	543,857,322	529,881,592
c) Other non-current assets	4.2	80,352,284	70,340,217	647,076,365
Total non-current assets		7,301,543,606	7,565,857,912	8,377,427,624
Current assets				
a) Inventories	4.3	5,793,336,385	6,364,747,613	7,181,860,776
b) Financial assets				
i) Other investments	4.4	2,994,045	2,799,282	2,540,797
ii) Trade receivables	4.5	979,008,275	2,152,082,792	2,633,704,560
iii) Cash and cash equivalents	4.6.1	14,604,520	17,183,050	54,591,071
iv) Other bank balances	4.6.2	68,086,990	147,155,896	837,053,949
v) Other financial assets	4.7	679,491,579	496,482,404	376,824,266
c) Other current assets	4.8	495,031,360	415,383,816	339,092,081
Total current assets		8,032,553,153	9,595,834,853	11,425,667,502
Total assets		15,334,096,759	17,161,692,764	19,803,095,125
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	4.9	759,848,120	759,848,120	759,848,120
b) Other equity	4.10	521,435,453	2,222,675,955	3,795,234,880
Total equity		1,281,283,573	2,982,524,075	4,555,083,000
Liabilities				
Non-current Liabilities				
a) Financial Liabilities				
i) Borrowings	4.11	1,538,515,264	1,828,240,596	2,471,205,206
ii) Other financial liabilities	4.12	186,087,500	186,087,500	186,087,500
b) Deferred tax liabilities (net)	4.13	344,110,320	789,733,413	808,921,411
c) Provisions	4.14	7,152,184	4,638,995	2,920,642
Total non-current Liabilities		2,075,865,268	2,808,700,504	3,469,134,759
Current liabilities				
a) Financial Liabilities				
i) Borrowings	4.15	7,737,018,373	6,910,521,207	3,387,355,012
ii) Trade payables	4.16	966,112,332	1,077,231,661	5,788,597,510
iii) Other financial liabilities	4.17	2,234,147,546	1,983,230,317	1,497,957,314
b) Other current liabilities	4.18	1,038,606,266	1,398,341,640	1,104,967,530
c) Provisions	4.19	1,063,401	1,143,360	-
Total current liabilities		11,976,947,918	11,370,468,185	11,778,877,366
Total equity and liabilities		15,334,096,759	17,161,692,764	19,803,095,125

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

As per our report of even date attached

For and on Behalf of Board of Directors

For **PAVULURI & CO**

Chartered Accountants

Firm Reg. No: 012194S

B. SATISH KUMAR

Chairman-cum-Managing Director

B.SURESH KUMAR

Jt. Managing Director

CA P.A. RAMAIAH

Partner

M.No.-203300

B.RAMESH KUMAR

Jt. Managing Director-cum-Chief Financial Officer

M.RAVEENDRA BABU

Company Secretary

Place: Visakhapatnam

Date : 30.05.2018



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

Particulars	Note No.	Year ended 31.03.2018 Amount ₹	Year ended 31.03.2017 Amount ₹
I Revenue from operations	4.20	9,311,482,623	13,304,073,810
II Other Income	4.21	83,654,307	75,770,325
III Total Income (I+II)		9,395,136,929	13,379,844,136
IV Expenses :			
Cost of materials consumed	4.22	4,283,296,710	3,679,777,503
Purchase of Traded goods	4.23	3,447,739,079	6,810,796,640
Changes in inventories of finished goods, stock-in-trade and work-in-progress	4.24	171,051,456	302,376,064
Excise duty		90,588,604	594,642,053
Employee benefit expenses	4.25	241,645,851	236,293,519
Finance costs	4.26	1,355,206,427	1,574,423,051
Depreciation	4.1	289,987,255	297,559,258
Other expenses	4.27	1,186,675,882	939,382,168
Total Expenses (IV)		11,066,191,264	14,435,250,256
V Profit/(loss) before exceptional items and tax (III-IV)		(1,671,054,335)	(1,055,406,121)
VI Less: Exceptional Items	4.28	475,889,260	533,030,580
VII Profit/(loss) before tax (V-VI)		(2,146,943,595)	(1,588,436,701)
VIII Tax expense:			
(1) Current Tax		-	-
(2) Earlier years (net)		-	2,348,810
(3) Deferred Tax	4.29	(445,623,093)	(19,187,998)
IX Profit/(Loss) for the year (VII-VIII)		(1,701,320,502)	(1,571,597,513)
Other comprehensive income (OCI)			
A) (i) Items that will not be reclassified to profit or loss	4.35.1(E)	80,000	(961,412)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
X Other comprehensive income		80,000	(961,412)
XI Total comprehensive income/(Loss) for the year (IX+X)		(1,701,240,502)	(1,572,558,925)
XII Earnings per equity share:			
(1) Basic	4.35.4	(22.39)	(20.70)
(2) Diluted		(22.39)	(20.70)

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached

For and on Behalf of Board of Directors

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

B. SATISH KUMAR
Chairman-cum-Managing Director

B.SURESH KUMAR
Jt. Managing Director

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

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

M.RAVEENDRA BABU
Company Secretary

Place: Visakhapatnam
Date : 30.05.2018

Statement of changes in Equity for the year ended March 31, 2018

a) Equity share capital

	Note No.	Amount ₹
Balance as at April 1, 2016		759,848,120
Changes in equity share capital during the year	4.9	-
Balance as at March 31, 2017		759,848,120
Changes in equity share capital during the year	4.9	-
Balance as at March 31, 2018		759,848,120

b) Other equity

Particulars	Reserves and surplus									Other comprehensive income	Total equity attributable to equity holders of the Company
	Securities premium Reserve	Retained earnings	Capital Reserve	Revaluation Reserve	Amalgamation Reserve	Capital Redemption Reserve	Subsidy	General Reserve	Investment Allowance Reserve	Other items of other comprehensive income	
Balance as at April 1, 2016	897,823,960	656,061,179	1,795,077,280	1,025,610,680	753,922,917	5,504,000	1,500,000	56,500,000	720,306	-	2,881,597,964
a) Adjustments as per Ind As Conversion											-
i) Fair Valuation of deemed cost for Property, Plant and Equipment				1,288,235,654							1,288,235,654
ii) Financial assets carried at fair value through P&L		40,797									40,797
(iii) Decrease in financial assets due to adoption fair valuation approach as per Ind AS		(125,568,545)									(125,568,545)
(iv) Deferred Tax		(223,812,968)									(223,812,968)

(v) Depreciation												-
(vi) Expected Credit Losses on trade receivables	(25,258,022)											(25,258,022)
b) Other comprehensive income for the year, net of income tax												
Balance as at April 1, 2016-Ind AS	897,823,960	2,030,659,917	1,795,077,280	2,313,846,334	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	-		3,795,234,880
a) Profit for the year	-	(1,571,597,513)	-		-				-	(961,412)		(1,572,558,925)
b) Total comprehensive income for the year												-
Balance as at March 31, 2017	897,823,960	3,602,257,430	1,795,077,280	2,313,846,334	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	(961,412)		2,222,675,955
a) Profit for the year	-	1,701,320,502)	-		-				-	80,000		(1,701,240,502)
b) Total comprehensive income for the year												-
Balance as at March 31, 2018	897,823,960	5,303,577,932)	1,795,077,280	2,313,846,334	753,922,917	5,504,000	1,500,000	56,500,000	,720,306	881,412)		521,435,453

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached

For and on Behalf of Board of Directors

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

B. SATISH KUMAR
Chairman-cum-Managing Director

B.SURESH KUMAR
Jt. Managing Director

CA P.A. RAMAIAH
Partner
M.No.-203300
Place: Visakhapatnam
Date : 30.05.2018

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

M. RAVEENDRA BABU
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

Particulars	Year ended 31.03.2018 Amount ₹	Year ended 31.03.2017 Amount ₹
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax for the year	(2,146,943,595)	(1,588,436,701)
Adjustment for non cash/ non operational expenses:		
a) Depreciation	289,987,255	297,559,258
b) Bad debts written off and other write offs	462,000,327	534,567,403
c) Finance costs recognised in profit or loss	1,355,206,427	1,574,423,051
d) Loss/ (gain) on disposal of property, plant and equipment	-	521,508
e) Un realised gain on financial assets	(194,763)	(258,485)
Operating profit before working capital changes	(39,944,348)	818,376,035
Adjustments for working capital changes:		
a) Decrease/(Increase) in Trade Receivables	711,074,190	(52,945,636)
b) Decrease/(Increase) in Inventories	571,411,228	817,113,164
c) (Increase)/Decrease in Other non Current Assets	69,056,838	576,736,148
d) (Increase)/Decrease in Other Financial Assets	(183,009,175)	(119,658,137)
e) (Increase)/Decrease in Other Current Assets	(79,647,544)	613,606,318
f) Increase/ (Decrease) in Trade Payables	(111,119,328)	(4,711,365,849)
g) Increase/ (Decrease) in Other financial liabilities	(76,616,942)	278,052,271
h) Increase/ (Decrease) in Other current liabilities	(359,815,330)	294,517,470
i) Increase/ (Decrease) in Other non current liabilities	2,593,189	756,941
Cash generated from operations	503,982,777	(1,484,811,276)
Less: Income taxes paid	-	2,348,810
Net Cash Flow from operating activities	503,982,777	(1,487,160,086)
B) CASH FLOW FROM INVESTING ACTIVITIES:		
a) Payments for property, plant and equipment	(531,843,382)	(49,933,773)
b) Proceeds from disposal of property, plant and equipment	21,041,056	662,302
c) (Increase)/Decrease in Capital Work in Progress	495,141,442	(13,975,730)
Net Cash Flow from investing activities	(15,660,884)	(63,247,201)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
a) Repayment of borrowings	926,611,221	3,189,736,927
b) Increase/(Decrease) in Unsecured Loans	(62,305,218)	(102,314,610)
c) Payment of Finance costs	(1,355,206,427)	(1,574,423,051)
d) Proposed Dividend and Tax thereon		
Net Cash Flow from financing activities	(490,900,423)	1,512,999,266
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(2,578,530)	(37,408,021)
Cash and cash equivalents at the beginning of the year	17,183,050	54,591,071
Cash and cash equivalents at the end of the year	14,604,520	17,183,050

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached

For and on Behalf of Board of Directors

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

B. SATISH KUMAR
Chairman-cum-Managing Director

B.SURESH KUMAR
Jt. Managing Director

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

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

M.RAVEENDRA BABU
Company Secretary

Place: Visakhapatnam
Date : 30.05.2018

1. Corporate information

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

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

2. Application of new Indian Accounting Standards

2.1 All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

2.2 The Company's standalone financial statements for the quarter ended June 30, 2017 are the first interim financial statements prepared in accordance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS financial statements for the quarter ended June 30, 2017 be applied consistently and retrospectively for all fiscal years presented.

3. Significant accounting policies

3.1. Basis of preparation

(a) Statement of Compliance

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of transition date have been recognized directly in equity at the transition date.

In accordance with Ind AS 101-“First Time adoption of Indian Accounting Standards” (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2017, and April 1, 2016 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

(b) Basis of measurement

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

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgement

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

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

3.2 Summary of significant accounting policies

3.2.1 Fair value measurement

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

3.2.2 Investments in subsidiaries, associates and joint ventures

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

3.2.3 Financial instruments

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

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

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

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

(a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

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

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

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

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

Financial assets at fair value through profit or loss

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

(b) Non-derivative financial liabilities

Financial liabilities at amortized cost

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

3.2.4 Property, Plant and Equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except for land and buildings which are revalued as on 01.04.2016.

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

Building	60 years
Factory Buildings	30 years
Plant and Machinery and Others	15 years
Plant and Machinery (Power Generation)	40 years
Plant and Machinery (Rolling Mill)	20 years
Office equipment	05 years
Computer equipment	03 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles (Other than two wheelers)	08 years
Vehicles	10 years
Roads (carpeted-other than RCC)	05 years
Roads (Non-carpeted)	03 years

Fixed Assets costing Rs.5,000/- or less are fully depreciated in the year of purchase.

3.2.5 Capital work-in progress:

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

On transition to Ind AS the Company has elected to continue with the carry value of all items of capital work in progress recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of such items of capital work in progress.

3.2.6 Leases

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

Where the Company is the lessee

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

Where the Company is the Lessor

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

For arrangements entered into prior to 1st April, 2016 the date of inception is deemed to be 1st April, 2016 in accordance with Ind AS 101 , First time adoption of Indian Accounting Standards.

3.2.7 Inventory:

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

3.2.8 Impairment:

(a) Financial assets

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

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

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

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

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a

financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

- (ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

(b) Non-financial assets

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

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

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

3.2.9 Employee benefits

(a) Gratuity & Provident Fund:

- (i) Gratuity payable to eligible employees is administered by a separate Trust. Payments to the trust towards contributions and other demands are made on the basis of actuarial valuation.
- (ii) Fixed contributions to Provident Fund are recognized in the accounts at actual cost to the Company.

(b) Other Benefits:

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

3.2.10 Provisions

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

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

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

3.2.11 Revenue recognition:

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

- (a) Domestic sales: Domestic sales are accounted on the date of Forwarding Note (Rail dispatches/ Lorry receipt/Delivery challan).
- (b) Obsolete Stores & Scrap: Income is accounted on realization basis in respect of used/ surplus/obsolete/unserviceable materials/waste products and scrap.

3.2.12 Finance income and expense

Finance income consists of interest income on deposits, forex gain and other miscellaneous income. Interest income is recognized as it accrues in the statement of profit and loss.

- Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss.
- Foreign currency gains and losses are reported on a net basis.

3.2.13 Income tax

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

(a) Current income tax

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

(b) Deferred income tax

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

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

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

3.2.14 Earnings per share

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

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

3.2.15 Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items, arising during the year, as so far as they relate to the acquisition of the depreciable capital asset are dealt with in the profit and loss statements.

3.2.16 Borrowing costs

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

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

Note-4.1: Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended Mar 31, 2018 are as follows:

	Amount ₹									
	Freehold Land and Roads	Freehold Buildings	Machinery	Electricals	Equip-ments	Furniture & Fixtures	Vehicles	Roads	Railway Sidings	Total
Gross carrying value as on April 1, 2017	2,022,816,953	1,956,468,259	5,444,109,291	488,747,008	50,536,492	17,586,251	79,477,147	126,515,042	67,562,743	10,253,819,186
Additions	948,250	296,762,155	231,628,341	2,270,400	183,090	-	51,146	-	-	531,843,382
Deletions	20,910,200	-	-	-	-	-	696,621	-	-	21,606,821
Gross carrying value as on March 31, 2018	2,002,855,003	2,253,230,414	5,675,737,632	491,017,408	50,719,582	17,586,251	78,831,672	126,515,042	67,562,743	10,764,055,747
Accumulated depreciation as on April 1, 2017	-	382,000,784	2,433,485,592	232,570,017	44,286,361	14,193,436	54,249,799	77,188,220	64,184,605	3,302,158,815
Depreciation	-	70,919,391	131,977,749	53,603,965	1,351,936	717,183	7,824,535	23,592,496	-	289,987,255
Accumulated depreciation on deletions	-	-	-	-	-	-	565,765	-	-	565,765
Accumulated depreciation as on March 31, 2018	-	452,920,175	2,565,463,341	286,173,982	45,638,298	14,910,619	61,508,569	100,780,716	64,184,605	3,591,580,305
Carrying value as on March 31, 2018	2,002,855,003	1,800,310,239	3,110,274,291	204,843,426	5,081,284	2,675,632	17,323,103	25,734,326	3,378,138	7,172,475,442
Carrying value as on March 31, 2017	2,022,816,953	1,574,467,475	3,010,623,699	256,176,991	6,250,131	3,392,815	25,227,348	49,326,822	3,378,138	6,951,660,373
The changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2017 are as follows:										
	Freehold Land and Roads	Freehold Buildings	Machinery	Electricals	Equip-ments	Furniture & Fixtures	Vehicles	Roads	Railway Sidings	Total
Gross carrying value as on April 1, 2016 (Deemed Cost)	1,424,403,974	1,266,496,802	5,399,291,344	488,204,018	49,869,974	17,494,851	78,521,865	126,515,042	67,562,743	8,918,360,613

[illegible]

**Note-4.2: OTHER NON-CURRENT ASSETS**

	Amount ₹ As at 31/03/2018	Amount ₹ As at 31/03/2017	Amount ₹ As at 01/04/2016
(Unsecured and Considered Good)			
Capital Advances	8,129,308	9,128,325	563,811,806
Security Deposits	72,222,977	61,211,892	83,264,559
	80,352,284	70,340,217	647,076,365

Note-4.3: INVENTORIES

Raw Material	3,590,946,039	3,130,759,154	3,540,372,620
Finished Goods	2,037,974,617	2,880,504,885	3,182,880,948
Consumables	83,426,234	93,666,589	88,028,861
Stores & Spares	80,530,724	73,954,540	57,479,313
Stock in transit of Raw material	458,771	185,862,446	313,099,034
	5,793,336,385	6,364,747,613	7,181,860,776

Disclosure:

The above inventories include ₹.212,60,42,914 of raw materials and ₹.9,65,54,894 finished goods that are expected to be recovered after more than 12 months.

NOTE-4.4: CURRENT INVESTMENTS

Investments carried at fair value through profit or loss			
Investments in mutual funds (Fixed maturity plans securities)	2,994,045	2,799,282	2,540,797
	2,994,045	2,799,282	2,540,797

Disclosure:

(2) The balances held in fixed maturity plan securities as at March 31, 2018 are as follows:

Particulars	As at March 31, 2018	
	Units	Amount ₹
Canara Robeco Capital Protection Oriented Fund-Series 6	249,985	2,994,045
Total:	249,985	2,994,045

Note-4.5: TRADE RECEIVABLES

Trade receivables outstanding for a period exceeding six months from the due date of payment	594,301,869	247,969,587	234,203,904
Other trade receivables	777,872,518	1,923,114,610	2,424,758,678
	1,372,174,387	2,171,084,197	2,658,962,582
Less: Provision for bad & doubtful receivables	393,166,112	19,001,405	25,258,022
Total:	979,008,275	2,152,082,792	2,633,704,560
Break-up security details:			
i) Secured, considered good	-	-	-
ii) Unsecured considered good	979,008,275	2,152,082,792	2,633,704,560
iii) Doubtful	393,166,112	19,001,405	25,258,022
Disclosure:			
Includes dues from companies where directors are interested	Nil	14,712,081	90,819,187

Note-4.6: CASH AND CASH EQUIVALENTS
(1). Cash and Cash Equivalent

	Amount ₹ As at 31/03/2018	Amount ₹ As at 31/03/2017	Amount ₹ As at 01/04/2016
a) Balances with banks - In Current Accounts	11,045,808	14,082,237	46,276,926
b) Cash on Hand	3,558,711	3,100,813	8,314,145
	14,604,520	17,183,050	54,591,071

(2). Other Bank Balances

a) In deposit accounts - Held as Margin Money	68,086,990	147,155,896	836,310,549
b) Balance with banks for Unpaid Dividend	-	-	743,400
	68,086,990	147,155,896	837,053,949
	82,691,510	164,338,946	891,645,021

Disclosures:

Cash and Cash equivalents as of March 31, 2018, March 31, 2017 and April 1, 2016 includes restricted cash balances of ₹ 6,80,86,900, ₹ 14,71,55,896 and ₹ 83,63,10,549 respectively. The restriction is primarily on account of Cash and Bank balances held as margin money deposits against Letter of Credits and Bank guarantees sanctioned by banks.

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

Note-4.7: OTHER FINANCIAL ASSETS

Advances For Purchases & Works*	624,418,143	433,478,595	279,237,464
Advance for expenses	18,540,395	11,480,269	10,909,163
Other Advances	23,920,736	26,044,367	42,551,106
Other receivables	12,612,305	25,479,172	44,126,533
	679,491,579	496,482,404	376,824,266
Disclosure:			
* Includes dues from companies where directors are interested	Nil	954,364	Nil

Note-4.8: OTHER CURRENT ASSETS

Advance Tax and Tax Deducted at Source	15,325,281	18,355,988	29,608,567
Indirect Tax Balances	287,731,863	200,906,691	90,358,700
MAT Credit Entitlement	153,973,013	153,973,013	153,973,013
State Govt incentives receivable (Sales Tax)	36,640,152	36,643,861	53,559,951
Prepaid Expenses	1,361,050	5,504,264	11,591,850
	495,031,360	415,383,816	339,092,081

Disclosures:

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


Note-4.9: SHARE CAPITAL

	Amount ₹ As at 31/03/2018	Amount ₹ As at 31/03/2017	Amount ₹ As at 01/04/2016
Equity share capital			
(i) Authorized			
Equity shares, of ₹. 10 par value 25,80,00,000 equiity shares	2,580,000,000	2,580,000,000	2,580,000,000
Redeemable preference shares, of ₹. 10 par value 10,00,000 preference shares	10,000,000	10,000,000	10,000,000
Redeemable cumulative optionally convertible preference shares, of ₹. 10 par value 7,30,00,000 preference shares	730,000,000	730,000,000	730,000,000
	3,320,000,000	3,320,000,000	3,320,000,000
(ii) Issued , Subscribed and fully paid up			
Equity shares, of ₹. 10 par value 7,59,84,812 equiity shares	759,848,120	759,848,120	759,848,120
	759,848,120	759,848,120	759,848,120

Rights, Preferences and restrictions attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

In the period of five years immediately preceding March 31, 2018:

1,80,52,092 Equity Shares are pending for allotment to shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Honourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh and allotted on 27.01.2016.

1,86,08,750 10.5% Non Convertible Redeemable Preference Share Capital pending for allotment to shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Honourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh and allotted on 27.01.2016.

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

Name of the Shareholder	As at 31.03.2018	
	No. of Shares	% held
Equity shares with voting rights:-		
i. Umashiv Garments Private Ltd.	21,619,115	28.45
ii. Vizag Profiles Private Limited	5,763,650	7.58
iii. Quality Steel Shopee Private Limited	4,250,000	5.59

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

Name of the Shareholder	As at 01.04.2016	
	No. of Shares	% held
Equity shares with voting rights:-		
i. Umashiv Garments Private Ltd.	18,209,115	23.96
ii. Vizag Profiles Private Limited	5,763,650	7.58
iii. VBC Ferro Alloys Ltd.	4,629,540	6.09


Note-4.10: OTHER EQUITY

	Amount ₹ As at 31/03/2018	Amount ₹ As at 31/03/2017	Amount ₹ As at 01/04/2016
a) Capital Reserve			
Opening Balance	1,795,077,280	1,795,077,280	1,795,077,280
Additions during the Year	-	-	-
Closing Balance (A)	1,795,077,280	1,795,077,280	1,795,077,280
b) Revaluation Reserve			
Opening Balance	2,313,846,334	2,313,846,334	1,025,610,680
Addition due to adoption of fair value approach as per Ind AS	-	-	1,288,235,654
Closing Balance (B)	2,313,846,334	2,313,846,334	2,313,846,334
c) Amalgamation Reserve			
Opening Balance	753,922,917	753,922,917	753,922,917
Additions during the Year	-	-	-
Closing Balance (C)	753,922,917	753,922,917	753,922,917
d) Capital Redemption Reserve			
Opening Balance	5,504,000	5,504,000	5,504,000
Transfer from Statement of Profit & Loss	-	-	-
Closing Balance (D)	5,504,000	5,504,000	5,504,000
e) Subsidy			
Opening Balance	1,500,000	1,500,000	1,500,000
Additions during the Year	-	-	-
Closing Balance (E)	1,500,000	1,500,000	1,500,000
f) General Reserve			
Opening Balance	56,500,000	56,500,000	56,500,000
Transferred from Statement of Profit and Loss	-	-	-
Closing Balance (F)	56,500,000	56,500,000	56,500,000
g) Securities Premium Account			
Opening Balance	897,823,960	897,823,960	897,823,960
Premium on shares issued during the year	-	-	-
Closing Balance (G)	897,823,960	897,823,960	897,823,960
h) Investment Allowance Reserve			
Opening Balance	1,720,306	1,720,306	1,720,306
Additions during the Year	-	-	-
Closing Balance (H)	1,720,306	1,720,306	1,720,306
i) Surplus in Statement of Profit and Loss			
Opening Balance	(3,602,257,430)	(2,030,659,917)	(1,729,968,729)
Add: Profit for the year	(1,701,320,502)	(1,571,597,513)	73,907,550
Adjustment as per Ind-As Conversion	-	-	-
(i) Increase in investments	-	-	40,797
(ii) Decrease in financial assets due to adoption fair valuation approach as per Ind AS	-	-	(125,568,545)
(iii) Deferred Tax	-	-	(223,812,968)
(iv) Expected credit losses on trade receivables	-	-	(25,258,022)
Closing Balance (I)	(5,303,577,932)	(3,602,257,430)	(2,030,659,917)
Total (a+b+c+d+e+f+g+h+i)	522,316,865	2,223,637,367	3,795,234,880
Other Comprehensive Income			
Opening	(961,412)	-	-
Defined benefit plan-Gratuity fund	80,000	(961,412)	-
Total:	(881,412)	(961,412)	-
Total Comprehensive Income	521,435,453	2,222,675,955	3,795,234,880

Note-4.11: BORROWINGS

	Amount ₹ As at 31/03/2018	Amount ₹ As at 31/03/2017	Amount ₹ As at 01/04/2016
Non-current:			
Secured			
- Term Loans from banks	1,236,100,000	1,622,250,000	2,162,900,000
Unsecured			
- Term Loans from others	300,000,000	200,759,153	300,750,000
- Vehicle Hire Purchase Loans	2,415,264	5,231,443	7,555,206
	1,538,515,264	1,828,240,596	2,471,205,206
Current:			
Secured			
- Term Loans from banks	1,407,620,266	921,356,210	691,235,727
Unsecured			
- Term Loans from others	733,042	158,827,378	152,380,698
- Interest free Sales Tax Loan	-	-	29,309,512
- Vehicle Hire Purchase Loans	2,409,617	3,045,167	3,082,086
	1,410,762,925	1,083,228,755	876,008,022
	2,949,278,189	2,911,469,351	3,347,213,228
Disclosure:			
Includes dues to companies where directors are interested (Term Loan from others under unsecured)	100,000,000	Nil	Nil

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

Nature of Security

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

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

The terms of repayment of term loans are stated below

As at March 31, 2018

Banker/Financer	Terms of repayment
Corporate Term Loans:	
State Bank of India outstanding as on 31.03.2018 of ₹. 6,18,66,330 (Previous year: ₹. 6,84,96,524)	1.Repayable in 16 quarterly installments commencing from March, 2014. Last installment due in December 2017. Rate of interest 14.85% p.a. as at year end.
State Bank of India outstanding as on 31.03.2018 of ₹. 37,31,70,972 (Previous year: ₹. 38,49,01,505)	Repayable in 16 quarterly installments commencing from December 2015. Last installment due in September 2019 Rate of interest 14.85% p.a. as at year end.
The karur Vysya Bank Limited outstanding as on 31.03.2018 of ₹. 15,39,88,935 (Previous year: ₹. 15,05,74,806)	Repayable in 10 quarterly installments commencing from May 2015. Last installment due in August 2017 Rate of interest 14.85% p.a. as at year end.
The Lakshmi Vilas Bank Limited outstanding as on 31.03.2018 of ₹. 10,88,96,584 (Previous year: ₹. 7,67,05,147)	Repayable in 10 quarterly installments commencing from April, 2015. Last installment due in July 2017 Rate of interest 14.50% p.a. as at year end.



Term Loans:	
State Bank of India (e-SBBJ) outstanding as on 31.03.2018 of ₹. 1,26,06,869 (Previous year: ₹. 1,73,24,671)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of India outstanding as on 31.03.2018 of ₹. 2,30,33,777 (Previous year: ₹. 3,54,58,831)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.00% p.a. as at year end.
State Bank of India (e-SBM) outstanding as on 31.03.2018 of ₹. 1,18,54,557 (Previous year: ₹. 1,82,87,363)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of India (e-SBT) outstanding as on 31.03.2018 of ₹. 1,45,51,077 (Previous year: ₹. 2,45,86,973)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 14.75% p.a. as at year end.
State Bank of India outstanding as on 31.03.2018 of ₹. 41,08,68,687 (previous year: ₹. 39,06,75,348)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of India (e-SBH) outstanding as on 31.03.2018 of ₹. 43,18,18,510 (previous year: ₹. 39,24,64,691)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of India (e-SBP) outstanding as on 31.03.2018 of ₹. 30,43,87,994 (previous year: ₹. 29,64,32,485)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of India (e-SBBJ) outstanding as on 31.03.2018 of ₹. 30,39,56,433 (previous year: ₹. 28,65,31,472)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.
Punjab National Bank outstanding as on 31.03.2018 of ₹. 43,28,19,541 (previous year: ₹. 40,11,66,393)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.

As at March 31, 2017

Banker/Financer	Terms of repayment
Corporate Term Loans:	
State Bank of India outstanding as on 31.03.2017 of ₹. 6,84,96,524 (Previous year: ₹. 7,87,38,902)	Repayable in 16 quarterly installments commencing from March, 2014. Last installment due in December 2017. Rate of interest 14.85% p.a. as at year end.
State Bank of India outstanding as on 31.03.2017 of ₹. 38,49,01,505 (Previous year: ₹. 43,74,40,549)	Repayable in 16 quarterly installments commencing from December 2015. Last installment due in September 2019 Rate of interest 14.85% p.a. as at year end.
The Karur Vysya Bank Limited outstanding as on 31.03.2017 of ₹. 15,05,74,806 (Previous year: ₹. 18,76,02,467)	Repayable in 10 quarterly installments commencing from May 2015. Last installment due in August 2017 Rate of interest 14.85% p.a. as at year end.
The Lakshmi Vilas Bank Limited outstanding as on 31.03.2017 of ₹. 7,67,05,147 (Previous year: ₹. 15,17,77,136)	Repayable in 10 quarterly installments commencing from April, 2015. Last installment due in July 2017 Rate of interest 14.50% p.a. as at year end.
Term Loans:	
State Bank of Bikaner & Jaipur outstanding as on 31.03.2017 of ₹. 1,73,24,671 (Previous year: ₹. 2,84,97,711)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of India outstanding as on 31.03.2017 of ₹. 3,54,58,831 (Previous year: ₹. 5,61,78,943)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.00% p.a. as at year end.
State Bank of Mysore outstanding as on 31.03.2017 of ₹. 1,82,87,363 (Previous year: ₹. 2,89,88,425)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of Travencore outstanding as on 31.03.2017 of ₹. 2,45,86,973 (Previous year: ₹. 3,85,93,874)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 14.75% p.a. as at year end.



State Bank of India outstanding as on 31.03.2017 of ₹. 39,06,75,348 (previous year: ₹. 40,15,70,970)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Hyderabad outstanding as on 31.03.2017 of ₹. 39,24,64,691 (previous year: ₹. 41,85,64,355)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Patiala outstanding as on 31.03.2017 of ₹. 29,64,32,485 (previous year: ₹. 30,40,16,796)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Bikanere & Jaipur outstanding as on 31.03.2017 of ₹. 28,65,31,472 (previous year: ₹. 30,35,81,469)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.
Punjab National Bank outstanding as on 31.03.2017 of ₹. 40,11,66,393 (previous year: ₹. 41,85,84,130)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.

As at April 1, 2016

Banker/Financer	Terms of repayment
Corporate Term Loans:	
State Bank of India outstanding as on 31.03.2016 of ₹. 7,87,38,902 (Previous year: ₹. 11,38,92,554)	Repayable in 16 quarterly installments commencing from March, 2014. Last installment due in December 2017. Rate of interest 14.85% p.a. as at year end.
State Bank of India outstanding as on 31.03.2016 of ₹. 43,74,40,549 (Previous year: ₹. 49,91,84,449)	Repayable in 16 quarterly installments commencing from December 2015. Last installment due in September 2019 Rate of interest 14.85% p.a. as at year end.
The karur Vysya Bank Limited outstanding as on 31.03.2016 of ₹. 18,76,02,467 (Previous year: ₹. 24,93,97,475)	Repayable in 10 quarterly installments commencing from May 2015. Last installment due in August 2017 Rate of interest 14.85% p.a. as at year end.
The Lakshmi Vilas Bank Limited outstanding as on 31.03.2016 of ₹. 15,17,77,136 (Previous year: ₹. 25,30,79,244)	Repayable in 10 quarterly installments commencing from April, 2015. Last installment due in July 2017 Rate of interest 14.50% p.a. as at year end.
Term Loans:	
State Bank of Bikaner & Jaipur outstanding as on 31.03.2016 of ₹. 2,84,97,711 (Previous year: ₹. 5,06,68,316)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of India outstanding as on 31.03.2016 of ₹. 5,61,78,943 (Previous year: ₹. 10,22,57,484)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.00% p.a. as at year end.
State Bank of Mysore outstanding as on 31.03.2016 of ₹. 2,89,88,425 (Previous year: ₹. 5,10,99,409)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of Travencore outstanding as on 31.03.2016 of ₹. 3,85,93,874 (Previous year: ₹. 6,81,11,094)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 14.75% p.a. as at year end.
State Bank of India outstanding as on 31.03.2016 of ₹. 40,15,70,970 (previous year: ₹. 44,15,61,676)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Hyderabad outstanding as on 31.03.2016 of ₹. 41,85,64,355 (previous year: ₹. 45,68,88,614)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Patiala outstanding as on 31.03.2016 of ₹. 30,40,16,796 (previous year: ₹. 34,42,97,920)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.



State Bank of Bikanere & Jaipur outstanding as on 31.03.2016 of ₹. 30,35,81,469 (previous year: ₹. 34,44,09,888)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.
Punjab National Bank outstanding as on 31.03.2016 of ₹. 41,85,84,130 (previous year: ₹. 45,65,82,730)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.

Maturity profile for Long term Unsecured Borrowings as on 31st March, 2018:

Borrowings	Principal Repayable in		
	1-2 Years	2-3 Years	Above 3 Years
Term Loans from others	1,435,794	100,000,000	200,000,000
Hire Purchase Loans	2,073,389	1,572,608	1,178,884

Maturity profile for Long term Unsecured Borrowings as on 31st March, 2017:

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

Maturity profile for Long term Unsecured Borrowings as on 1st April, 2016:

Borrowings	Principal Repayable in		
	1-2 Years	2-3 Years	Above 3 Years
Term Loans from others	152,380,698	100,750,000	200,000,000
Interest Free Sales tax Loan	29,309,512	-	-
Hire Purchase Loans	4,340,061	2,695,400	3,601,832

Installments falling due in respect of all the above Loans for a period of 12 months have been grouped under "Current maturities of long-term debt" (Refer Note 4.14)

The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion /negotiation with the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs. 36,82,14,336 for the year ended 31st March 2018 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2018.

The Company has defaulted in the Servicing of debts. The details of continuing defaults as at 31st March 2018 are as follows:

Particulars	Upto 3 months		More than 3 months upto 12 months	
	Principal	Interest	Principal	Interest
State Bank of India	83,750,000	193,510,487	278,450,000	499,587,729
	(108,188,685)	(206,025,088)	-	-
	-	(21,815,107)	-	-
Syndicate Bank	-	24,682,362	-	74,313,394
	-	(20,526,175)	-	-
	-	(4,654,494)	-	-
Punjab National Bank	11,250,000	34,347,198	44,375,000	92,357,852
	(10,625,000)	(20,718,995)	-	-
	-	(7,174,157)	-	-



Bank of India	-	23,571,563	-	61,141,611
	-	(20,754,939)	-	-
	-	(2,521,730)	-	-
Karur Vysya Bank Ltd	20,800,000	22,543,445	62,400,000	55,134,778
	(20,800,000)	(28,110,812)	-	-
	(20,800,000)	(3,010,770)	-	-
Lakshmi Vilas Bank Ltd	-	9,424,374	50,000,000	18,319,633
	(25,000,000)	(3,051,382)	-	-
	(25,000,000)	(2,980,949)	-	-
IDBI Bank Ltd	-	17,664,388	-	34,726,354
	-	(6,440,121)	-	-
	-	-	-	-
Dhanlaxmi Bank Ltd	-	9,046,653	-	26,987,798
	-	(3,280,247)	-	-
	-	(389,376)	-	-
Andhra Bank	-	13,676,332	-	40,137,461
	-	(5,889,717)	-	-
	-	(386,000)	-	-
Canara Bank	-	19,747,534	-	60,270,021
	-	(12,487,516)	-	-
	-	-	-	-
Total	115,800,000	368,214,336	435,225,000	962,976,631
	(164,613,685)	(327,284,992)	-	-
	(45,800,000)	(42,932,583)	-	-

Particulars	More than 12 months		Total	
	Principal	Interest	Principal	Interest
State Bank of India	133,438,802	24,793,999	495,638,802	717,892,215
	-	-	(108,188,685)	(206,025,088)
	-	-	-	(21,815,107)
Syndicate Bank	-	-	-	98,995,756
	-	-	-	(20,526,175)
	-	-	-	(4,654,494)
Punjab National Bank	-	-	55,625,000	126,705,050
	-	-	(10,625,000)	(20,718,995)
	-	-	-	(7,174,157)

Bank of India	-	-	-	84,713,174
	-	-	-	(20,754,939)
	-	-	-	(2,521,730)
Karur Vysya Bank Ltd	41,600,000	2,662,939	124,800,000	80,341,162
	-	-	(20,800,000)	(28,110,812)
	-	-	(20,800,000)	(3,010,770)
Lakshmi Vilas Bank Ltd	50,000,000	-	100,000,000	27,744,007
	-	-	(25,000,000)	(3,051,382)
	-	-	(25,000,000)	(2,980,949)
IDBI Bank Ltd	-	5,187,623	-	57,578,365
	-	-	-	(6,440,121)
	-	-	-	-
Dhanlaxmi Bank Ltd	-	-	-	36,034,451
	-	-	-	(3,280,247)
	-	-	-	(389,376)
Andhra Bank	-	1,934,391	-	55,748,184
	-	-	-	(5,889,717)
	-	-	-	(386,000)
Canara Bank	-	6,063,145	-	86,080,700
	-	-	-	(12,487,516)
	-	-	-	-
Total	225,038,802	40,642,097	776,063,802	1,371,833,064
	-	-	(164,613,685)	(327,284,992)
	-	-	(45,800,000)	(42,932,583)

Note: (i) Figures in brackets in the above table relates to previous years ended 31st March 2017 and 1st April 016.

(ii) The above figures includes estimated interest amount.

Note-4.12: OTHER FINANCIAL LIABILITIES

	Amount ₹ As at 31/03/2018	Amount ₹ As at 31/03/2017	Amount ₹ As at 01/04/2016
Non-current:			
Non-convertible Redeemable preference shares	186,087,500	186,087,500	186,087,500
	186,087,500	186,087,500	186,087,500

Disclosures:

1,86,08,750 10.5% Non Convertible Redeemable Preference Share Capital pending for allotment to shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Hon-ourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh and allotted on January 27, 2016. The shares are redeemable on January 26, 2023 at ₹. 10 per share. The shares are unsecured borrowings of the Company and are designated as at Fair Value through Profit or Loss (FVTPL).

These redeemable cumulative preference shares do not contain any equity component and are classified as financial liabilities in their entirety. In addition, the Company has designated these preference shares as financial liabilities at FVTPL as permitted by Ind AS 109. The preference shares have fixed non-discretionary dividend payments and mature on January 26, 2023.

Note-4.13: DEFERRED TAX LIABILITY (NET)

	Amount ₹. As at 31/03/2018	Amount ₹. As at 31/03/2017	Amount ₹. As at 01/04/2016
The movement on the deferred tax account is as follows:			
At the start of the year	789,733,413	808,921,411	-
Charge/(credit) to Statement of Profit and Loss (Refer note:4.29)	(445,623,093)	(19,187,998)	-
	344,110,320	789,733,413	808,921,411
Components of Deferred tax liabilities/ (asset):			
Deferred tax liabilities/(asset) in relation to:			
Property, plant and equipment	793,714,836	42,148,784	835,863,620
Financial Assets	(3,981,423)	13,557,316	9,575,893
Provisions	-	(121,488,329)	(121,488,329)
Tax Losses/credits	-	(379,840,864)	(379,840,864)
Total:	789,733,413	(445,623,093)	344,110,320

Note-4.14: PROVISIONS (NON-CURRENT)

Employee Benefits:			
Provision for Gratuity and others	7,152,184	4,638,995	2,920,642
	7,152,184	4,638,995	2,920,642

Note-4.15: BORROWINGS

Secured			
Working Capital Loan from Banks	7,737,018,373	6,910,521,207	3,387,355,012
	7,737,018,373	6,910,521,207	3,387,355,012

Disclosure:

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

Note-4.16: TRADE PAYABLES

Current:			
Dues to other than Micro and Small Scale Enterprises(*)	966,112,332	1,077,231,661	5,788,597,510
	966,112,332	1,077,231,661	5,788,597,510
Disclosures:			
(*) Trade payable includes dues from companies where directors are interested	79,995,265	89,399,089	-

As at March 31, 2018, March 31, 2017 and March 31, 2016, there are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same (Note: 4.31)

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

Note-4.17: OTHER FINANCIAL LIABILITIES

	Amount ₹. As at 31/03/2018	Amount ₹. As at 31/03/2017	Amount ₹. As at 01/04/2016
Current maturities of long-term debt (Note:4.11)	1,410,762,925	1,083,228,755	876,008,022
Payables for Capital goods	13,536,605	28,509,669	31,042,524
Security Deposits	1,040,141	1,824,262	1,036,318
Unclaimed Dividend	-	-	743,400
Deposits from Suppliers	30,000,000	30,000,000	368,500,000
Other Current Liabilities(*)	317,814,408	498,814,717	131,586,373
Payable for Expenses (**)	460,993,467	340,852,915	89,040,677
	2,234,147,546	1,983,230,317	1,497,957,314
Disclosures:			
(*) Other Current Liabilities includes dues from companies where directors are interested	137,480,064	201,479,522	-
(**) Payable for Expenses includes dues from companies where directors are interested	300,516,053	228,539,119	19,533,036

Note-4.18- OTHER CURRENT LIABILITIES

Statutory remittances	208,453,162	202,331,490	52,439,233
Advances from Customers	798,052,287	967,867,242	794,649,653
Payables to Employees	30,583,369	31,348,171	17,448,627
Others	1,517,448	196,794,737	240,430,018
	1,038,606,266	1,398,341,640	1,104,967,530

Note-4.19: PROVISIONS (CURRENT)

Employee Benefits:			
Provision for Gratuity, Bonus and others	1,063,401	1,143,360	-
	1,063,401	1,143,360	-

Note-4.20: REVENUE FROM OPERATIONS

	Amount ₹. Year ended 31.03.2018	Amount ₹. Year ended 31.03.2017
Sale of Products (including excise duty)	5,583,723,996	5,803,056,618
Sale of Energy	519,890,198	656,635,952
Sale of Traded Goods	3,173,633,381	6,696,882,580
Operating revenue	9,277,247,575	13,156,575,151
Other Operating revenue		
Compensation for deviation of Energy	12,117,993	108,803,081
Sales Incentives	22,117,055	38,695,578
	34,235,048	147,498,659
	9,311,482,623	13,304,073,810
Details of products Sold		
Finished Goods Sold		

Rebar & Wires	3,714,566,298	3,618,815,846
Billets & Ingots	1,661,509,311	1,629,200,100
Pig Iron	18,128,628	24,200,011
Sponge iron	25,348,434	11,498,586
Steel Scrap & Structurals	8,917,409	29,792,711
Coal & Coal fines	79,195,264	347,470,738
Iron Ore Fines	70,878,406	128,304,707
Mill Scale and Others	5,180,247	13,773,919
	5,583,723,996	5,803,056,618
Energy		
Power	519,890,198	656,635,952
	519,890,198	656,635,952
Trading Goods Sold		
Rebar, Wire & Wire Rod Coils	3,048,501,129	5,207,726,419
Billets & Ingots	20,138,540	836,268,214
Pig Iron & Scrap	5,321,186	563,586,680
Structurals & Others	99,672,526	89,100,645
Coal		200,622
	3,173,633,381	6,696,882,580

Note-4.21: OTHER INCOME

	Amount ₹. Year ended 31.03.2018	Amount ₹. Year ended 31.03.2017
a) Interest income:		
Bank margin money and others	7,804,646	46,538,688
b) Other non-operating income:		
Lease Rental Income	12,654,183	8,092,204
Insurance receipts	316,109	4,277,757
c) Other gains and loss:		
Gain/(loss) on disposal of property, plant and equipment	1,51,58,944	7,949
Net foreign exchange gains(losses)	2,402,359	-
d) Gain on financial assets:		
Unrealised Gain	194,763	258,485
d) Other receipts		
a) Other receipts	4,51,23,303	16,595,242
	83,654,307	75,770,325

**Note-4.22: COST OF MATERIAL CONSUMED**

	Amount ₹. Year ended 31.03.2018	Amount ₹. Year ended 31.03.2017
Raw Material Consumed		
Opening Balance	3,130,759,154	3,540,372,620
Purchases	4,743,483,595	3,270,164,037
	7,874,242,748	6,810,536,657
Less: Closing Stock (**)	3,590,946,039	3,130,759,154
Cost of Materials Consumed (#)	4,283,296,710	3,679,777,503
# Details of Materials Consumed		
Sponge Iron	10,213,055	-
Scrap	245,732,422	615,418,481
Pig Iron	569,640,719	409,717,117
Wire Rod Coils	-	-
Coal /Coal fines	1,923,216,429	1,421,279,669
Iron ore	1,070,611,383	906,103,986
Lime Stone	18,676,449	11,257,553
Pellets	432,440,288	249,061,659
Others	12,765,965	66,939,038
	4,283,296,710	3,679,777,503
** Details of Closing Stock of Raw Materials:		
Scrap	449,008,390	18,362,868
Iron Ore	178,988,391	56,161,263
Coal/Coal fines	2,798,130,650	2,982,536,891
Iron Ore Fine	-	1,603,202
Pig Iron	87,581,392	22,218,697
Iron Ore (Acce)	62,612,674	49,223,800
Lime Stone	412,331	4,774
Billet	-	647,660
Pellets	14,212,210	-
	3,590,946,039	3,130,759,154

Note-4.23: PURCHASE OF TRADED GOODS

Rebar, Wire & Wire Rod Coils	3,323,348,783	5,082,283,276
Billets,Blooms & ingots	20,138,540	799,623,039
Pig Iron & Scrap	5,008,066	846,548,030
Structurals	99,243,690	82,149,734
Coal		192,560
	3,447,739,079	6,810,796,640
	-	-

Note-4.24: CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS:

	Amount ₹. Year ended 31.03.2018	Amount ₹. Year ended 31.03.2017
Inventories (at close)		
Finished Goods	1,647,050,233	1,797,883,342
Traded Goods	390,924,385	1,082,621,543
	2,037,974,617	2,880,504,885
Inventories (at commencement)		
Finished Goods	1,797,883,342	2,261,309,981
Traded Goods	1,082,621,543	921,570,967
Less: Excise duty provided on Finished goods	(195,589,552)	-
Less: Diminution in Inventory	(475,889,260)	-
	2,209,026,073	3,182,880,948
(Increase)/Decrease in Stock (A-B)	171,051,456	302,376,064

Note: Excise duty provisionally provided on closing stock of finished goods of previous year reversed.

Details of inventory	Manufacturing	Trading	Manufacturing	Trading
Rebar & Wires	144,256,442	210,102,194	759,473,816	447,971,579
Billets & Ingots	477,893,936	-	421,797,075	31,228
Sponge iron	564,723,424	-	289,491,453	-
Pig iron & Scrap	-	180,615,864	-	630,669,422
Steel Scrap	331,602,493	-	221,642,231	-
Structurals	-	206,327	-	3,949,314
Coal & Coal Fines	96,554,894	-	76,600,039	-
Mill Scale and Others	18,437,129	-	13,425,083	-
Slag	13,581,916	-	15,453,645	-
	1,647,050,233	390,924,385	1,797,883,342	1,082,621,543

Note-4.25: EMPLOYEE BENEFITS

Salaries, Wages & Bonus	222,437,064	220,568,421
Contributions to Provident Fund and other funds		
Provident Fund & DLI	7,072,069	4,532,509
Pension Fund	3,609,933	3,789,353
Group Gratuity Fund	2,513,230	1,900,301
Staff welfare	6,013,555	5,502,935
	241,645,851	236,293,519

Note-4.26: FINANCE COSTS

Interest Expenses on:		
- Term loans	286,491,248	377,873,586
- Working Capital Loans	855,680,817	661,654,089
- Others	192,653,376	261,403,997
Bank Charges & Commission	20,380,986	273,491,380
	1,355,206,427	1,574,423,051

Note-4.27: OTHER EXPENSES

	Amount ₹ Year ended 31.03.2018	Amount ₹ Year ended 31.03.2017
a) Manufacturing Expenses:		
Stores, Spares & Consumables	372,254,811	363,468,669
Power & Fuel	18,950,703	46,957,345
Gas charges	64,413,867	107,543,193
Repairs & Maintenance	23,963,251	27,935,215
Factory Maintanance	6,683,466	12,557,665
Freight Charges	6,878,284	13,215,605
Loading & Unloading Charges	1,315,144	1,346,955
Transmission Charges	44,286,722	26,289,548
Contract Charges	62,863,108	60,217,723
Labour Charges	926,377	885,772
Other Manufacturing expenses	63,800,722	115,072,963
b) Other Operational Expenses:		
Legal & professional Charges	17,162,149	23,891,000
Rent, Hire and Rates & Taxes	42,971,946	7,859,457
Insurance	6,289,314	7,587,477
Payment to Auditors		
As Auditors	4,500,000	4,500,000
For Tax Audit	900,000	900,000
For Tax representation	450,000	450,000
For Certification & Others	1,050,000	1,050,000
CSR Expenses	1,269,426	2,495,688
Selling & Distribution Expenses	1,855,255	2,432,531
Provision for doubtful debts	374,164,707	
General Charges (#)	69,407,287	105,320,830
Loss om sale of assets	-	529,457
Exchange Fluctuation Loss (Net)	-	6,870,352
Prior period Expenses (Net)	319,343	4,724
	1,186,675,882	939,382,168
#General Charges Includes:		
Office Maintanance	6,969,326	11,203,364
Electricity charges	104,871	1,704,756
Postage & Telephone	2,333,092	2,673,150
Printing & Stationary	1,541,022	2,886,869
Freight & Handling Charges	17,603,545	32,531,696

Yard Expenses	465,838	1,853,251
Vehicle Maintenance	8,799,591	13,665,723
Security Charges	7,424,115	8,055,555
Miscl. Expenses	5,186,575	5,374,495
Fees and Licence	5,038,450	6,962,862
Business Promotion	4,962,828	5,864,483
Donations	50,000	840,060
Bad Debts Written Off	-	1,949,047
Travelling & Conveyance	8,928,035	9,755,519
	69,407,287	105,320,830

Note-4.28: EXCEPTIONAL ITEMS

Claim of APEPDCL	-	151,210,202
Insurance claim	-	381,820,378
Diminution of Inventory	475,889,260	
	475,889,260	533,030,580

Note-4.29: TAX EXPENSES
Reconciliation of Effective Tax Rate and Statutory Tax Rate as on 31.03.2018:

	Amount ₹
	Year ended 31.03.2018
CURRENT TAX:	
Current tax on profit for the year	-
Adj. of current tax for prior period	-
Total current tax expenses	-
DEFERRED TAX:	
Decrease/(increase) in deferred tax assets	501,329,193)
(Decrease)/increase in deferred tax liabilities	55,706,100
Total deferred tax expenses/(benefit)	445,623,093)
Total Tax Expenses	445,623,093

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

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

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

Disclosure relating to Micro and Small Enterprises:

Particulars	31 st March 2018	31 st March 2017	1 st April 2016
i. The principal amount remaining unpaid to the supplier as at the end of the year.	Nil	Nil	Nil
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	Nil	Nil	Nil
ii. The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil	Nil
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil

4.32 Contingent liabilities and commitments to the extent not provided for

Contingent Liabilities	Amount (₹) 31 st March 2018	Amount (₹) 31 st March 2017	Amount (₹) 1 st April 2016
a. Claim against the company by GAIL not acknowledged as debt	1,84,07,569	1,84,07,569	1,84,07,569
b. Claim of APEPDCL not acknowledge as debt	Nil	Nil	9,48,98,100
c. Demands from Sales tax department disputed	27,41,58,206	5,80,80,784	1,55,50,782
d. Demands from Excise departments disputed	22,21,80,031	9,56,32,911	12,53,93,944
e. Others	4,02,11,281	4,02,11,281	2,73,89,984
f. Letters of credit and bank guarantees	2,83,60,000	4,53,84,106	1,38,00,000

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

4.33 The majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion /negotiation with the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for



accrued Interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.36,82,14,336 for the year ended 31st March 2018 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2018.

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

	31 st March 2018 Value in (₹)	31 st March 2017 Value in (₹)	1 st April 2016 Value in (₹)
Raw Materials	Nil	31,15,73,684	150,14,42,866
Components and Spares	Nil	71,06,728	1,49,10,676
Total	Nil	31,86,80,411	151,63,53,542

4.35 Expenditure in foreign currency:

	31 st March 2018 Value in (₹)	31 st March 2017 Value in (₹)	1 st April 2016 Value in (₹)
Raw Materials	2,43,90,082	18,76,37,699	94,48,08,715
Components and Spares	98,87,850	73,00,557	1,19,28,806
Travelling	Nil	8,10,304	3,42,399
Others	Nil	5,92,544	64,57,633
Total	3,42,77,932	19,63,41,124	96,35,37,553

4.36 Disclosure under Accounting Standards

4.36.1 Employee Benefits as per Ind-AS 19

Defined benefit plan-Gratuity:

Particulars	31 st March 2018 Value in (₹)	31 st March 2017 Value in (₹)
A. Changes in the present value of the Obligation		
Present value of obligation at the beginning of the year	1,23,98,438	29,20,642
Interest cost	8,30,295	1,91,093
Current service cost	20,76,710	19,67,963
Past service cost	12,963	-
Benefits paid/payable	(21,26,698)	(6,23,726)
Actuarial gain/loss on obligation	(23,616)	79,42,466
Present value of obligation at the end of the year	1,31,68,092	1,23,98,438
B. Changes in the fair value of the Plan assets		
Fair value of plan assets at the beginning of the year	66,16,772	7,88,266
Expected return on plan assets	4,62,433	3,40,058
Contributions	-	61,12,174
Benefits paid/payable	(21,26,698)	(6,23,726)
Fair value of plan assets at the end of the year	49,52,507	66,16,772

Particulars	31 st March 2018 Value in (₹)	31 st March 2017 Value in (₹)
C.Amounts recognized in the Balance Sheet as on		
Present value of the obligations at the end of the year	1,31,68,092	1,23,99,127
Fair value of plan assets at the end of the year	49,52,507	66,16,772
Liabilities(+)/Asset(-) recognized in the balance sheet	(82,15,585)	(57,82,355)
D. Amounts recognized in the Statement of P&L for the year ended		



Current service cost	20,76,710	19,67,963
Past service cost	12,963	-
Interest cost	4,23,567	(67,662)
Net actuarial gain/loss recognized in the year	25,13,230	19,00,301
E. Other Comprehensive Income (OCI)		
Actuarial(Gain)/Loss recognized for the period	(23,616)	10,42,715
Return on Plan Assets excluding net interest	(56,384)	(81,303)
Total Actuarial(Gain)/Loss recognized in OCI	(80,000)	9,61,412
E. Principal Actuarial Assumptions:		
Description	2017-18	2016-17
Mortality	IALM (2006-08)Ult	IALM (2006-08)Ult
Interest/Discount Rate	7.74%	7.33%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	16.04	15.65

F. Sensitivity Analysis

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	11,955,135	14,586,406	14,598,797	11,925,997

G. Asset Information

	Target Allocation			
	2017-18		2016-17	
	Total Amount	%	Total Amount	%
Debt Security-Government Bond	43,85,443	88.55%	58,59,149	88.55%
Equity Securities- Corporate Debt Securities	3,68,961	7.45%	4,92,948	7.45%
Other Insurance contracts	1,98,103	4.00%	2,64,675	4.00%
Total Itemized Assets	49,52,507	100.00%	66,16,772	100.00%

H. Asset Liability Comparisons:

Year	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
PVO at end of period	-	-	29,20,642	1,23,99,127	1,31,68,092
Plan Assets	-	-	7,88,751	66,16,772	49,52,507
Surplus/(Deficit)	-	-	(11,31,891)	(57,82,355)	(82,15,585)
Experience adjustments on plan assets	-	-	-	81,303	56,384

I. Narrations
1. Analysis of Defined Benefit Obligation:

Since this being the first year of valuation, no comparative analysis can be made.

2. Expected rate of return basis

Since the scheme funds are invested with SBI Life Insurance Co. Ltd EROA is based on rate of return declared by fund managers

3. Description of Plan Assets and Reimbursement Conditions:

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

4. Investment / Interest Risk:

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

5. Longevity Risk:



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

6. Risk of Salary Increase:

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

7. Discount Rate:

The discount rate has remained unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in discount rate.

4.36.2. Segment Reporting as per Ind-AS 108

(A) Basis for segmentation

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

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

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

(B) Information about reportable segments

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

Reportable Segments

(Amount (₹) in lakhs)

Particulars	Iron and Steel		Power		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.REVENUE								
External Sales	87,915.92	1,26,474.37	5,198.90	6,566.35			93,114.82	1,33,040.73
Inter-Segment Sales	68,187.60	67,388.72	8,584.66	8,426.67	(76,772.26)	(75,815.39)	-	
Total Revenue	1,56,103.52	1,93,863.10	1,37,83.56	14,993.02	(76,772.26)	(75,815.39)	93,114.82	1,33,040.73
2.RESULT								
Segment Result	1,156.01	4,863.91	(4,314.49)	326.26			(3,158.48)	5,190.17
Finance Cost	11,242.23	1,27,603.67	2,309.83	2,983.56			(13,552.06)	(15,744.23)
Exceptional & Extra ordinary expenses							(4,758.89)	(5,330.31)
Income Taxes							4456.23	168.39
Net profit							(17,013.20)	(15,715.97)
3.OTHER INFORMATION								
Segment Assets	1,24,333.29	1,41,592.00	29,007.68	30,024.92			1,53,340.97	1,71,616.92



Segment Liabilities	1,04,709.01	1,01,953.16	15,052.67	11,751.52			1,19,761.69	1,13,704.68
Additions to assets during the year	5,268.09	174.22	50.34	325.11			5,318.43	499.34
Depreciation and Amortisation expenses during the year	1,841.86	1,910.04	1,058.01	1,065.55			2,899.87	2,975.59
Impairment reversal/ provided	-	-	-	-	-	-	-	-
Non-Cash expenses other than Depreciation and amortization	4,620.00	5,345.67		-		-	4,620.00	5,345.67

4.36.3 Related Party Disclosures as per Ind AS 24 are as follows:
a) Names of related parties and relation with the Company:
i. Key Management Personnel:

1. B. Satish Kumar- Chairman cum Managing Director
2. B. Suresh Kumar – Jt. Managing Director
3. B. Ramesh Kumar – Jt. Managing Director cum Chief Financial Officer
4. B. Suresh – Director

ii. Relatives of key management personnel:

1. B. Rajesh– Vice President Finance

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

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

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

Nature of transactions	31 st March 2018 Valuein(₹)	31 st March 2017 Valuein(₹)
(i) Transactions with Key Management Personnel:		
Sri B. Satish Kumar (Remuneration)	67,59,843	66,29,625
Sri B. Suresh Kumar (Remuneration)	60,00,000	60,00,000
Sri B. Ramesh Kumar (Remuneration)	18,00,000	60,00,000
(ii) Transactions with relatives of Key Management Personnel		
Sri B. Rajesh (Salary)	30,00,000	30,00,000
(iii) Transactions with enterprise over which keymanagement personnel/their relatives exercise significant influence:		



Nature of transactions	31 st March 2018 Value in (₹)	31 st March 2017 Value in (₹)
M/s.Vizag Profiles Private Limited:		
-Sale	2,61,98,215	2,52,844
-Purchase	3,65,14,333	7,57,27,421
-Services	13,36,75,593	15,46,15,643
-Lease Rent	99,00,000	99,00,000
M/s.Sri Ananda Subbarya Wire Products Private Limited:		
-Sale	130,81,52,504	5,16,43,487
-Purchase	67,05,95,694	11,29,199
M/s.VPL Integral CFSP Private Limited:		
-Services	22,200	4,06,878

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

Nature of the party	31 st March 2018 Value in (₹)	31 st March 2017 Value in (₹)
Enterprise over which key management personnel/their relatives exercise significant influence:		
M/s.Vizag Profiles Private Limited	(50,11,68,055)	(51,39,82,278)
M/s.Sri Ananda Subbaraya Wire Products Private Limited	(7,99,95,265)	1,47,12,081
M/s.Uma Shiv Garments Private Limited	(3,66,94,286)	(54,35,452)
M/s. SEIL (Hong Kong) Limited	1,94,772	1,94,772

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

Particulars	31 st March 2018 Value in (₹)	31 st March 2017 Value in (₹)
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(170,12,40,502)	(157,87,80,224)
No. of Equity Shares	7,59,84,812	7,59,84,812
Basic and Diluted Earnings Per Share (₹)	(22.39)	(20.78)
Nominal Value per Share (₹)	10.00	10.00

4.36.5 Accounting For Deferred Taxes on Income as per Ind AS-12 :

Necessary details have been disclosed in note no.4.13.

4.36.6.Provisions,ContingentLiabilitiesandContingentAssetsasperIndAS-37:

Necessary details in regard to provisions have been disclosed in note no.4.32

4.36.7.General:

- Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period are material.
- Some of the balances appearing under trade receivables, Trade payables, advances, security deposits and other payables are subject to confirmations.
- Figures for the previous year have been regrouped/ rearranged wherever considered necessary so as to confirm to the classification of the current year.
- The Company has incurred net loss during the year ended 31st March 2018 and the year-end current liabilities exceeded the current assets as at 31st March 2018 which has adversely effected the operations of the company. The Company's financial performance has been effected mainly due to adverse steel markets, weak demand and prices, non-offtake of power, introduction of GST and non-availability of working capital and other factors beyond the control of the Company. With a suitable debt resolution which is in discussion with the Lenders and keeping in view the improvement in demand for steel, the Company expects considerable improvement in its financial performance. The impact of these developments is expected to be favorable on the Company's operations and financials and the company has therefore prepared these financial statements on the basis of going concern concept.

4.36.8 Fair Value Measurement:
Financial Instruments by category

	As at March 2018, Value in (₹)			As at March 2017, Value in (₹)		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets:						
Investments	29,94,045	-	-	27,99,282	-	-
Trade receivables	-	-	97,90,08,275	-	-	215,20,82,792
Cash and cash equivalents	-	-	1,46,04,520	-	-	171,83,050
Other bank balances	-	-	6,80,86,990	-	-	14,71,55,896
Other financial assets	-	-	67,94,91,579	-	-	49,64,82,404
Total:	29,94,045	-	174,11,91,363	27,99,282	-	281,29,04,142
Financial Liabilities:						
Borrowings	-	-	946,16,21,137	-	-	892,48,49,303
Trade payables	-	-	96,61,12,332	-	-	107,72,31,661
Other financial liabilities	-	-	223,41,47,546	-	-	198,32,30,317
Total:	-	-	1266,18,81,015	-	-	1198,53,11,281

	As at April 2016, Value in (₹)		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets:			
Investments	25,40,797	-	-
Trade receivables	-	-	263,37,04,560
Cash and cash equivalents	-	-	5,45,91,071
Other bank balances	-	-	83,70,53,949
Other financial assets	-	-	37,68,24,266
Total:	25,40,797	-	390,21,73,847
Financial Liabilities:			
Borrowings	-	-	604,46,47,718
Trade payables	-	-	578,85,97,510
Other financial liabilities	-	-	149,79,57,314
Total:	-	-	1333,12,02,542

*FVTPL -Fair Value through Profit and Loss

*FVTOCI -Fair Value through Other Comprehensive Income

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

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

4.36.9 Financial Risk Management:
a) Risk Management Framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards

and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company has exposure to the following risks arising from financial instruments:

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

A) Credit risk

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

(a) Trade receivables

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

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

Year ended 31 March 2018

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

Year ended 31 March 2017

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	48,59,14,035	25,26,23,638	42,01,11,043	26,09,94,412	50,34,71,481	24,79,69,587	2,17,10,84,197
Expected loss rate	0.11%	0.42%	0.57%	0.44%	0.50%	4.59%	0.88%
Expected credit losses (loss allowance provision)	5,15,530	10,71,360	23,73,627	11,50,495	25,17,357	1,13,73,389	1,90,01,405
Carrying amount of trade receivables (net of impairment)	48,53,98,505	25,15,52,632	41,77,37,416	25,98,43,916	50,09,54,124	23,65,96,199	215,20,82,792

As at 1st April 2016

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	114,25,35,636	54,53,73,581	73,35,83,901	11,66,443	20,99,117	23,42,03,904	265,89,62,583
Expected loss rate	0.13%	0.40%	1.41%	0.43%	7.23%	4.72%	0.95%
Expected credit losses (loss allowance provision)	15,40,061	21,98,269	1,03,19,080	4,989	1,51,795	1,10,43,827	2,52,58,022
Carrying amount of trade receivables (net of impairment)	114,09,95,575	54,31,75,312	72,32,64,821	11,61,454	19,47,322	22,31,60,077	263,37,04,561

Reconciliation of loss allowance provision-trade receivables:

	(Amount ₹)
Loss allowance on 1 st April 2016	2,52,58,022
Changes in loss allowance	(62,56,617)
Loss allowance on 31 st March 2017	1,90,01,405
Changes in loss allowance	39,31,66,112
Loss allowance on 31 st March 2018	37,41,64,707

B. Liquidity risk

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

(i) Financing Arrangements

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

(Amount ₹)

	31 st March 2018,	31 st March 2017,	1 st April 2016,
Flexible rate	-	-	-
Expiring within one year (bank overdraft and other facilities)	-	-	-
Working capital limits with banks	Nil	Nil	Nil

(ii) Maturities of financial liabilities

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

Year ended 31 March 2018

(Amount ₹)

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

Year ended 31 March 2017

(Amount ₹)

Ageing	Less than 3 months	More than 3 and upto 12 months	More than 1 year and upto 5 years	>5 years	Total
Trade payable	56,40,14,645	50,11,24,498	1,18,39,012	2,53,505	107,723,1,660
Non-current borrowings	-	-	39,50,00,000	122,72,50,000	162,22,50,000
Current borrowings	691,05,21,207	-	-	-	691,05,21,207
Other financial Liabilities	158,11,24,898	26,55,75,975	13,31,09,054	34,20,391	198,32,30,317

As at 1st April, 2016

(Amount ₹)

Ageing	Less than 3 months	More than 3 and upto 12 months	More than 1 year and upto 5 years	>5 years	Total
Trade payable	474,80,58,663	103,81,63,275	22,45,383	1,30,189	578,85,97,510
Non-current borrowings	-	-	149,65,00,000	66,64,00,000	216,29,00,000
Current borrowings	338,73,55,012	-	-	-	338,73,55,012
Other financial Liabilities	99,89,78,611	10,04,31,689	39,58,11,280	27,35,732	149,79,57,312

C. Market risk

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

(i) Foreign currency risk

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

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

(ii) Interest rate risk

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

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

4.36.10 Capital Management

(a) Risk management:

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

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

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders the Company has no external borrowings as on 31st March 2018.

(b) Dividends:

(Amount ₹)

	31 st March 2018	31 st March 2017
(i).Equity Shares		
Final dividend for the year ended 31 st March 2018 of ₹. Nil (31 st March 2017 of ₹. Nil)	-	-

(Amount ₹)

Particulars	31 st March 2018	31 st March 2017	1 st April 2016
Net Debt (excluding short term)	123,61,00,000	162,22,50,000	216,29,00,000
Total Equity	128,12,83,573	298,25,24,075	455,50,83,000
Net debt to equity ratio	0.96	0.54	0.47

4.36.11 First Time Adoption of Ind AS

Explanation of Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of the opening Ind AS balance sheet as at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously

in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment except Land and Building which are measured at fair value as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment except Land and Building which are measured at fair value at their previous GAAP carrying value.

A.2 Ind AS mandatory exemptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

"Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as there were not required under previous GAAP. Impairment of financial assets (Trade Receivables) based on the expected credit loss model.

A.2.2 Classification and measurement of financial assets (other than equity instruments)

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind-AS.

Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at the date of transition (1 April 2016)

(Amount ₹)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
a)Property, Plant and Equipment	591,22,34,013	128,82,35,654	720,04,69,667
b)Capital Work in progress	5,29,881,592	-	52,98,81,592
c)Financial assets			
i)Other financial assets			
d)Other non-current assets	65,85,87,009	(115,10,644)	64,70,76,365
Total non-current assets:	710,07,02,614	127,67,25,010	837,74,27,624
Current assets			



a)Inventories	718,18,60,776	-	718,18,60,776
b)Financial asset			
i)other investments	25,00,000	40,797	25,40,797
ii)Trade receivables	266,55,98,870	(3,18,94,310)	263,37,04,560
iii) (a) cash and cash equivalents	5,45,91,071	-	5,45,91,071
(b)other bank balances	83,70,53,949	-	83,70,53,949
iv)Other financial assets	49,34,99,143	(11,66,74,877)	37,68,24,266
c)Other current assets	33,98,92,536	(8,00,455)	33,90,92,081
Total current assets:	1157,49,96,347	(14,93,28,845)	1142,56,67,502
Total assets	1867,56,98,961	112,73,96,165	1980,30,95,125
EQUITY AND LIABILITIES			
Equity			
a)Equity share capital	94,59,35,620	(18,60,87,500)	75,98,48,120
b)Other equity	288,15,97,964	91,36,36,916	379,52,34,880
Total equity	382,75,33,584	72,75,49,416	455,50,83,000
Liabilities			
Non-current liabilities			
a)Financial Liabilities			
i)Borrowings	247,12,05,206	-	247,12,05,206
ii)Other financial liabilities	-	18,60,87,500	18,60,87,500
b)Deferred tax liabilities (net)	58,51,08,443	22,38,12,968	80,89,21,411
c)Provisions	29,20,642	-	29,20,642
Total non-current liabilities	305,92,34,291	40,99,00,468	346,91,34,759
Current liabilities			
a)Financial Liabilities			
i)Borrowings	338,73,55,012	-	338,73,55,012
ii)Trade payables	578,86,90,452	-	578,86,90,452
iii) Other financial Liabilities	149,78,64,371	-	149,78,64,371
b)Other current liabilities	111,50,21,250	(1,00,53,719)	110,49,67,530
c)Provisions			
Total current liabilities	1178,89,31,086	(1,00,53,719)	1177,88,77,366
Total equity and liabilities	1867,56,98,961	112,73,96,165	1980,30,95,125

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.2 Reconciliation of equity as at 31st March 2017

(Amount ₹)

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
a)Property, Plant and Equipment	568,78,33,829	126,38,26,544	695,16,60,373
b)Capital Work in progress	54,38,57,322	-	54,38,57,322
c)Financial assets			
i)Other financial assets			
d)Other non-current assets	8,18,50,861	(115,10,644)	703,40,217
Total non-current assets:	631,35,42,012	125,23,15,900	756,58,57,912
Current assets			



a)Inventories	636,47,47,613	-	636,47,47,613
b)Financial assets			
i)other investments	25,00,000	2,99,282	27,99,282
ii)Trade receivables	215,87,19,080	(66,36,288)	215,20,82,792
iii) (a) cash and cash equivalents	1,71,83,050	-	1,71,83,050
(b)other bank balances	14,71,55,896	-	14,71,55,896
iv)Other financial assets	61,31,57,281	(11,66,74,877)	49,64,82,404
c)Other current assets	41,64,84,271	(8,00,455)	41,53,83,816
Total current assets:	971,96,47,191	(12,38,12,338)	959,58,34,853
Total assets	1603,31,89,203	112,85,03,562	1716,16,92,764
EQUITY AND LIABILITIES			
Equity			
a)Equity share capital	94,59,35,620	(18,60,87,500)	75,98,48,120
b)Other equity	128,97,31,466	93,29,44,489	222,26,75,955
Total equity	223,56,67,086	74,68,56,989	298,25,24,075
Liabilities			
Non-current liabilities			
a)Financial Liabilities			
i)Borrowings	182,82,40,596	-	182,82,40,596
ii)Other financial liabilities	-	18,60,87,500	18,60,87,500
b)Deferred tax liabilities (net)	58,41,20,621	20,56,12,792	78,97,33,413
c)Provisions	46,38,995	-	46,38,995
Total non-current liabilities	241,70,00,212	39,17,00,292	280,87,00,504
Current liabilities			
a)Financial Liabilities			
i)Borrowings	691,05,21,207	-	691,05,21,207
ii)Trade payables	107,72,31,661	-	107,72,31,661
iii) Other financial Liabilities	198,32,30,317	-	198,32,30,317
b)Other current liabilities	140,83,95,359	(100,53,719)	139,83,41,640
c)Provisions	11,43,360	-	11,43,360
Total current liabilities	1138,05,21,905	(100,53,719)	1137,04,68,185
Total equity and liabilities	1603,31,89,203	112,85,03,562	1716,16,92,764

B.3 Reconciliation of total comprehensive income for the year ended 31 March 2017**(Amount ₹)**

Particulars	Previous GAAP	Adjustments	Ind AS
Revenue			
Revenue from operations	1338,85,09,343	(8,44,35,533)	1330,40,73,810
Other income	6,92,55,223	65,15,102	7,57,70,325
Total Income	1345,77,64,566	(7,79,20,430)	1337,98,44,135
Expenditure			
Cost of material consumed	367,97,77,503	-	367,97,77,503
Purchase of stock-in-trade	681,07,96,640	-	681,07,96,640
Changes in inventories of finished goods	30,23,76,064	-	30,23,76,064
Excise duty on sale of goods	59,46,42,053	-	59,46,42,053



Employee benefit expenses	23,57,00,833	5,92,686-	23,62,93,519
Finance costs	157,44,23,051	-	157,44,23,051
Depreciation	27,31,50,149	2,44,09,109	29,75,59,258
Other expenses	102,38,17,701	(8,44,35,533)	93,93,82,168
Total Expenses	1449,46,83,994	(5,94,33,738)	1443,52,50,256
Profit/(Loss) before exceptional items and tax	(103,69,19,428)	(1,84,86,693)	(105,54,06,121)
Less: Exceptional items	53,30,30,580	-	53,30,30,580
Profit/(Loss) before tax	(156,99,50,008)	(184,86,693)	(158,84,36,701)
Tax Expense:			
(1)Current tax	-	-	-
(2)Deferred tax	(9,87,823)	(1,82,00,175)	(1,91,87,998)
(3)Income tax of earlier years	23,48,810	-	23,48,810
Profit/(Loss) for the period	(157,13,10,995)	(2,86,518)	(157,15,97,513)
Other comprehensive income			
Items that will not be re classified to profit or loss (Defined benefit obligations-Gratuity fund)	-	(9,61,412)	(9,61,412)
Other comprehensive income for the year	-	(9,61,412)	(9,61,412)
Total comprehensive income for the year	(157,13,10,995)	(12,47,930)	(157,25,58,925)

B.4 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017
(Amount ₹)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(148,71,60,087)	-	(148,71,60,087)
Net cash flow from investing activities	(6,32,47,201)	-	(6,32,47,201)
Net cash flow from financing activities	151,29,99,266	-	151,29,99,266
Net increase/(decrease) in cash and cash equivalents	(3,74,08,022)	-	(3,74,08,022)
Cash and cash equivalents as at 1 st April 2016	5,45,91,071	-	5,45,91,071
Cash and cash equivalents as at 31st March 2017	1,71,83,050	-	1,71,83,050

C. Notes to first-time adoption
Note 1 : Fair valuation as deemed cost for Property, Plant and Equipment:

The Company have considered fair value of property, viz land admeasuring over 433.95 acres and buildings situated in Andhra Pradesh, in India, with impact of Rs.59.84 crore and Rs.68.98 crore respectively in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

Note 2 : Fair valuation for Financial Assets:

The Company has valued financial assets at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss Account or Other Comprehensive Income, as the case may be.

Note 3 : Deferred Tax:

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the statement of Profit and Loss for the subsequent periods.

Note 4 : Impairment of Financial Assets - Trade Receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a



result, the allowance for doubtful debts decreased by Rs.62,56,617 as at 31 March 2017 (1 April 2016 – Rs.2,52,58,022). Consequently, the total equity as at 31 March 2017 increased by Rs.62,56,617 (1 April 2016 – Rs.2,52,58,022) and profit for the year ended 31 March 2017 increased by Rs.62,56,617.

Note 5: Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty as the excise duty is collected by the company as a principal unlike other indirect taxes. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs.59,46,42,053. There is no impact on the total equity and profit.

Note 6: Remeasurement of post-employment benefit obligations (Gratuity Fund):

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs.9,61,412 There is no impact on the total equity as at 31 March 2017.

Reconciliation of Net profit as previously reported (referred to as “Previous GAAP”) and the total comprehensive income as per Ind-AS is mentioned in the table below.

Particulars	Year ended as on 31 st March 2017
Net Profit/(Loss) after as reported under Previous GAAP	(157,13,10,995)
Fair valuation as deemed cost for Property, Plant and Equipment	(2,44,09,110)
Fair valuation of Financial Assets	2,58,485
Deferred Tax	1,82,00,716
Provision for doubtful debts	62,56,617
Effect of defined benefit plan-Gratuity fund	(5,92,686)
Net Profit as per Ind AS	(157,15,97,513)
Actuary Gain/(Loss) on employee defined benefit funds recognised in other comprehensive income (net of taxes)	(9,61,412)
Total Comprehensive Income	(157,25,58,925)

Reconciliation of Equity as previously reported (referred to as “Previous GAAP”) and the equity as per Ind-AS is mentioned in the table below

Particulars	As at 31 st March 2017	As at 1 st April 2016
Total Equity under Previous GAAP	131,02,86,969	288,15,97,964
1.Fair valuation as deemed cost for Property, Plant and Equipment	126,38,26,544	128,82,35,654
2. Fair valuation of Financial Assets	(12,52,69,263)	(12,55,27,748)
3.Deferred Tax	(20,56,12,792)	(22,38,12,968)
4.Effect of provision for Trade receivables	(1,90,01,405)	(2,52,58,022)
5.Defined benefit plan-Gratuity fund	(15,54,098)	-
Total adjustment of Equity	91,23,88,986	91,36,36,916
Total equity as per Ind AS	222,26,75,955	379,52,34,880

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached

For and on Behalf of Board of Directors

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

B. SATISH KUMAR
Chairman-cum-Managing Director

B.SURESH KUMAR
Jt. Managing Director

CA P.A. RAMAIAH
Partner
M.No.-203300
Place: Visakhapatnam
Date : 30.05.2018

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

M.RAVEENDRA BABU
Company Secretary

STEEL EXCHANGEINDIALIMITED

Regd.Office: # 303, My Home Laxmi Nivas, Greenlands, Ameerpet, Hyderabad - 500 016.

Telephone No: +91-40-23403725 Fax No: +91- 40- 23413267

Website: www.seil.co.in email: cs@seil.co.in CIN: L74100AP1999PLC031191

ATTENDANCE SLIP

Annual General Meeting - 28th September, 2018

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

DP ID*	
---------------	--

Folio No	
-----------------	--

Client ID*	
-------------------	--

No. of Shares held	
---------------------------	--

I, Certify that I am member /Proxy for the member of the company, I hereby record my presence at the Annual General Meeting of the Company held on Friday, the 28th September, 2018 at 11.30 a.m. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 16.

(Signature of Member / Proxy)

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

* Applicable for Investors holding shares in electronic form

STEEL EXCHANGEINDIALIMITED

Regd.Office: # 303, My Home Laxmi Nivas, Greenlands, Ameerpet, Hyderabad - 500 016.

Telephone No: +91-40-23403725 Fax No: +91- 40- 23413267

Website: www.seil.co.in, email: cs@seil.co.in, CIN: L74100AP1999PLC031191

PROXY FORM

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

Name of the Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID:

DP ID:

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

- (1) Name: _____ Address: _____
E-mail Id: _____ or failing him;
- (2) Name: _____ Address: _____
E-mail Id: _____ or failing him;
- (3) Name: _____ Address: _____
E-mail Id: _____ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the Annual General Meeting of the Company to be held on Friday, the 28th September, 2018 at 11.30 a.m. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 16 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	FOR	AGAINST
	Ordinary Business		
1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Directors and Auditors thereon.		
2	To appoint a director in the place of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation and being eligible, offers himself for re-appointment		
3	To appoint a director in the place of Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884), who retires by rotation and being eligible, offers himself for re-appointment.		
	Special Business		
4	To Re-appoint Mr. Bandi Ramesh Kumar (DIN 00206293), as Joint Managing Director of the Company.		
5	To approve the ratification of remuneration payable to M/s. DZR & Co., the Cost Auditors.		
6	To approve appointment of Independent director Mr. Chivukula Siva Prasad who has attained 75 years of age and continue with Board		

Signed on this _____ day of _____ 2018. Signature of the Shareholder _____

Affix
Revenue
Stamp

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

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

Steel Exchange India Limited

Notice to Members with respect to KYC Updation

Dear Shareholder(s),

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

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

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

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

Further, as per SEBI (LODR) Regulations, 2018 No. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and BSE circular no. LIST/COMP/15/2018-19 dated 05.07.2018 request for effecting transfer of shares in physical form shall not be processed after 5th December 2018 unless the shares are held in dematerialized form with a depository. Hence, it would be in your interest, to take necessary steps to dematerialize your shares through your Depository Participant and hold them in Electronic Form.

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

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

Sd/-
B Satish Kumar
Managing Director

SEIL-KYC UPDATION
FORM

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

Date: _____

Dear Sir,

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

General Information:

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

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

Sole/ First Holder Name: _____ Signature: _____

2nd Holder Name: _____ Signature: _____

3rd Holder Name: _____ Signature: _____

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

ROUTE MAP TO THE AGM VENUE

The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 500 016

