



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

8th September, 2020

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the Financial Year 2019-20 of Steel Exchange India Limited for your reference and records.

Thanking you,

Yours Faithfully,

For Steel Exchange India Limited

Raveendra Babu M
Raveendra Babu M
Company Secretary
M.No: A34409



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

Encl: Annual Report 2019-20 of the Company

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



21st ANNUAL REPORT 2019- 2020



Simhadri TMT 
WORLD CLASS STEEL BARS

STEEL EXCHANGE INDIA LTD
Strengthening Our Planet



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21st ANNUAL GENERAL MEETING

Date	:	30 th September, 2020
Day	:	Wednesday
Time	:	11.00 A.M.
Mode of Meeting	:	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)



BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER
B RAMESH KUMAR**COMPANY SECRETARY**
RAVEENDRA BABU M

STATUTORY AUDITORS
M/s. Bhavani & Co.,
Chartered Accountants,
Plot No-48, Flat No-301,
3rd Floor, Micasa, Phase-1,
Kavuri Hills, Hyderabad-500033

SECRETARIAL AUDITORS

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

COST AUDITORS

D Zitendra Rao, Cost and Management Accountants, Hyderabad.

BANKERS**Working Capital Lenders**

State Bank of India, Punjab National Bank, Syndicate Bank, Canara Bank, Bank of India, IDBI Bank, The Karur Vysya Bank Limited, The Lakshmi Vilas Bank Ltd, Andhra Bank, Dhanlaxmi Bank Limited

REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

303, My Home Laxmi Nivas, Greenlands, Ameerpet, Hyderabad - 500 016

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

www.seil.co.in email: cs@seil.co.in CIN: L74100AP1999PC031191

CORPORATE OFFICE:

Block A, 4th Floor, Green City Towers, Green City, Vadlapudi, Visakhapatnam - 530 046.

Telephone: +91-891-2587175, 2587573 Fax: +91-891-2749215

PLANT LOACTIONS

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), VSP (Dt) - 531 201,

Wire Drawing Division (HC Wire Products): Plot No.17 & 18, E-Block, IDA, Auto Nagar, Vizag - 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 60 MW Power Plant: Malliveedu, L.Kota Mandal, Vizianagaram District - 533 301.

NOTICE

Notice is hereby given that the 21st Annual General Meeting (AGM) of the Members of Steel Exchange India Limited (the Company) will be held on **Wednesday, the September, 30, 2020 at 11 A.M.** IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars), to transact the businesses mentioned below.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

Ordinary Business:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 and Reports of Board 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 Approve the Remuneration Payable to Cost Auditors for The Financial Year Ending 2020-21

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Cost Auditors, D Zitendra Rao, Cost and Management Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2020-21, be paid a remuneration of ₹ 3,50,000/- (Rupees three lakhs and fifty thousand only) per annum and out of pocket & other expenses and GST at actuals."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.

5. To Re-appoint Ms. Sujata Chattopadhyay (DIN : 02336683) as Independent Director of the company for a further period of 5 years with effect from 27th March, 2020:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms. Sujata Chattopadhyay, (DIN : 02336683) who was appointed as an Independent Director of the Company for a term of five years up to 26th March 2020, by the members at 16th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 27th March, 2020 to 26th March, 2025."

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

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with SAWP Steel Limited and Vizag Profiles Private Limited, related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for Sale, Purchase of Goods or

Services and lease rent, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.500 Crore for the financial year 2020-21."

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

7. To approve Monetization of one or more Assets of the company under proposed debt Restructuring Scheme / One Time Settlement Scheme with Lenders of the Company

RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), read with Articles of Association of the Company and/ or such other approvals, permissions and sanctions of all other concerned authorities and Departments, if and to the extent necessary the consent of the shareholders be and is hereby accorded to Board of Directors (hereinafter called "the Board") to monetize one or more assets of the company under proposed debt Restructuring Scheme / One Time Settlement Scheme with Lenders of the Company.

RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 2013 and the Articles of Association of the Company and/ or such other approvals, permissions and sanctions of all other concerned authorities and Departments, if and to the extent necessary, the consent of the shareholders be and is hereby accorded to the Board for opening of an escrow account for ring-fencing the proceeds from monetization of assets for use the funds by the Company to repay lenders under proposed debt Restructuring Scheme / One Time Settlement Scheme.

RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 2013 and the Articles of Association of the Company and/ or such other approvals, permissions and sanctions of all other concerned authorities and Departments, the shareholders has taken note of declaration by the Board that clear title deed is available for the property to be monetized and that the property is free of encumbrances and encroachment.

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

Place: Visakhapatnam
Date: 02.09.2020

Raveendra Babu M
Company Secretary
M.No: A34409

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management

and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.seil.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to the Special Business under Item Nos. 4, 5, 6 & 7 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-2, of the persons seeking re-appointment as Directors / Independent Directors, are also annexed.
9. Brief profile of Mr. V V Krishna Rao, Mr. B Suresh, Ms. Sujatha Chattopadhyay, Directors proposed to be reappointed along with the names of the Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard on General Meetings and Regulations 26(4) and 36(3) of the Regulations are also annexed to this notice.
10. The registers i.e Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which directors are interested maintained under Section 170 and Section 189 of the Act respectively will be available electronically for inspection by members during the AGM. All documents referred to in this Notice and the Explanatory Statement annexed hereto will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. September 30, 2020. Members seeking to inspect such documents can send an email to cs@seil.co.in.
11. As per Regulation 40 of the Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, M/s. Venture Capital & Corporate Investments Private Limited, Hyderabad for assistance in this regard.
12. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with their Depository participants (DPs), in case the shares are held by them in electronic form/Demat form and with Venture Capital & Corporate Investments Private Limited, in case the shares are held by them in physical form for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically. Alternatively, members holding shares in physical form are requested to send their email address and mobile number to the company mail id cs@seil.co.in.
13. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc to their Depository Participants with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to Venture Capital & Corporate Investments Private Limited in case the shares are held by them in physical form.
14. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 23rd day of September, 2020 to Wednesday, the 30th day of September, 2020 (both days inclusive).

15. Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s. National Securities Depository Limited (NSDL).
16. Only those Members, whose names appear in Register of Members / List of beneficial owners as on Tuesday, September 22, 2020 ("Cut-off Date") shall be entitled to vote (through remote e-voting and during AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a Member as on the Cut-off Date should treat this Notice for information only.
17. The Board of Directors has appointed M/s B S S & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and voting during the AGM in a fair and transparent manner.
18. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within 48 hours from the conclusion of the AGM at the Registered Office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. September 30, 2020.
19. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

Instructions for the Members for attending the e-AGM through VC/OAVM:

20. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per the requirements of the SEBI (LODR) Regulations 2015, your Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s. National Securities Depository Limited.
21. The remote e-voting period begins on 27th September, 2020 at 9:00 A.M. and ends on 29th September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
22. The Instructions for remote voting are as under:
How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:
Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@bssandassociates.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@seil.co.in
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@seil.co.in
2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

The Instructions For Members For E-Voting On The Day Of The AGM Are As Under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions For Members For Attending The AGM Through VC/OAVM Are As Under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..
6. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") :**Item No. 4**

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. D Zitendra Rao, Cost and Management Accountants, as Cost Auditors at a remuneration of ₹ 3, 50,000/- (Rupees Three lakhs and Fifty thousand only) per annum plus out of pocket expenses and GST, at actuals, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

The Board recommends the resolution set forth in the Item No. 4 of the Notice for approval of the members. None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 5

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, at the 16th Annual General Meeting held on 30TH September, 2015 Ms. Sujata Chattopadhyay was appointed as Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 26th March, 2020. Since, Ms. Sujata Chattopadhyay (DIN : 02336683) was completed her initial term as Independent Directors of the Company on 26th March, 2020; she is eligible for re-appointment for one more term with effect from 27th March, 2020

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 12th February, 2020, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on their skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by them during their tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Ms. Sujata Chattopadhyay (DIN : 02336683) as Independent Non-Executive Directors of the Company, for the second term of 5 (Five) years w.e.f. 27th March, 2020 upto 26th March, 2025. Further the said re-appointed independent directors shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Ms. Sujata Chattopadhyay (DIN : 02336683) being eligible for re-appointment as Independent Directors for the second term providing their consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Ms. Sujata Chattopadhyay (DIN : 02336683) confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(b) of the Listing Regulations, as amended from time to time.

Details of Directors, whose re-appointment as Independent Director is proposed at Item Nos. 5, are provided in the "Annexure" to the Notice pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standards on General Meetings, issued by the Institute of Company Secretaries of India (SS-2).

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

Except Ms. Sujata Chattopadhyay, being appointed Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6

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

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more

of the annual turnover of the Company as per last audited financial statements of the Company. Accordingly, transaction(s) entered into with the both entities comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

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

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

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) to be entered into by your Company with Vizag Profiles Pvt. Ltd. and SAWP Steel Ltd. in the financial year 2020-21.

Item No. 7

As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders. Now the company is planning to monetize its assets to repay lenders under proposed debt Restructuring Scheme / One Time Settlement Scheme.

The consent of the shareholders is solicited by way of special resolution under the provisions of Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board of Directors of the Company to Monetization the assets of the Company. Accordingly, the proposal is put up before the Shareholders for its approval by the Special Resolution.

None of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders by way of Special Resolution.

List of Assets identified for Monitorization:

1. EM of 5.34 acres of factory Land (Rolling Mill) with constructed area of 5,794 sq. yards situated at Plot No 1, IDA, E Bonangi Village, Parwada, Visakhapatnam (Sy No 130 part of Edlapaka) - Leased to Vizag Re-Bars Pvt Ltd.
2. EM of 15,788 sq. yards of factory (Wire Drawing unit-II) Land with constructed area of 71,400 sq. feet situated at plot No 17 & 18, IDA, E-Block, Autonagar, Gajuwaka Mandal, Visakhapatnam.
3. EM of 12.40 acres of Factory (Ingot and Gas based Power Plant) Land admeasuring Constructed area of 3413.28 sq. meters, Opp to Mandapalli new bridge, Kothapets Village, Rajahmundry, East Godavari Dt Leased to Vizag Re-Bars Pvt Ltd.

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

Name of the Director	Bavineni Suresh	V.V. Krishna Rao	Sujata Chattopadhyay
Category	Non-Executive and Non-Independent	Non-Executive and Non-Independent	Non-Executive Independent Director
Din	00181832	00206884	02336683
Date of Birth	30.08.1968	10.06.1948	27.08.1964
Nationality	Indian	Indian	Indian
Date of Appointment	28.02.2000	12.01.2000	27.03.2020
Qualification	B. Tech. M.B.A	M.A.	B. Com FCS and FCMA
Occupation	Business	Business	Practicing Professional
Expertise	Rich Experience of more than 21 years in Finance and Steel Industries	More than 41 years of Experience in Marketing and Steel industry.	More than 32 years of Experience in Costing, Corporate Laws and Taxation.
Relationship with Directors	None	None	None
Directorships in other companies as on March 31, 2020	1.Vizag Profiles Pvt Ltd 2.Umashiv Garments Pvt. Ltd 3.Simhadri Wires Pvt. Ltd 4.Satyatej Vyapaar Pvt. Ltd	1.Vizag Profiles Pvt Ltd	1. Vakrangee Limited 2. Polygenta Technologies Limited 3. IITL Projects Limited 4. Industrial Investment Trust Limited 5. Felguera Gruas India Private Limited 6. Resolve International Private Limited 7. KPAD Insolvency Resolution Professionals LLP
Chairman/Member of the committee of the Board of Directors as on March 31,2020	Nil	Nil	Polygenta Technologies Limited: Audit Committee Chairperson & Nomination and Remuneration Committee – Member Vakrangee Limited: Risk Management Committee – Chairperson IITL Projects Limited: Nomination & Remuneration Committee Member and Stakeholders Relationship Committee - Member
Number of Equity Shares held in the Company as on March 31,2020	11,38,350 Equity shares of Rs. 10/- each	6,43,736 Equity shares of Rs.10/- each	Nil

Important Communication to Members:

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

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

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

Company: The Company Secretary, Steel Exchange India Limited,

303, My Home LaxmiNivas, Greenlands, Ameerpet, Hyderabad - 500 016, Telephone: +91 - 40 - 23403725 or 040-40033501

Email: cs@seil.co.in, or csravindra.seil@gmail.com or seilsecretarial@gmail.com.

Board's Report

To the Members,

Your Directors have pleasure in presenting the 21st Annual Report together with the Standalone Audited Accounts for the year ended 31st March, 2020

FINANCIAL RESULTS:

The performance of the Company for the Financial Year ended March 31, 2020 is as under:

(₹ in Lakhs)

PARTICULARS	31-Mar-20	31-Mar-19
Total Revenue	79142.14	102927.64
Profit/ (Loss) before finance cost, depreciation and tax expense	6987.69	2241.35
Finance cost	347.06	996.55
Profit / (Loss) before depreciation and tax expense	6640.63	1244.81
Depreciation	2723.65	2962.16
Profit/(Loss) before tax expense	3916.98	(1717.36)
Tax expense		
i. Tax expense of prior years	—	—
ii. Deferred Tax	(2512.51)	(1950.51)
Profit/(Loss) for the year	6429.49	(3667.87)
Add: Other Comprehensive Income	(13.05)	(11.37)
Total Comprehensive Income/ (Loss) for the year	6416.44	(3679.24)

Review of operations:

During the year under review, the total revenue of the company was Rs. 791.42 crores as against the 1029.27 Crores. Net Profit recorded at 64.29 Crores as against Net Loss of (36.67) crores in the Previous Year.

The Manufacturing Sales including power sales were Rs. 693.22 Crores in the current year compared to Rs. 880 crores in the previous year. The trading sales during the year amounted to Rs. 87.20 Crores compared to Rs. 141.57 Crores in the previous year.

State of Company's affairs and future outlook

As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders.

The Company's financial performance has been affected mainly due to adverse steel markets, weak demand and prices, and non-availability of working capital which have been compounded by the Covid-19 pandemic and other factors beyond the control of the Company. Most of the lenders have agreed for the debt resolution by way of OTS and keeping in view the expected gradual improvement in demand for steel in the nearby future, the Company expects considerable improvement in its financial performance after the debt resolution. 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.

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 2020-21.

Delisting from Calcutta Stock Exchange Limited (CSE)

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

Unclaimed Suspense Account/Escrow Account:

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

Subsidiaries, Joint Ventures or Associate Companies

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

Number of Meetings of the Board of Directors

During the year ended March 31, 2020, Four Board Meetings were held.

The dates on which the Board meetings were held are May 29, 2019, August 14, 2019, November 08, 2019 and February 12, 2020.

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

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

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

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed (except in payment/provision of interest to lenders);
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 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, 2020 on a going concern basis;
- v. that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

Separate Meeting of Independent Directors

During the year under review, the Independent Directors held their separate meeting on February 12, 2020 inter alia, to discuss:

- Review the performance of Independent Directors.
- Review the performance of the Non-Independent Directors.
- Review the performance of the committees and Board as a whole.
- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

The company has not given any Loans / Guarantees and not made any Investments during the FY 2019-20, as specified under the provisions of section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the Financial Year were in the ordinary course of business and on an arms' length pricing basis. There were no materially significant transactions with related parties during the Financial Year, which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS-24) has been made in the notes to the Financial Statements.

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of individual transactions with related parties are placed before the audit committee for the review from time to time. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is given in notes to accounts of the company wide note no 3.36.3 and also brief details are annexed to Boards Report as **Annexure-1**

Transfer of Amount to Reserves

The Company doesn't propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2020.

Dividend

The Board of Directors of the Company has not recommend Dividend for the financial year ended March 31, 2020.

Share Capital

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

The Authorized Share Capital of the Company is Rs.3,32,00,00,000/- (Rupees Three Hundred and Thirty Two Crores only) divided into 25,80,00,000 (Twenty Five crores Eighty Lakhs only) equity shares of Rs.10/- (Ten only) each, and 7,40,00,000 (Seven Crore Forty Lakhs only) preference shares of Rs. 10/- (Ten only) each.

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

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

Deposits

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet, in terms of Section 73 of the Companies Act, 2013 during the year ended 31st March, 2020.

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 attached to this Report as **Annexure-2**.

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

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

Risk Management

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

Corporate Social Responsibility

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities during the year are given in the Annual Report on CSR activities in **Annexure -4** 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 of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Directors and Key Managerial Personnel

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

Shri B Suresh Kumar (DIN: 00206473) was re-appointed as Joint Managing Director of the Company for a further period of three years with effect from October 27th, 2019 pursuant to the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Shri C Siva Prasad (DIN: 01904785) was reappointed as a Independent Director of the company for a period of five years with effect from 31st December, 2019 till 30th December, 2024.

Shri R Ramachandra Rao (DIN: 00226945) was reappointed as a Independent Director of the company for a period of five years with effect from 31st December, 2019 till 30th December, 2024.

Shri K Krishna Rao (DIN: 00382726) was reappointed as a Independent Director of the company for a period of five years with effect from 31st December, 2019 till 30th December, 2024.

Shri G Venkata Narayana Reddy (DIN: 05358117) was reappointed as a Independent Director of the company for a period of five years with effect from 31st December, 2019 till 30th December, 2024.

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

M/s. Bhavani & Co., Chartered Accountants (FRN 012139S) were appointed as Statutory Auditors of the Company in the Annual General Meeting held on 30th September, 2019, for a term of 5 (five) consecutive years. M/s. Bhavani & Co., Chartered Accountants, have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

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

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

The Auditors observation in point No. 8 of the Annexure to the Auditors report regarding Interest due to financial institution and banks aggregating Rs 421.28 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.421.28 Crores for the year ended 31st March 2020 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2020.

Cost Audit/Cost Auditors:

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

The Cost Audit Report for year ended 31st March 2019 was reviewed by the Audit Committee at its meeting held on August 14, 2019 and has been filed with MCA on 12th September, 2019.

Internal Auditors

The Board of Directors of the Company has appointed M/s. Pavuluri & Co., Chartered Accountants as Internal Auditors to perform Internal Audit of the operations of the Company for the Financial Year 2019-20 and the Internal Auditors have presented the observations to the Audit Committee at the meetings of the board held on 14.08.2019, 08.11.2019, 12.02.2020 and 29.07.2020 respectively.

Internal Control Systems and their Adequacy

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

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. BSS& Associates, Practicing Company Secretaries, Hyderabad to undertake the Secretarial Audit of your Company for the financial year 2019-20. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks. The Report in Form MR-3 is enclosed as **Annexure-5**.

Maintenance of Cost Records

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

Particulars of employees

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

A statement containing the names of every employee posted throughout the financial year and in receipt of a remuneration of Rs. 1.20 Crore or more, or posted for part of the year and in receipt of Rs. 8.50 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's report enclosed as **Annexure - 6**

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

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

Secretarial Standards

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

Insurance

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

Change in the nature of business

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

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

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

Material changes and commitments

During the year under review the majority of the lenders have stopped charging interest on debts since the dues from the Company have been categorized as Non-performing Asset. The Company is in active discussion / negotiation With the Lenders for a suitable debt resolution by way of debt restructuring at a sustainable level. Pending finalization of a suitable debt resolution, the Company has stopped providing for accrued interest and unpaid effective from 1st January 2018, in its books of accounts, as the same is under discussion with the Lenders. The amount of such accrued and unpaid interest (including penal interest and other charges) not ' provided for is estimated at Rs.421.8 Crores for the year ended 31st March 2020 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2020. Except this there are no Material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2020 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, 2020, 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 738 and strength of trainees is over 81 as on 31st March, 2020.

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: 02.09.2020

B. Suresh Kumar
Joint Managing Director
(DIN:00206473)

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

Annexure -1
Disclosure of particulars of Contracts/Arrangements entered into by the Company
FORM NO. AOC-2

(Pursuant to clause (h) of sub section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

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

The below material contracts or arrangement or transactions at arm's length entered into during the year ended March 31, 2020.

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

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

Place: Visakhapatnam
Date: 02.09.2020

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

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2020

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

I. Registration and other details:

i. CIN:-	L74100AP1999PLC031191
ii Registration Date	24th February, 1999
iii Name of the Company	STEEL EXCHANGE INDIA LIMITED
iv) Category / Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v) Address of the Registered office and contact details	303, MY HOME LAXMI NIVAS, GREENLANDS, AMEERPET, HYDERABAD, TELANGANA-TG-500 016 Tel: 040 - 2340 3725
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital And Corporate Investments Private Limited. 12-10-167, Bharath Nagar, Hyderabad-500018 Phone:+91 040-23818475/23818476/23868023 Fax: +91 40 23868024, Email: info@vccilindia.com ventureccipl@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Rebars (TMT), Wires, Billets and Ingots e.t.c- Manufacturing	241	84.52
2.	Power	351	3.72
3.	Rebars (TMT), Wire and Wire Rod coils e.t.c-Trading	466	9.41

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

Sl. No	Name and Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	SEIL (Hongkong) Ltd.	2246316	Subsidiary	100%	-

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

Category of Shareholders	No. of Shares held at the beginning of the year (AS ON 01.04.2019)				No. of Shares held at the end of the year (AS ON 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1. INDIAN									
a. Individual/ HUF	9392298	-	9392298	12.36	9392298	-	9392298	12.36	-
b. Cent. Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	26552765	-	26552765	34.94	26552765	-	26552765	34.94	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total-A-(1)	35945063	-	35945063	47.3	35945063	-	35945063	47.3	-
2. FOREIGN	-	-	-	-	-	-	-	-	-
a. NRI-Ind/HUF	211504	-	211504	0.28	211504	-	211504	0.28	0
b. Other Ind.	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub Total-A-(2)	211504	-	211504	0.28	211504	-	211504	0.28	0
Total Shareholding OF Promoter A=(A1+A2)	36156567	-	36156567	47.58	36156567	-	36156567	47.58	0

A. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a. Mutual Funds	-	90	90	-	3447	90	3537	-	-
b. Bank/ FI	14	37	51	-	13447	37	13484	0.02	0.02
c. Cent.Govt.	-	-	-	-	-	-	-	-	-
d. State govt.	309342	-	309342	0.41	309348	-	309348	0.41	0
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (Foreign Body Corporate)	0	3050197	3050197	4.01	0	3050197	3050197	4.01	0
Sub-Total-B (1)	309356	3050324	3359680	4.42	326242	3050324	3376566	4.44	0.02
2.NON- INSTITUTIONS									
a. Bodies Corp.	-	-	-	-	-	-	-	-	-
Indian	7165192	813096	7978288	10.50	11289952	136617	11426569	15.04	4.54
Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i.) Individual shareholders holding nominal share capital upto Rs. 2 lakh	10956691	266779	11223470	14.77	10130836	266152	10396988	13.68	(1.09)
ii.) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	12127023	468492	12595515	16.58	13987734	419792	14407526	18.96	2.38
c. Others (specify)	-	-	-	-	-	-	-	-	-
Clearing member	4468606	0	4468606	5.88	28085	0	28085	0.04	5.84
Trust	0	86945	86945	0.11	100	86945	87045	0.11	0
Non Resident Individuals	113241	2500	115741	0.15	102966	2500	105466	0.14	(0.01)
Sub-Total-B (2)	34830753	1637812	36468565	47.99	35539673	912006	36451679	47.97	(0.02)
Total Public Shareholding (B)=(B1)+(B2)	35140109	4688136	39828245	52.42	35865915	3962330	39828245	52.42	-
B. SHARES HELD BY CUSTODIAN									
Grand Total (A+B+C)	71296676	4688136	75984812	100	72022482	3962330	75984812	100	-

(ii) Shareholding of Promoters:

Sl. No	Shareholder's Name	Shareholding at the beginning of the year as on 01/04/2019			Shareholding at the end of the year as on 31/03/2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	No of Shares Pledged / encumbered	No. of Shares	% of total Shares of the company	No of Shares Pledged / encumbered	
1.	Umashiv Garments Private Ltd	20789115	27.36	3828146	20789115	27.36	3828146	0
2	Vizag Profiles Private Limited	5763650	7.59	4422750	5763650	7.59	4422750	0
3	Bavineni Jyothi Kiran	1127964	1.48	1000000	1127964	1.48	1000000	0
4	Veeramachaneni Venkata Krishna Rao	643736	0.85	0	643736	0.85	0	0
5	V Rajya Lakshmi	340908	0.45	0	340908	0.45	0	0
6	Veeramachaneni Srijan Babu	114886	0.15	0	114886	0.15	0	0
7	Bandi Jaya Padmavathi	1325646	1.74	1000000	1325646	1.74	1000000	0
8	K V Bhaskar	146328	0.19	0	146328	0.19	0	0
9	Bandi Satish Kumar	645944	0.85	0	645944	0.85	0	0
10	Bandi Suresh Kumar	1549950	2.04	1000000	1549950	2.04	1000000	0
11	Bavineni Suresh	1138350	1.5	825000	1138350	1.5	825000	0
12	Bavineni Lavanya	491146	0.65	0	491146	0.65	0	0
13	Rajesh Bavineni	775336	1.02	0	775336	1.02	0	0
14	Bandi Ramesh Kumar	319418	0.42	0	319418	0.42	0	0
15	B Sudha	8000	0.01	0	8000	0.01	0	0
16	Bandi Suguna	433150	0.57	0	433150	0.57	0	0
17	K Jelusia	113636	0.15	0	113636	0.15	0	0
18	Bandi Arunakanthi	217900	0.29	0	217900	0.29	0	0
19	Ravi C Narayanan	211504	0.28	0	211504	0.28	0	0
	TOTAL	36156567	47.58	12075896	36156567	47.58	36156567	0

NOTE: The combined encumbrance by the promoter along with PACs with him is 33.40% of their shareholding in the company and 15.89% of the total share capital of the company

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	36156567	47.58	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			No change	No change
	At the End of the year	-	-	36156567	47.58

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

Sl. No	Name of the shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	QUALITY STEEL SHOPPE				
	At the beginning of the year	4250000	5.59	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)			4250000	5.59

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Rose City Holdings Ltd				
	At the beginning of the year	3050197	4.03	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	3050197	4.03

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	YASHOVARDHAN SINHA HUF .				
	At the beginning of the year	1500471	1.97	-	-
	23.09.2019	(18879)	0.02	1481592	1.94
	17.01.2020	27390	0.03	1508982	1.98
	28.02.2020	7784	0.01	1516766	1.99
	At the End of the year (or on the date of separation, if separated during the year)	-		1516766	1.99



Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5	JAIDEEP SINGH NAKAI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1250000	1.65	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	1250000	1.65

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	TARADEVI RATANLAL BAFNA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	853142		1.12	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	853142	1.12

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7	PARIMAL JASWANTRAI MEHTA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	71000	0.09	-	-
	10.05.2019	10030	0.01	81030	0.10
	17.05.2019	9970	0.01	91000	0.11
	24.05.2019	5000	-	96000	0.12
	07.06.2019	208900	0.27	304900	0.40
	14.06.2019	8968	0.01	313868	0.41
	21.06.2019	32	-	313900	0.41
	28.06.2019	45131	0.05	359031	0.47
	05.07.2019	48100	0.06	407131	0.53
	12.07.2019	75	-	407206	0.53
	19.07.2019	34150	0.04	441356	0.58
	20.09.2019	2588	-	443944	0.58
	27.09.2019	80000	0.10	523944	0.68
	At the End of the year (or on the date of separation, if separated during the year)			523944	0.68

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	KAUSHIK SURENDRA SHAH				
		At the beginning of the year	1060	-	-
		Date wise Increase / Decrease in Shareholding during the year	-	-	-
		20.09.2019	1060		
		23.09.2019	103940	105000	0.13
		08.11.2019	75000	180000	0.23
		15.11.2019	74520	254520	0.33
		22.11.2019	63680	318200	0.41
		29.11.2019	2800	321000	0.42
		27.12.2019	86226	407226	0.53
		03.01.2020	60697	467923	0.61
		At the End of the year (or on the date of separation, if separated during the year)	-	467923	0.61

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	SIDHARTH RATANLAL BAFNA				
		At the beginning of the year		-	-
		05.04.2019	429463		
		At the End of the year (or on the date of separation, if separated during the year)	-	429463	0.56

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	UNIQUE ENGINEERS	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	379540	0.49	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	379540	0.49

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors					
1	Bandi Satish Kumar	645944	0.85	645944	0.85
2	Suresh Bavineni	1138350	1.5	1138350	1.5
3	Bandi Ramesh Kumar	319418	0.42	319418	0.42
4	Bandi Suresh Kumar	1549950	2.04	1549950	2.04
5	Veeramachaneni Venkata Krishna Rao	643736	0.85	643736	0.85
6	Sivaprasad Chivukula	-	-	-	-
7	Kodali Krishnarao	-	-	-	-
8	Ramineni Ramachandra Rao	-	-	-	-
9	Sujata Chattopadhyay	-	-	-	-
10	Venkata Narayana Reddy Godi	-	-	-	-
Key Managerial Personnel					
1	Bandi Ramesh Kumar	319418	0.42	319418	0.42
2	Mannem Raveendra Babu	-	-	-	-

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for Payment:

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year :				
1. Principal Amount	9,906,815,939	302,295,820	0	10,209,111,759
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due				
Total (1+2+3)				
Change in Indebtedness during the financial year:				
Addition	0	0	0	0
Reduction				
Net Change				
Indebtedness at the end of the financial year:				
1. Principal Amount	9842078753	300764634	0	10,142,843,387
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	-	-	-	-
Total (1+2+3)	9842078753	300764634	0	10,142,843,387

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl.No.	Particulars of Remuneration	Name of MD/WTM/ Manager /CS			Total Amount
		B Satish Kumar Managing Director	B Suresh Kumar Joint Managing Director	B Ramesh Kumar Joint Managing Director	
1	Gross salary	6600000	6000000	6000000	18600000
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	141682	-	-	141682
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total-(A)	6741682	6000000	6000000	18741682
	Ceiling as per the Act				

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Ch. Siva Prasad	R. Ramachandra Rao	K. Krishna Rao	G.V. Narayana Reddy	Sujata Chattopadhyay	
	a. Fee for attending board / committee meetings	80000	60000	80000	40000	120000	380000
	b. Commission	-	-	-	-	-	-
	c. Others, please specify	-	-	-	--	-	-
	Total (1)	80000	60000	80000	40000	120000	380000
2	Other Non-Executive Directors						
	a. Fee for attending board / committee meetings						
	b. Commission						
	c. Others, please specify						
	Total-(2)						
	Total-B (1 + 2)						
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1	Gross salary	1200000	6000000	7200000
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total-(A)	1200000	6000000	7200000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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

Place: Visakhapatnam
Date: 02.09.2020

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

Annexure - 3

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION: Nil

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

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

(Rs. In lakhs)

Particulars	March 31, 2020	March 31, 2019
Used	Nil	215.05
Earned	Nil	Nil

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

Place: Visakhapatnam
Date: 02.09.2020

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

Annexure-4
Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

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

- Education
- Social Welfare
- Charitable Trust

2. Composition of CSR Committee:

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

3. Average Net profit for last three Financial Years:

Net Profit (Rs. In Lakhs)	2018-19	2017-18	2016-17
	(3679.24)	(17012.40)	(15725.58)
Average Net Profit for the preceding three Financial Years	N.A		

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

Details of CSR spend for the financial year:

- a. Total amount spent for the financial year: **Rs. 14.76 Lakhs**
- b. Amount unspent/Balance carried from previous years if any: **Rs. 14.72 Lakhs**
- c. Manner in which the amount spent during the financial year is detailed below:

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2)Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent : Direct or through implementing agency
1	Education	Education	Local Area	Nil	Nil	Nil	Nil
2	Park Development	Rural Development	Local Area	Nil	Nil	Nil	Nil
3	Social Welfare	Social Welfare	Local Area	11,76,471	11,76,471	11,76,471	11,76,471
4	Healthcare	Medical	Local Area	52,534	52,534	52,534	52,534
5	Charitable Trust	Charity	Local Area	1,50,000	1,50,000	1,50,000	1,50,000
	Total			13,79,005	13,79,005	13,79,005	13,79,005

Reasons for not spending the amount:

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

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

For and on behalf of Corporate Social Responsibility Committee

Sd/-

Chivukula Sivaprasad
Chairman of the Committee

Sd/-

Ramineni Ramachandra Rao
Member

Place: Visakhapatnam
Date:02.09.2020

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended 31st March, 2020

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

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

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

Based on our verification of M/s. Steel Exchange India Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Steel Exchange India Limited ("the Company") for the financial year ended on March 31, 2020 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, 2018; Not applicable to the Company during the Audit Period;
 - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable to the Company during the Audit Period;
 - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities;
 - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;

- g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted from any stock exchange during the financial year under review; and
- h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back its securities during the financial year under review.

6) Other laws applicable specifically to the Company namely:

- i- The Electricity Act, 2003
- ii- Indian Boilers Act, 1923
- iii- Explosives Act, 1884
- iv- National Tariff Policy
- v- Mines Act, 1952

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

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

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

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

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

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

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

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

We further report that, during the audit period, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the company's affairs.

For B S S & Associates
Company Secretaries

S.Srikanth
Partner

Place: Hyderabad
Date: 02-09-2020

ACS No.: 22119
C P No.: 7999
UDIN: A022119B000642123

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

Place: Hyderabad
Date: 02-09-2020

ACS No.: 22119
C P No.: 7999
UDIN: A022119B000642123

Annexure-6
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	30.55	NIL
2	B. SURESH KUMAR, JMD	27.77	NIL
3	B. RAMESH KUMAR, JMD & CFO	27.77	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	M RAVEENDRA BABU, COMPANY SECRETARY	NA	NIL

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

There was no increase in Remuneration paid to Managing Director and Joint Managing Directors of the company during the Financial Year ended 31.03.2020

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

(iv) The number of employees on the rolls of company as on 31.03.2020

There are 738 Employees and 81 Trainees on the rolls of the Company.

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

Sl.No.	Average increase in remuneration	Company performance
1	NIL	Company posted Net Profit of Rs. 64,16,44,180

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

Sl.No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March, 2020
1	Rs. 1,38,00,000	Rs. 64,16,44,180

(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, 2020		As at March 31, 2019	
1	Market Capitalization	BSE	Rs. 98.40 Crores	BSE	Rs. 129.78 Crores
		NSE	Rs. 95.36 Crores	NSE	Rs. 124.23 Crores
2	Price Earnings Ratio	BSE	-	BSE	-
		NSE	-	NSE	-

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

The Company came with an Initial Public Offer in 27.07.2000 at the price of Rs.10/- per equity share. As on March 31 2019 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- **BSE Limited: Rs.12.95 and NSE:12.55**

(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, 2020.

(ix) Comparison of 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, 2020
1	Mr.Bandi Satish Kumar, Managing Director	Rs. 66,00,000	Rs 64,16,44,180
2	Mr. Bandi Ramesh Kumar, CFO	Rs. 60,00,000	Rs 64,16,44,180
3	Mr. Raveendra Babu M, Company Secretary	Rs. 12,00,000	Rs 64,16,44,180

(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	28 years	01/03/2019	59 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	23years	27/10/2019	55 years	Vizag Profiles Pvt Ltd	2.04%	Brother of Bandi Satish Kumar and Mr. Bandi Ramesh Kumar
3	Mr. Bandi Ramesh Kumar Joint Managing Director & CFO	Rs.60,00,000	Contractual	26 Years	09/02/2018	57 Years	Simhadri Power Ltd	0.42%	Brother of Bandi Satish Kumar and Mr. Bandi Suresh Kumar

Notes:

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

REPORT ON CORPORATE GOVERNANCE

In terms of Compliance to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on Corporate Governance, your Company is complying with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations"). The report for the year ended on 31st March, 2020 is as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTORS :

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

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

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

S. No.	Name of the Director	Category	No. of Board Meetings attended out of 4 meetings held 2019-20	Whether attended last AGM	No. of Other Directorships and Committee Membership/Chairmanship as on 31.03.2020		
					Directorships	Committee Memberships	Committee Chairmanships
1	Bandi Satish Kumar	Executive Director (Promoter)	4	YES	1	1	Nil
2	Bandi Suresh Kumar	Executive Director (Promoter)	4	YES	1	Nil	Nil
3	Bandi Ramesh Kumar	Executive Director (Promoter)	4	YES	1	Nil	Nil
4	Veeramachaneni Venkata Krishna Rao	Non-Executive Director (Promoter)	4	YES	0	Nil	Nil
5	Bavineni Suresh	Non-Executive Director (Promoter)	3	YES	0	Nil	Nil
6	Ramineni Ramachandra Rao	Independent Director	2	NO	0	4	1
7	Kodali Krishna Rao	Independent Director	4	YES	0	3	Nil
8	Siva Prasad Chivukula	Independent Director	3	YES	1	4	3
9	Venkata Narayana Reddy Godi	Independent Director	4	YES	0	Nil	Nil
10	Sujata Chattopadhyay*	Independent Director	4	YES	5	2	1

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

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

- This excludes Directorships held in Private & Foreign Companies and Companies incorporated under section-8 of the Companies Act, 2013.
- In accordance with Reg.26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Memberships/ Chairmanships of Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company have been considered.
- None of the Directors is a director in more than 20 Companies and more than 10 public limited companies in terms of Sec-165 of the Companies Act, 2013.
- None of the Directors is a Director in more than seven listed entities in terms of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- None of the Directors is a member of neither more than Ten Committees, nor acts as Chairman of more than Five Committees across all companies in which they are Directors, as required Regulation 26 of the Listing Regulations.
- The Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

b) Number of Board Meetings held during the Financial Year 2019-20 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, 2020, Four Board Meetings were held as against the minimum requirement of four meetings.

The dates on which the Board meetings were held are May 29, 2019, August 14, 2019, November 08, 2019 and February 12, 2020.

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

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

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

During the year, a separate meeting of the Independent Directors was held on 12th February, 2020 without the presence of Non-Executive Directors /Managing Director and Joint Managing Directors to discuss the matter as required/agreed among them.

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

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

f) Function and Procedure of Board: Board meets regularly to make and review policies. The role, functions and

responsibilities of the Board are well defined. All relevant information as required under the Listing Regulation and Companies Act, 2013 as amended from time to time is regularly placed before the Board. The Board periodically reviews the compliance reports submitted by the management in respect of all laws applicable to the Company.

Directors' skills/expertise/competencies

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

- a. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities)
- b. Industry Knowledge and experience - knowledge of industry, sector and changes in industry specific policy
- c. Professional Skills and experience in the areas of finance, Safety & Corporate Social Responsibility and allied fields, projects, general corporate management and strategy development and implementation to assist the ongoing aspects of the business.

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

3. Audit Committee:

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and 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 Four times during the financial year 2019-20 on 29.05.2019, 14.08.2019, 08.11.2019 and 12.02.2020.

The constitution of the Audit Committee and attendance details during the financial year ended 31st March, 2020 are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Siva Prasad Chivukula	Chairman, Independent Director	4	3
Mr. Kodali Krishna Rao	Member, Independent Director	4	4
Mr. Ramineni Ramachandra Rao	Member, Independent Director	4	2

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 30th September, 2019.

4. Nomination and Remuneration Committee

Brief description of terms of reference

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

Composition, name of members and Chairperson

The Nomination and Remuneration Committee has met Two times during the financial year 2019-20 i.e., on 13th August, 2020 and 12th February, 2020. The constitution of the Committee and attendance details during the financial year ended 31st March, 2020, 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 12.02.2020, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole and Chairman of the Company. Inputs and suggestions received from the Directors were considered at the Board meeting.

6. Remuneration of Directors

The Remuneration paid to the Managing and Joint Managing Directors during the year and the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2020 and number of shares held by all the Directors are as follows:

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

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

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

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

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 31.03.2020, One Stakeholders Relationship Committee Meeting was held on 12th February, 2020.

The constitution of the Stakeholders Relationship Committee and attendance details during the financial year ended 31st March, 2020 are given below:

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

✕ **Terms of Reference**

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

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

Mr. Raveendra Babu Mannem was appointed as Company Secretary and Compliance officer Email-id for Investor Grievances: cs@seil.co.in

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

- During the year ended March 31, 2020, the Company has received 9 complaints and resolved all 9 complaints and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.
- Number of Pending Shareholders complaints by 31st March, 2020 : 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 31.03.2020, one CSR Committee Meeting was held on 12.02.2020.

The constitution of the CSR Committee and attendance details during the financial year ended 31st March, 2020 are given below:

Name of the Director	Designation	No. of Meeting Held	No. of Meeting attended
Chivukula Siva Prasad	Chairman, Independent Director	1	1
Ramineni Ramachandra Rao	Member ,Independent Director	1	1
Kodali Krishna Rao	Member,Independent Director1	1	1

9. Compliance Officer

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

10. Prevention of Insider Trading

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

11. COMPLIANCE

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

12. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board, Committee and General Meeting in . 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

S.No.	Particulars of regulations	Regulation	Compliance status (Yes/No)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	YES
2	Board composition	17(1), 17(1A) & 17(1B)	YES
3	Meeting of Board of directors	17(2)	YES
4	Review of Compliance Reports	17(3)	YES
5	Plans for orderly succession for appointments	17(4)	NA
6	Code of Conduct	17(5)	YES
7	Fees/compensation	17(6)	YES
8	Minimum Information	17(7)	YES
9	Compliance Certificate	17(8)	YES
10	Risk assessment and management	17(9)	NA
11	Performance evaluation of independent directors	17(10)	YES
12	Composition of audit committee	18(1)	YES
13	Meeting of audit committee	18(2)	YES
14	Composition of nomination and remuneration committee	19(1) & (2)	YES
15	Composition of stakeholder relationship committee	20(1) & (2)	YES
16	Composition and role of risk management committee	21(1), (2),(3),(4)	NA
17	Vigil mechanism	22	YES
18	Disclosure of shareholding by non-executive directors	-	YES
19	Policy for related party transaction	23(1), (5),(6),(7) & (8)	YES
20	Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	YES
21	Approval for material related party transactions	23(4)	YES
22	Composition of board of directors of unlisted material subsidiary	24(1)	NA
23	Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
24	Maximum directorship and tenure	25(1) & (2)	YES
25	Meeting of independent directors	25(3) & (4)	YES
26	Familiarization of independent directors	25(7)	YES
27	Memberships in committees	26(1)	YES
28	Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	YES
29	Disclosure of shareholding by non-executive directors	26(4)	YES
30	Policy with respect to obligations of directors and senior management	26(2) & 26(5)	YES

S No	Particulars of regulations	Compliance status (Yes/No)
1	Board of directors	Yes
2	Audit committee	Yes
3	Nomination and Remuneration committee	Yes
4	Stakeholders Relationship committee	Yes
5	Risk Management committee	NA
6	Vigil mechanism	Yes
7	Related party transactions	Yes
8	Corporate Governance requirements with respect to Subsidiaries	NA
9	Obligations with respect to Independent directors	Yes
10	Obligation with respect to Directors and Senior Management	Yes
11	Other Corporate Governance requirements	Yes
12	Disclosure on website in terms of SEBI (LODR) Regulations (Regulation 46 (2))	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
2019	30.09.2019	11.30A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2018	28.09.2018	11.30A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2017	11.09.2017	10.00 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016

Special Resolutions passed during the previous three Annual General Meetings:

20th Annual General Meeting - September 30, 2019 - The following Special Businesses were transacted by passing Special Resolution:

- Reappointment of Shri B Satish Kumar (DIN: 00163676) as chairman and Managing Director of the company, for a further period of 3(Three) Years with effect from March 01, 2019.
- Reappointment of Shri B Suresh Kumar (DIN: 00206473) AS Joint Managing Director of the company, for a further period of 3(Three) Years with effect from October 27, 2019.
- Revision in remuneration of Shri B Ramesh Kumar (DIN: 00206293), Joint Managing Director cum CFO of the company with effect from 1st April, 2018 till his remaining tenure ending on 8th February, 2021
- Reappointment of Shri C Siva Prasad (DIN: 01904785) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.
- Reappointment of Shri R Ramachandra Rao (DIN: 00226945) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.
- Reappointment of Shri K Krishna Rao (DIN: 00382726) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.
- Reappointment of Shri G Venkata Narayana Reddy (DIN: 05358117) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.

- a) 19TH Annual General Meeting - September 28, 2018 - The following Special Resolution was passed:
 - i) Continuation of Mr. Shiva Prasad Chivukula, Independent Director who has already attained the age of 75years as Independent Director from April 01, 2019 until the expiry of his existing term.
- b) 18th Annual General Meeting - September 11, 2017 - The following Special Resolutions were passed:
 - i) To convert the loan by lender into Optionally Convertible Debentures (OCDs) pursuant to implementation of S4A Scheme for the Company
 - ii) To offer and issue Optionally Convertible Debentures (OCDs) of face value Rs. 10/- each on preferential basis pursuant to implementation of S4A Scheme for the Company.
 - iii) To offer and issue of equity shares on preferential basis, against conversion of unsecured loans of the Company
- c) Postal Ballot: Nil during the year.
- d) EGM: Nil during the Year.

15. DISCLOSURES:

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

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

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

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

- (b) Details of non-compliance by the Company, Penalties imposed by Stock Exchanges/ SEBI: Nil
- (c) The information on Directors seeking re-appointment/appointment is provided in the notes to the notice of the Annual General Meeting under the heading "Additional information on Directors seeking Re-appointment/appointment at the ensuing Annual General Meeting".
- (d) The Board has also constituted a committee named as "Management Committee" for strategic management of the Company's business within the Board approved direction/framework. The following are the members of the Committee:

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

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

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

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

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

The Chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2020.

- (g) Certificate by Practicing Company Secretary: The Company has received a certificate from Mr. S.Srikanth, Partner, B S S& Associates, Practicing Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority.
- (h) Information on complaints in relation to Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:
- (i) M/s. Bhavani&Co., Chartered Accountants (FRN 012139S) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees during the financial year ended 31.03.2020, on consolidated basis is given below:

Particulars	Amount in Rs.
Services as Statutory Auditors	45,00,000
Tax Audit	5,00,000
Services for tax matters	4,50,000
Other matters	4,50,000
Re-imbursement of out-of-pocket expenses	Nil
Total	59,00,000

- (g) Credit Rating: The Company has not taken any Credit Rating during the financial year 2019-20 as the lenders have identified the debts of the company as NPA

16. RISK MANAGEMENT

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

17. GENERAL CODE OF CONDUCT

The Company has formulated and implemented a General Code of Conduct, which is available on company's website, for all its Directors and Senior Management of the Company in compliance with Listing Regulations. All the Board Members and Senior Management of the Company have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2020. 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

- As part of compliance with Regulation 10, 33 and 47 of the Listing Regulations, the Company furnishes its quarterly financial results to the Stock Exchanges where its shares have been listed.
- The Company's quarterly, half yearly and annual results are published in prominent daily newspapers such as 'Business Standards' (English) and 'Eenadu' (Telugu).
- 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.
- During the period under review, no presentations were made to any institutional investors or to the analysts.
- The Management Discussion and Analysis Report is attached and forms part of the Annual Report.

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

19. MD/ CEO & CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, a Certificate from Managing Director/ CEO and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on 02.09.2020 and the same is annexed to this report, also forms part of this Annual Report.

20. CERTIFICATE 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) 21st Annual General Meeting:

Date : **Wednesday, 30th September, 2020**
 Time : **11.00 A.M.**
 Venue : **Through VC/Other Audio Video Mode**

ii) Financial Year : **1st April to 31st March**
Financial Calendar for 2020-21 : The following are tentative dates:
 First Quarter results : 2nd Week of August, 2020
 Second Quarter results : 2nd week of November, 2020
 Third Quarter results : 2nd week of February, 2021
 Annual results for 2019-20 : 4th Week of May, 2021
 AGM for the year 2020-2021 : 4th Week of September, 2021.

iii) Dates of Book Closure : 23rd September, 2020 to 30th September, 2020
 (Both days inclusive)

vi) Dividend Payment Date : No dividend is recommended for the
 Year ended on 31st March 2020.

v) Listing on Stock Exchanges : Bombay Stock Exchange Ltd,
 National Stock Exchange of India Limited
 The Calcutta Stock Exchange (CSE)(Delisting is under process)

vi) Stock Code/Symbol : BSE : 534748
 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 2019-20, are given below:

Month & Year	Price in BSE		Price in NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-2019	19.90	16.05	18.45	16.10
May-2019	17.65	11.05	17.60	11.85
Jun-2019	14.68	10.23	13.60	11.25
Jul-2019	13.49	9.17	12.60	9.10
Aug-2019	13.89	10.00	12.60	9.70
Sep-2019	12.08	9.81	12.65	9.95
Oct-2019	12.48	9.06	11.30	9.10
Nov-2019	22.03	10.05	22.25	10.60
Dec-2019	25.25	15.60	25.65	15.55
Jan-2020	29.20	23.10	29.70	22.80
Feb-2020	27.25	22.45	27.50	22.15
Mar-2020	22.75	12.95	22.75	12.15

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

Performance of the share price of the Company in comparison to broad-based indices like BSE and Nifty Sensex are given below:

Month & Year	BSE		NSE	
	Price of the Company	BSE SENSEX	Price of the Company	Nifty
Apr-2019	19.90	39,031.55	18.45	11,748.15
May-2019	17.65	39,714.20	17.60	11,922.80
Jun-2019	14.68	39,394.64	13.60	11,788.85
Jul-2019	13.49	37,481.12	12.60	11,118.00
Aug-2019	13.89	37,332.79	12.60	11,023.25
Sep-2019	12.08	38,667.33	12.65	11,474.45
Oct-2019	12.48	40,129.05	11.30	11,877.45
Nov-2019	22.03	40,793.81	22.25	12,056.05
Dec-2019	25.25	41,253.74	25.65	12,168.45
Jan-2020	29.20	40,723.49	29.70	11,962.10
Feb-2020	27.25	38,297.29	27.50	11,201.75
Mar-2020	22.75	29,468.49	22.75	8,597.75

viii) Registrar and Share-Transfer Agents:

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

M/s Venture Capital and Corporate Investments Private Limited,

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

ix) Share transfer System and Dematerialization of Shares:

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

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

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

x) Distribution of Shareholding as on March 31, 2020

STEEL EXCHANGE INDIA LIMITED				
Distribution Details On Face Value FOR THE PERIOD 31/3/2020 INE503B01013				
Nominal Value Number of equity shares	Shareholders		Equity Shares	
	Number of shareholders	shareholders %	No. of Equity Shares held	Shareholding %
Upto - 500	50799	92.28	3375009	4.44
501 - 1000	2236	4.06	1829499	2.41
1001 - 2000	1009	1.83	1520735	2.00
2001 - 3000	350	0.64	886913	1.17
3001 - 4000	120	0.22	434042	0.57
4001 - 5000	113	0.21	538750	0.71
5001 - 10000	158	0.29	1129041	1.49
10001 and above	261	0.47	66270823	87.22
Total	55046	100	75984812	100

Pattern of shareholding by ownership as on 31st March 2020:

Category	No. of shares held	Percentage of shareholding
PROMOTER AND PROMOTER GROUP SHAREHOLDING		
Promoter and Promoter Group		
- Indian Promoters	3,59,45,063	211,504
- Foreign Promoters	211,504	0.28
Sub-Total	3,61,56,567	47.58
PUBLIC SHAREHOLDING		
Mutual Funds and UTI	3537	-
Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	13484	0.01
Central Government/ State Government	3,09,348	0.41
Foreign Body Corporate	30,50,197	4.01
India Public	36,34,62,13	47.83
Non Resident Individuals	10,54,66	0.14
Sub-Total	3,98,28,245	52.42
Total	7,59,84,812	100.00

xii) Dematerialisation of Shares and liquidity:

As on 31st March 2020, 7,20,22,482 equity shares representing 94.78% were held in dematerialized form and 39,62,330 equity shares representing 5.21% 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.

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

As on 31st March 2020, there were no Outstanding GDRs/ADRs/Warrants or any Convertible Instruments of the Company.

No convertible instruments were issued and allotted during the year 2019-20 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) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: **Nil**

xv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: **Nil**

xv) Disclosure of commodity price risks and commodity hedging activities: **NA**

xv) Plant Locations:
1. Power Plant & Steel Ingot Division

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

2. Rolling Division

Simhadri TMT Steels, Plot No 1, I.D.A., 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'/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 Laxmi Nivas, Greenlands, Ameerpet, Hyderabad - 500 016,

Telephone: +91 - 40 - 23403725 Fax: +91 - 40 - 23413267, Email: cs@seil.co.in

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

Place: Visakhapatnam
Date: 02.09.2020

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

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of
The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Steel Exchange India Limited having CIN: L74100AP1999PLC031191 and having registered office at 303, Laxmi Nivas Apts. Hotel Green Park, Greenlands, Hyderabad-500073 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
01	Mr. Satish Kumar Bandi	00163676	01/10/2007
02	Mr. Bandi Ramesh Kumar	00206293	09/02/2015
03	Mr. Suresh Kumar Bandi	00206473	24/02/1999
04	Mr. Suresh Bavineni	00181832	28/02/2000
05	Mr. Veeramachaneni Venkata Krishna Rao	00206884	24/01/2000
06	Mr. Ramineni Ramachandra Rao	00226945	30/01/2006
07	Mr. Kodali Krishnarao	00382726	31/01/2009
08	Mr. Sivaprasad Chivukula	01904785	10/01/2008
09	Ms. Sujata Chattopadhyay	02336683	27/03/2015
10	Mr. Venkata Narayana Reddy Godi	05358117	30/07/2012

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 02.09.2020

For B S S& Associates
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN: A022119B000670360

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, 2020

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

Place: Visakhapatnam
Date: 02.09.2020

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

MD/ CEO AND CFO CERTIFICATE

For FY ended March 31, 2020

(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, 2020 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

Bandi Satish Kumar

Bandi Ramesh Kumar

Date: 02.09.2020

Managing Director

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 2020, 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 Bhavani & Co

Chartered Accountants

Firm Registration No: 012139S

Sd/-

CA. S Kavitha Padmini

Partner

M.No.229966

(UDIN : 20229966AAAACO3851)

Place: Hyderabad

Date: 02.09.2020

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of US China Trade war and Brexit. Going ahead, the 'Great Lockdown', as a result of the pandemic Covid-19, is projected to shrink the global growth in calendar year 2020 and thereafter. (Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Review of the Indian economy

India emerged as the fifth largest world economy in 2019 with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. However, there was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 is estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth is seen at 2%, a 15-year low as against 6.9% growth in FY19.

The disruption from the pandemic CORONAVIRUS (COVID-19) IMPACT: The novel coronavirus (COVID-19) has affected life and livelihood across the globe. By the last week of June 2020, over 9.2 million confirmed cases and over 4,70,000 deaths had been reported on account of COVID-19. The pandemic is estimated to have severely impacted both supply and demand sides of businesses. As production and global trade has been curtailed around the world, many sectors will experience shortage of inputs and a severe consumption slowdown.

Largest synchronized global response: Globally, governments and central banks, especially the G20, have synchronized their fiscal and monetary policy response to the extent of US\$ 19 trillion to cope with the crisis. Emergency lifelines provided include higher spending and foregone revenues (US\$ 3.3 trillion), public sector loans and equity injections (US\$ 1.8 trillion) and guarantees (US\$ 2.7 trillion). The IMF's executive board agreed on a new round of bilateral borrowing to secure its US\$ 1 trillion lending capacity. The Catastrophe Containment and Relief Trust (CCRT) is being increased to US\$ 1.4 billion to ease debt burdens of low-income member nations.

Unprecedented global efforts to create a vaccination: The race to find a vaccine for the new coronavirus is well underway. Governments and researchers are aiming to provide billions of people with immunity in eighteen months or less. As per the latest report (Draft Landscape of COVID-19 Candidate Vaccines - June 22, 2020) by World Health Organization (WHO), there are 13 candidate vaccines in the clinical evaluation stage and 129 in the preclinical evaluation stage.

Government Initiatives for Steel Industry (Source: IBEF)

One of the designated core industries, steel is key to the government's focus on driving growth in the infrastructure segment. Towards this end, the following initiatives have been rolled out in support of the steel industry:

- Implemented Steel Import Monitoring System (SIMS), which aids in monitoring real-time import data on quantity, quality and value; the system helps detect misclassification and mis-declaration regarding over/ under-invoicing, preventing import of defective steel
- Imposed anti-dumping duty on galvalume products, ranging from US\$ 28-200/tonne; imports from China, South Korea and Vietnam are subject to duties.
- To ensure iron ore availability for domestic manufacturing, it introduced a 30% export duty on export of high-grade iron ore (lumps and fines).
- Other measures are underway like the proposed steel scrap policy, safety codes, proposal to reduce royalty to 5% on low grade iron ore fines; Remission of Duties or Taxes on Export Products (RoDTEP) to replace existing Merchandise Export from India Scheme (MEIS); and engagement with international agencies to promote steelintensive design for roads, bridges and commercial and residential housing

Global steel industry

Global crude steel production reached 1,869.9 million tonnes (mt) for the year 2019, up by 3.4% compared to 2018. Crude steel production contracted in all regions in 2019 except in Asia and the Middle East.

Asia produced 1,341.6 Mt of crude steel in 2019, an increase of 5.7% compared to 2018. China's crude steel production in 2019 reached 996.3 Mt, up by 8.3% on 2018. China's share of global crude steel production increased from 50.9% in 2018 to 53.3% in 2019 and continued to remain as the largest steel producer in the world. The EU produced 159.4 Mt of crude steel in 2019, a decrease of 4.9% compared to 2018. Germany produced 39.7 Mt of crude steel in 2019, a decrease of 6.5% on 2018. Italy produced 23.2 Mt in 2019, down by 5.2% on 2018. France produced 14.5 Mt of crude steel, a decrease of 6.1% on 2018. Spain produced 13.6 Mt of crude steel in 2019, a decrease of 5.2% on 2018. Crude steel production in North America was 120.0 Mt in 2019, 0.8% lower than in 2018. The US produced 87.9 Mt of crude steel, up by 1.5% on 2018. The CIS produced 100.4 Mt, a decrease of 0.5%. Russia produced 71.6 Mt of crude steel in 2019, down by 0.7% on 2018. Ukraine produced 20.8 Mt of crude steel in 2019, a decrease of 1.2% compared to 2018. The Middle East produced 45.3 Mt of crude steel in 2019, an increase of 19.2% on 2018. Annual crude steel production for South America was 41.2 Mt in 2019, a decrease of 8.4% on 2018. Brazil produced 32.2 Mt in 2019, down by 9.0% compared to 2018. Turkey's crude steel production for 2019 was 33.7 Mt, down by 9.6% on 2018. Africa produced 17.0 Mt in 2019, down 2.3% on 2018. Oceania produced 6.1 Mt, down 2.9% on 2018. Per capita finished steel consumption in 2018 was at 224.5 kg for world and 590.1 kg for China. The same for India was 73.3 kg in 2018 and 75.7 kg (prov) in 2019.

[Source: wordsteel.org, Ministry of Steel, Government of India]

Indian steel industry

Rapid capacity addition and production growth over the years has helped Indian steel industry to emerge as the second largest steel producer in the world. As per the available provisional figures, India was also the largest sponge iron producer and the third largest steel consumer after China and the US in 2019.

India produced 102.06 Mt of finished steel during 2019-20 against 101.29 Mt of finished steel in 2018-19. Crude steel capacity was 142.98 Mt in 2019-20 (prov.), an increase of around 0.5% over 2018-19.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US\$ 13.40 billion between April 2000 and March 2020.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15 per cent in notified steel products covered under preferential procurement.

India's power sector

The country has made huge strides to ensure full access to electricity, bringing power to more than 700 million people since 2000. It is pursuing a very ambitious deployment of renewable energy, notably solar, and has boosted energy efficiency through innovative programmes such as replacing incandescent light bulbs with LEDs (under the Ujala scheme).

India's installed power capacity stood at 371.05GW as on 30th June 2020. Thermal continues to be the dominant contributor with 62.2% of the total installed capacity. There has been significant growth in the country's renewables segment which now accounts for 23.6% of the total installed capacity as on 30th June 2020. Electricity generation reached 1389.1 billion units (BU) in FY20 against 1376.1 BU (including renewables sources).

Between April 2000 and March 2020, the industry attracted US\$ 14.98 billion in foreign direct investment (FDI), accounting for three per cent of total FDI inflow in India.

The Union Budget 2020-21 has allocated H15,875 crore (US\$ 2.27 billion) to the Ministry of Power and H5,500 crore (US\$ 786.95 million) to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY). To bolster the country's renewable generation capacity, the Government plans to establish additional renewable energy capacity of 500 GW by 2030.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

- With high Agricultural output, least affected rural economy, the Roofing segment in rural is expected to recover fast, post lockdown and consumption expected to revive in pre-monsoon season.
- Health care infrastructure spending in a post-COVID scenario is expected to remain high, and is expected to create new demand in Pre-engineered Building (PEB) segment for isolation centers, hospitals and Government Infrastructure Space.
- Oil and Gas pipelines for city gas distribution and cross country pipelines are witnessing strong demand with several new

projects being launched due to strong government focus. The Renewable Energy sector is likely to revive rapidly in the post-COVID scenario.

- Packaging (drums and barrels) and Container segment demand to remain stable with continuation of growth in exports.

THREATS

- Consumer durables and Appliance sectors are expected to decline significantly in Q1FY21 due to weak sentiments and low buying activities. Slow recovery is anticipated from Q2-Q3FY21 onwards post monsoon.

- The Automotive sector is expected to decline in Q1FY21, due to disruption of production and cessation of retail sales during lockdown. In addition, new launches are expected to be delayed due to negative consumer sentiments

RISKS AND CONCERNS

Steel consumption growth stalled in most economies in the later half of 2018, and the 2017 recovery lost its momentum. Downside risks included increased trade frictions and a weakening global economy. 2019 started off well but due to local and global issues cropping up, looked very similar to 2018 in the world's steel markets as momentum continued to slow from the supercharged year of 2017. The Global finished steel market in 2020 is set to be weighed down by continuation of last year's weaker end-consumption rates co-inciding with outbreak of COVID-19. Global steel consumption y-o-y growth for 2020 has been revised down to 1.1% from initial forecasts of 1.7% while China's steel consumption is expected to stay flat. These downward revisions are largely due to negative impact of COVID-19 along with weak downstream activities in construction and manufacturing sectors. Meanwhile, disruption of supply chains has been the most significant in automotive industry as many countries rely on imported automotive parts from China and a large number of automotive factories are located within China. Traditionally, slower growth in steel consumption has a negative impact on steel prices and this trend will continue in 2020. But there are bright spots coming in the longer term with steel demand expected to rebound in H2 2020 from strong stimulus policies in China for economic recovery and GDP growth after COVID-19.

The steel industry's net leverage and interest coverage are likely to deteriorate in FY20 due to compressed EBITDA margins, due to a drop in net realizations in the face of a demand slowdown and increase in raw material prices. India's steel exports are likely to decline in the next fiscal year due to higher domestic demand from automotive and infrastructure companies. The auto sector has seen one of the worst periods in the last 9 months. Better demands from auto and infra companies are expected in FY21 on a low FY20 base and it has already been observed that restocking had resumed since December 2019. Government's spending on infrastructure will boost the demand further in later half of 2020 once COVID-19 crisis will be over. Upside movement of coking coal prices accompanied with tight domestic market of iron ores, due to license expiry and auctions of mines, will eventually inflate the cost of production. Rising steel and iron ore prices could still help India to become a net exporter.

The growth trajectory of the steel industry has its own set of challenges/ concerns. Presently the biggest concern is with environment which is gradually taking center stage in India. The steel industry is energy intensive and is the second biggest consumer of energy globally. This leads to a higher carbon footprint and also affects the environment. Energy-efficient methods will be the focal point for production of steel. In spite of lowering down of policy repo rate by RBI 5 times and by 135 basis points in 2019 alone, cost of capital in India still remains significantly high and Indian steel makers continue to face a relative disadvantage vis-à-vis their competitors from the developed world. For most Indian steel makers managing logistics requirements in time is really challenging and costly affair. However, Government of India has announced National Infrastructure Pipeline ('NIP') projects / initiatives for 2019-2025 in December 2019 especially for the transportation & logistics sector covering Roads, Railways, Ports and Airports. Achievement of NIP target will likely bring down the transportation and logistics cost in the future.

In FY20, Steel Exchange India Ltd focused on Debt Restructuring with Lenders, ramping-up operations, optimizing cost of production, streamlining logistics and raw material sourcing, improving environment and safety performance parameters, enabling steady performance across key product lines to survive critical business times. Through better financial prudence in working capital and credit management, we consolidated our position in FY20.

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.87.20 crores for the year ended 31st March 2020 compared to Rs. 143.64 crores in the previous year ended 31st March 2019.

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.664.18 crores as against Rs.828.39 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.28.91 crores compared to Rs. 44.78 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 61% PLF compared 68% 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 Authorized 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 Authorized and Paid up share capital of the Company during the year.

2) Reserves and Surplus

For the year ended 31st March 2020, the Reserves and Surplus have increased from Rs. (36.79) crores to Rs.64.16 crores due to the profit transferred from the profit and loss account amounting to Rs. 64.29 crores and Other Comprehensive income of Rs. (0.13) Crs.

3) Secured Loans

There has been a decrease in secured Loans from Rs.990.68 crores to Rs. 984.21 Crores.

4) Unsecured Loans

There has been a decrease in Unsecured Loans from Rs. 30.08 Crores to Rs. 30.00 Crores.

5) Fixed Assets

During the year under review, the Fixed Assets and the total Fixed Assets (net Block) stands at Rs. 665.63 crores as against Rs. 690.70 crores in the previous year.

Operational Performance

1) Income

The income of the Company was Rs.791.42 crores for the year ended 31st March, 2020 as against Rs. 1029.27 crores in the previous year ended 31st March 2019.

2) Direct Cost & Other expenses

The Direct Costs comprising of cost material consumed, changes in inventories of finished goods, stock in trade & work-in-progress and purchases of traded goods was to Rs.611.79 crores for the year as against Rs. 840.57 crores in the previous

year ended 31st March, 2019.

Other expenses comprises of other manufacturing expenses, staff costs, administration and selling & distribution expenses etc. The same was Rs. 109.76 crores for the year ended 31st March 2020 as against Rs. 166.29 crores in the previous year ended 31st March 2019. 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.3.47 Crores representing 0.44% of the turnover as against Rs. 9.96 crores representing 0.97% of the turnover in the previous year.

4) Depreciation

The company has provided a sum of Rs.27.24 crores towards depreciation for the year under review as against Rs.29.62 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. (25.12) lakhs as against Rs. 19.50 crores in the previous year.

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

The operations for the year ended 31st March 2020 have resulted in a Net Profit of Rs. 64.16 crores as against Rs. (36.79) crores Net Loss in the year ended 31st March 2019.

7) Dividend

No Dividend is recommended on the Equity Shares for the year ended 31st March 2020.

8) Key Ratios of the Company

Particulars	F.Y 2019-20	F.Y 2018-19
EBIDTA/Turnover (%)	9	2
EBIDTA/Net interest *	NA	NA
Debt-equity ratio	7.9	14.6
Return on equity (%)	41.26	(40.28)
Book value per share (H)	20.46	12.02
Earnings per share (H)	8.44	(4.84)

* Lenders have stopped charging interest on debts since accounts of the company have been identified as NPA.

Implementation of Debt Resolution Scheme:

As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders.

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, 2020 the total strength of employees is about 738 and in addition with 81 Management Trainees Your Company maintains a cordial relationship with its employees and values the safety of its employees ensuring safe work practices and the Board of Directors and the Management record their appreciation of all its employees for their valuable contribution towards the growth of the Company.

Cautionary Statement

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



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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [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	79,142.15	79,142.15
	2.	Total Expenditure	74,076.57	94,424.57
	3.	Net Profit/(Loss)	6,416.44	(13,931.56)
	4.	Earnings Per Share(in Rs)	8.44	(18.33)
	5.	Total Assets	1,38,715.31	1,38,715.31
	6.	Total Liabilities	1,23,165.27	1,43,513.27
	7.	Net Worth	15,550.04	(4797.96)
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:		
		Basis for Qualified Opinion		
		We draw your attention to note 3.26 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs 203.48 crores on the borrowings of the company for the year ended 31 st March 2020 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 31 st March 2020 would have been Rs 206.95 crores instead of reported amount of Rs 3.47 crores. Total expenses for the year ended 31 st March, 2020 would have been Rs 944.25 crores instead of Rs 740.76 crores. Loss before exceptional items and tax for the year ended 31 st March 2020 would have been Rs 152.82 crores instead of the reported amount of profit Rs 50.66 crores, Loss before Tax for the year ended 31 st March 2020 would have been Rs 164.31 crores instead of the reported amount of profit Rs 39.17 crores, Net Loss after Tax for the year ended 31 st March 2020 would have been Rs 139.18 crores instead of reported amount of profit Rs 64.29 crores. Total comprehensive loss for the year ended 31 st March 2020 would have been Rs 139.32 crores instead of reported amount of profit Rs 64.16 crores and loss per share for the year ended 31 st March 2020 would have been Rs 18.33 instead reported amount of profit Rs 8.44, other equity and other financial liabilities as at 31 st March 2020 would have been Rs 123.96 crores and Rs 114.53 crores instead of reported amount of Rs 79.52 crores and Rs 911.05 crores respectively.		
		The above reported interest has been calculated using simple interest rate.		



SATISH
KUMAR BANDI

Digitally signed by
SATISH KUMAR BANDI
Date: 2020.07.29
13:44:07 +05'30'



	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, 2020, 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: third time / repetitive / since how long continuing.	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company has received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders. Lenders have stopped charging interest on debts since accounts of the company have been identified as Non-Performing Asset. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.421,28,90,502 upto the year ended 31st March, 2020.	
	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	SATISH KUMAR BANDI Digitally signed by SATISH KUMAR BANDI Date: 2020.07.29 13:44:54 +05'30'
	• CFO	BANDI RAMESH KUMAR Digitally signed by BANDI RAMESH KUMAR DN: cn = BANDI RAMESH KUMAR, o = Steel Exchange India Limited, ou = Finance, email = ramesh.bandi@steelexchangeindia.com, c = IN Date: 2020.07.29 13:22:38 +05'30'
	• Audit Committee Chairman	SIVA PRASAD CHIVUKULA Digitally signed by SIVA PRASAD CHIVUKULA Date: 2020.07.29 13:53:17 +05'30'
	• Statutory Auditor	KAVITHA PADMINI SIRIGINA Digitally signed by KAVITHA PADMINI SIRIGINA Date: 2020.07.29 13:53:17 +05'30'
Place: Visakhapatnam Date: 29.07.2020		



INDEPENDENT AUDITORS REPORT

To
The Members of
STEEL EXCHANGE INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s. Steel Exchange India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except the effect of matter referred to in Basis for qualified opinion give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw your attention to note 3.26 to the Ind AS financial statements with regard to non-recognition of interest expenses amounting to Rs. 203.48 crores on the borrowings of the company for the year ended 31st March 2020 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 2020 would have been Rs 206.95 crores instead of reported amount of Rs 3.47 crores. Total expenses for the year ended 31st March, 2020 would have been Rs 944.25 crores instead of Rs 740.76 crores. Loss before exceptional items and tax for the year ended 31st March 2020 would have been Rs 152.82 crores instead of the reported amount of profit Rs 50.66 crores, Loss before Tax for the year ended 31st March 2020 would have been Rs 164.31 crores instead of the reported amount of profit Rs 39.17 crores, Net Loss after Tax for the year ended 31st March 2020 would have been Rs 139.18 crores instead of reported amount of profit Rs 64.29 crores. Total comprehensive loss for the year ended 31st March 2020 would have been Rs 139.32 crores instead of reported amount of profit Rs 64.16 crores and loss per share for the year ended 31st March 2020 would have been Rs 18.33 instead reported amount of profit Rs 8.44, other equity and other financial liabilities as at 31st March 2020 would have been Rs (-)123.96 crores and Rs 1114.53 crores instead of reported amount of Rs 79.52 crores and Rs 911.05 crores respectively.

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

Key audit matters

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

S.No	Key Audit matter
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of INDAS115 "Revenue from contracts with customers"(new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer to Notes and 3.20 to the Standalone Financial Statements</p> <p>Auditor's Response</p> <p>Principal Audit Procedure</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected a sample of continuing and new contracts and performed the following procedures : <ul style="list-style-type: none"> - Read, analyzed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Company. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. <p>We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>
2	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer note no 3.32 to the Standalone Financial Statements</p>

3	Auditor's Response PRINCIPAL AUDIT PROCEDURE <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management .Discussed with the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p>
	Recoverability of Indirect tax receivables <p>As at March 31, 2020, other non current assets include Indirect tax balance receivable amounting to Rs 11,88,79,229 out of which amount of Rs 7,96,93,400 are pending adjudication.</p> <p>Refer Note 3.2 to the Standalone Financial Statements.</p>
	Auditor's Response PRINCIPAL AUDIT PROCEDURE <p>We have verified the relavent documents and records, the sustainability and likelihood of recoverability upon final resolution.</p>

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.(Refer Note: 3.32 b&c)
 - ii. The Company didnot have any long-term contracts including derivative contracts for which there arefor material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For BHAVANI &Co.
Chartered Accountants
Firm Reg. No:012139S

Place :Visakhapatnam
Date : 29-07-2020

(CA S KAVITHA PADMINI)
PARTNER
M.No : 229966
UDIN : 20229966AAAACF9482

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Steel Exchange India Limited of even date)

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

We have audited the internal financial controls over financial reporting of **M/s. Steel Exchange India limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 BHAVANI & Co.
Chartered Accountants
Firm Reg. No:012139S

Place :Visakhapatnam
Date : 29-07-2020

(CA S KAVITHA PADMINI)
PARTNER
M.No : 229966
UDIN : 20229966AAAACF9482

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

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 book records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
2. The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (C) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company's (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained.
7. (a) According to the information and explanations given to us and the records of the company examined by us, the company is regular in depositing undisputed statutory dues including Provident fund, Employee State Insurance, Income tax, sales tax, customs duty, goods and service tax and any other statutory dues as applicable with appropriate authorities. There were arrears of outstanding statutory dues as on last day of the financial year concerned for a period of more than six months from the date on which they become payable.

PARTICULARS	TDS
AUGUST	33,264

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

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount in ₹.	Deposits/ Paid in (₹.)	Forum where the dispute is pending with
CST Act	Sales Tax	2004-05	28,27,172/-	3,53,397/-	CTO, Gajuwaka, Visakhapatnam
CST Act	Sales Tax	2005-06	47,85,829/-	23,92,914/-	STAT, Visakhapatnam
AP VAT Act		2011-12	11,57,334/-	2,89,334/-	
AP VAT	Sales Tax	2019-20	2,32,17,664	42,53,000/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2013-14	11,85,189/-	8,24,678/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2012-13	85,06,000/-	10,63,250/-	ADC APPEAL, Vijayawada
AP VAT Act	Sales Tax	2013-14	1,18,549/-	59,259/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2014-15	2,70,15,203/-	37,09,169/-	Appellate Deputy Commissioner, Visakhapatnam
CST Act	Sales Tax	2013-14	8,16,219/-	NIL	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT Act	Sales tax	2014-15	27,01,520/-	3,37,690/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2012-13	13,94,858/-	3,48,715/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2015-16	31,41,694/-	7,85,424/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2016-17	82,70,573/-	20,67,643/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2017-18	13,19,062/-	1,64,883/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2014-15	57,375/-	7,172/-	STA, Visakhapatnam
AP VAT ACT	Sales tax	2015-16	2,63,227/-	32,904/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2016-17	5,17,834/-	64,730/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2015-16	1,76,43,584/-	2,01,824/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2015-16	44,10,896/-	NIL	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



Name of the Statute	Nature of Dues	Period to which the amount relates	Amount in ₹.	Deposits/ Paid in (₹.)	Forum where the dispute is pending with
Central Excise Act	Excise Duty	2014-15	6,32,86,487/-	3,46,13,208/-	Commissioner of Central Excise, Visakhapatnam.
Customs Act	Customs duty	2012-13	2,18,06,647/-	NIL	Hon'ble Customs, Central Excise & Service Tax- Appellate Tribunal, Telangana
Excise Act	Excise duty	2012-13	7,73,767/-	NIL	Assistant Commissioner of Customs & Central Excise, Visakhapatnam
Excise Act	Excise duty	2014-15 to 2017-18	87,30,013/-	NIL	Commissioner of Central Tax & Customs, (Appeals), Guntur
Excise Act	Excise duty	2015-16	6,90,69,600/-	5,27,20,200/-	Principle Commissioner of Central Excise, Visakhapatnam
Service Tax Act	Service Tax	2013-14 to 2016-17	17,98,12,034/-	NIL	Commissioner of Central tax, Visakhapatnam
Service Tax Act	Service tax	2016-17	1,22,63,893/-	Nil	Additional Commissioner Of central Tax, Visakhapatnam
Service Tax Act	Service tax	2016-17	40,56,569/-	Nil	Additional Commissioner Of central Tax, Visakhapatnam
GST Act	GST	2017-18	69,21,076	NIL	Deputy Commissioner of central Tax, Rajamahendravaram
GST Act	GST	2017-18	16,01,608	NIL	Deputy Commissioner of central Tax, Visakhapatnam

8. According to the records of the company examined by us, the information and explanations given to us, except for loans and borrowings from banks and financial institutions aggregating Rs 591.94 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.

S.No	Name of the Institution/Bank	Nature of dues	Amount of defaults	
			<12 months	>12 Months
1	State Bank of India	Principal & Interest	104.76	274.96
2	Syndicate bank	Principal & Interest	-	26.90
3	Punjab National bank	Principal & Interest	9.66	34.19
4	Bank of India	Principal & Interest	-	19.39
5	Karur Vysya Bank	Principal & Interest	10.59	23.96
6	Lakshmi Vilas Bank	Principal & Interest	10.00	9.66
7	IDBI Bank	Principal & Interest	-	19.92
8	Dhanalaxmi Bank	Principal & Interest	-	12.06
9	Andhra bank	Principal & Interest	-	14.64
10	Canara bank	Principal & Interest	-	21.25
Total			135.01	456.93

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 BHAVANI & Co.
Chartered Accountants
Firm Reg. No:012139S

Place : Visakhapatnam
Date : 29-07-2020

(CA S KAVITHA PADMINI)
PARTNER
M.No : 229966
UDIN : 20229966AAAACF9482

BALANCE SHEET AS AT 31ST MARCH, 2020

PARTICULARS	Note No.	As at 31.03.2020 Amount ₹	As at 31.03.2019 Amount ₹
I. ASSETS			
Non-current assets			
a) Property, Plant and Equipment	3.1	6,656,338,087	6,907,053,023
b) Capital work-in-progress		44,496,533	45,019,734
c) Other non-current assets	3.2	193,179,551	332,232,653
Total non-current assets		6,894,014,170	7,284,305,409
Current assets			
a) Inventories	3.3	5,771,237,357	5,927,860,467
b) Financial assets			
i) Other investments	3.4	-	3,093,439
ii) Trade receivables	3.5	379,922,449	390,232,297
iii) Cash and cash equivalents	3.6.1	255,591,359	9,019,794
iv) Other bank balances	3.6.2	8,216,583	34,311,006
v) Other financial assets	3.7	357,885,387	414,910,077
c) Other current assets	3.8	204,663,808	211,409,093
Total current assets		6,977,516,943	6,990,836,173
Total assets		13,871,531,113	14,275,141,582
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	3.9	759,848,120	759,848,120
b) Other equity	3.10	795,155,715	153,511,535
Total equity		1,555,003,835	913,359,655
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	3.11	1,032,300,000	1,228,103,916
ii) Other financial liabilities	3.12	186,087,500	186,087,500
b) Deferred tax liabilities (net)	3.13	287,910,371	539,161,482
c) Provisions	3.14	17,265,059	12,078,705
Total non-current Liabilities		1,523,562,930	1,965,431,603
Current liabilities			
a) Financial Liabilities			
i) Borrowings	3.15	7,389,496,866	7,447,865,245
ii) Trade payables	3.16	1,089,300,043	1,358,281,816
iii) Other financial liabilities	3.17	2,006,710,616	2,052,831,772
b) Other current liabilities	3.18	306,257,853	536,835,728
c) Provisions	3.19	1,198,971	535,762
Total current liabilities		10,792,964,349	11,396,350,324
Total equity and liabilities		13,871,531,113	14,275,141,582

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

As per our report of even date

For **BHAVANI & CO**

Chartered Accountants

Firm Reg. No:012139S

CA S Kavitha Padmini

Partner

M.No.229966

UDIN : 20229966AAAACF9482

Place: Visakhapatnam

Date : 29.07.2020

for and on behalf of the Board of Directors

B. SATISH KUMAR

Chairman-cum-Managing Director

(DIN : 00163676)

B. SURESH KUMAR

Jt. Managing Director

(DIN : 00206473)

B.RAMESH KUMAR

Jt. Managing Director-cum-Chief Financial Officer

(DIN : 00206293)

M.RAVEENDRA BABU

Company Secretary

M. No. : A34409

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	Note No.	Year Ended 31.03.2020 Amount ₹	Year Ended 31.03.2019 Amount ₹
I Revenue from operations	3.20	7,808,194,459	10,239,413,154
II Other Income	3.21	106,020,517	53,351,775
III Total Income (I+II)		7,914,214,976	10,292,764,929
IV Expenses :			
Cost of materials consumed	3.22	4,970,563,714	6,756,686,999
Purchase of Traded goods	3.23	847,076,013	1,799,805,860
Changes in inventories of finished goods, stock-in-trade and work-in-progress	3.24	300,210,485	(150,786,461)
Employee benefit expenses	3.25	264,455,854	257,381,300
Finance costs	3.26	34,706,167	99,655,420
Depreciation	3.1	272,365,544	296,216,199
Other expenses	3.27	718,278,887	1,338,613,617
Total Expenses (IV)		7,407,656,664	10,397,572,935
V Profit/(loss) before exceptional items and tax (III-IV)		506,558,313	(104,808,005)
VI Less: Exceptional Items	3.28	114,859,588	66,927,741
VII Profit/(loss) before tax (V-VI)		391,698,725	(171,735,746)
VIII Tax expense:			
(1) Current Tax	-		
(2) Deferred Tax	3.29	(251,251,111)	195,051,161
IX Profit/(Loss) for the year (VII-VIII)		642,949,836	(366,786,907)
Other comprehensive income (OCI)			
A) (i) Items that will not be reclassified to profit or loss	3.36.1(E)	(1,897,756)	(1,652,632)
(ii) Income tax relating to items that will not be reclassified to profit or loss		592,100	515,621
X Total Other comprehensive income for the Year (Net of Tax)		(1,305,656)	(1,137,011)
XI Total comprehensive income/(Loss) for the Year (IX+X)		641,644,180	(367,923,918)
XII Earnings per equity share:			
(1) Basic	3.36.4	8.44	(4.84)
(2) Diluted		8.44	(4.84)

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

As per our report of even date
For **BHAVANI & CO**

Chartered Accountants
Firm Reg. No:012139S

CA S Kavitha Padmini
Partner

M.No.229966
UDIN : 20229966AAAACF9482

Place: Visakhapatnam

Date : 29.07.2020

for and on behalf of the Board of Directors

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

B.RAMESH KUMAR
Jt. Managing Director-cum-Chief Financial Officer
(DIN : 00206293)

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

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



Statement of changes in Equity for the year ended 31st March, 2020

Balance at the beginning of the reporting period i.e. April 1, 2018	Note No.	Amount ₹.
Changes in Equity Share Capital during the year 2018-19	4.9	759,848,120
Balance at the end of the reporting period i.e. March 31, 2019		759,848,120
Changes in Equity Share Capital during the year 2019-20		-
Balance at the end of the reporting period i.e. March 31, 2020	4.9	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	Subsidiy	General Reserve	Investment Allowance Reserve	Other items of other comprehensive income	
Balance at the beginning of the reporting period i.e. April 1, 2018	897,823,960	(5,303,577,932)	1,795,077,280	2,313,846,334	753,922,917	5,904,000	1,500,000	56,500,000	1,720,306	(881,412)	521,435,453
a) Profit for the year		(366,786,907)								(1,137,011)	(366,786,907)
b) Total comprehensive income for the year											(1,137,011)
Balance at the end of the reporting period i.e. March 31, 2019	897,823,960	(5,670,364,839)	1,795,077,280	2,313,846,334	753,922,917	5,904,000	1,500,000	56,500,000	1,720,306	(2,018,423)	153,511,535
a) Profit for the year	-	642,949,836	-	-	-	-	-	-	-	(1,305,656)	642,949,836
b) Total comprehensive income for the year											(1,305,656)
Balance at the end of the reporting period i.e. March 31, 2020	897,823,960	(5,027,415,003)	1,795,077,280	2,313,846,334	753,922,917	5,904,000	1,500,000	56,500,000	1,720,306	(3,324,079)	795,155,715

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

As per our report of even date for and on behalf of the Board of Directors

For **BHAVANI & CO**

Chartered Accountants

Firm Reg. No:012139S

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Chairman-cum-Managing Director

(DIN : 00163676)

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(DIN : 00206473)

CA S Kavitha Padmini

Partner

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Place: Visakhapatnam

Date : 29.07.2020

B.RAMESH KUMAR

Jt. Managing Director-cum-Chief Financial Officer

(DIN : 00206293)

M.RAVEENDRA BABU

Company Secretary

M. No. : A34409

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

Particulars	Year Ended 31.03.2020 Amount (₹)	Year Ended 31.03.2019 Amount (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax for the year	391,698,725	(171,735,746)
Adjustment for non cash/ non operational expenses:		
a) Depreciation	272,365,544	296,216,199
b) Bad debts written off and other write offs	185,961,655	565,136,910
c) Finance costs recognised in profit or loss	34,706,167	99,655,420
d) Loss/ (gain) on disposal of property, plant and equipment	977,276	296,525
e) Un realised gain on financial assets	-	(99,394)
Operating profit before working capital changes	885,709,367	789,469,914
Adjustments for working capital changes:		
a) Decrease/(Increase) in Trade Receivables	(42,213,685)	90,566,808
b) Decrease/(Increase) in Inventories	156,623,110	(134,524,082)
c) (Increase)/Decrease in Other non Current Assets	29,039,232	20,802,044
d) (Increase)/Decrease in Other Financial Assets	57,024,690	246,479,196
e) (Increase)/Decrease in Other Current Assets	7,337,385	(3,593,975)
f) Increase/ (Decrease) in Trade Payables	(268,981,774)	392,169,485
g) Increase/ (Decrease) in Other financial liabilities	(231,354,910)	(299,167,436)
h) Increase/ (Decrease) in Other current liabilities	(229,914,665)	(506,826,186)
i) Increase/ (Decrease) in Other non current liabilities	3,288,598	3,273,889
Cash generated from operations	366,557,349	598,649,655
Less: Income taxes paid	-	-
Net Cash Flow from operating activities	366,557,349	598,649,655
B. CASH FLOW FROM INVESTING ACTIVITIES:		
a) Payments for property, plant and equipment	(23,740,949)	(31,592,704)
b) Proceeds from disposal of property, plant and equipment	1,113,065	502,399
c) Realisation of mutual funds	3,093,439	-
d) (Increase)/Decrease in Capital Work in Progress	523,201	3,696,146
Net Cash Flow from investing activities	(19,011,244)	(27,394,159)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
a) Repayment of borrowings	(64,737,187)	(473,922,699)
b) Increase/(Decrease) in Unsecured Loans	(1,531,186)	(3,262,103)
c) Payment of Finance costs	(34,706,167)	(99,655,420)
Net Cash Flow from financing activities	(100,974,540)	(576,840,222)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	246,571,566	(5,584,726)
Cash and cash equivalents at the beginning of the year	9,019,794	14,604,520
Cash and cash equivalents at the end of the year	255,591,359	9,019,794

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

As per our report of even date

for and on behalf of the Board of Directors

For **BHAVANI & CO**

Chartered Accountants
Firm Reg. No:012139S

CA S Kavitha Padmini
Partner

M.No.229966
UDIN : 20229966AAAACF9482

Place: Visakhapatnam

Date : 29.07.2020

B. SATISH KUMAR

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Jt. Managing Director
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M. RAVEENDRA BABU

Company Secretary
M. No. : A34409

Significant Accounting Policies and Notes to Financial Statements

1. Corporate information

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

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

2. Significant accounting policies

2.1 Basis of preparation and Presentation

(a) Basis of measurement

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

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

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgement

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

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

2.2 Summary of significant accounting policies

2.2.1 Fair value measurement

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

2.2.2 Investments in subsidiaries, associates and joint ventures

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

2.2.3 Financial Instruments

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

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following

categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

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

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

(a) Non-derivative financial assets

Financial assets at amortized cost

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

(b) Non-derivative financial liabilities

Financial liabilities at amortized cost

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

2.2.4 Property, Plant and Equipment:

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

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

Building	60 years
Factory Buildings	30 years
Plant and Machinery and Others	15 years
Plant and Machinery (Power Generation)	40 years
Plant and Machinery (Rolling Mill)	20 years

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

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

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

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

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

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

2.2.5 Capital work-in progress:

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

2.2.6 Leases:

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

Where the Company is the lessee

"Effective April 1, 2019, Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise right-of-use assets and lease liabilities for all lease with a term of more than twelve months, unless the underlying asset is of a low value.

As the company is engaged in short term lease contracts, new INDAS 116 has not been adopted.

Where the Company is the Lessor

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

2.2.7 Inventory:

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

2.2.8 Impairment:

(a) Financial Assets

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it

recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

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

(b) Non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated 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").

2.2.9 Employee benefits:

(a) Gratuity & Provident Fund:

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

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

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

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

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

(b) Other Benefits:

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

2.2.10 Provisions:

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

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

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

2.2.11 Revenue recognition:

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

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

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

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

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

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

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

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

Disaggregate revenue information

Revenue from Operations presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 by type of goods or services. Refer table in note no.3.20

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

Trade receivables and contract balances

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

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

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

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

During the year ended March 31, 2020, the Company recognized revenue of Rs.23.74 crore arising from opening unearned revenue as of April 1, 2019.

Performance obligations and remaining performance obligations

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

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

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020, other than those meeting the exclusion criteria mentioned above, is Rs.15.97 crore. Out of this, the Company expects to recognize revenue of around 97% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment; the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18, Revenue instead of Ind AS 115, Revenue from Contracts with Customers on the financials results of the Company for the year ended and as at March 31, 2020 is insignificant.

2.2.12 Finance income and expense

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

2.2.13 Income tax

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

(a) Current income tax

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

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. In view of the unabsorbed depreciation and MAT Credits, the Company has determined that it will continue to recognize tax expense at the existing income tax rate as applicable to the Company.

(b) Deferred income tax

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

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

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

2.2.14 Earnings per share

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

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

2.2.15 Foreign Currency Transactions:

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

2.2.16 Borrowing costs

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

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

Note-3.1: Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the period ended March 31, 2020 are as follows :

	Freehold Land and Roads	Freehold Buildings	Machinery	Electricals	Equipments	Furniture & Fixtures	Vehicles	Roads	Railway Sidings	Total
Gross carrying value as on April 1, 2018	2,002,855,003	2,253,230,414	5,675,737,632	491,017,408	50,719,582	17,586,251	78,831,672	126,515,042	67,562,743	10,764,055,747
Additions	-	3,935,369	27,267,860	-	389,475	-	-	-	-	31,592,704
Deletions	-	-	-	-	-	-	3,197,188	-	-	3,197,188
Gross carrying value as on March 31, 2019	2,002,855,003	2,257,165,783	5,703,005,492	491,017,408	51,109,057	17,586,251	75,634,484	126,515,042	67,562,743	10,792,451,263
Accumulated depreciation as on April 1, 2018	-	452,920,175	2,565,463,341	286,173,982	45,638,298	14,910,619	61,508,569	100,780,716	64,184,605	3,591,580,305
Depreciation	-	71,075,428	145,297,852	54,639,184	984,905	533,105	3,331,296	20,354,429	-	296,216,199
Accumulated depreciation on deletions	-	-	-	-	-	-	2,398,265	-	-	2,398,265
Accumulated depreciation as on March 31, 2019	-	523,995,604	2,710,761,193	340,813,166	46,623,203	15,443,724	62,441,601	121,135,145	64,184,605	3,885,398,240
Gross carrying value as on April 1, 2019	2,002,855,003	2,257,165,783	5,703,005,492	491,017,408	51,109,057	17,586,251	75,634,484	126,515,042	67,562,743	10,792,451,263
Additions	-	397,792	22,912,644	194,915	180,162	55,436	-	-	-	23,740,949
Deletions	-	-	-	-	-	-	4,874,258	-	-	4,874,258
Gross carrying value as on March 31, 2020	2,002,855,003	2,257,563,575	5,725,918,136	491,212,323	51,289,218	17,641,687	70,760,226	126,515,042	67,562,743	10,811,317,954
Accumulated depreciation as on April 1, 2019	-	523,995,604	2,710,761,193	340,813,166	46,623,203	15,443,724	62,441,601	121,135,145	64,184,605	3,885,398,240
Depreciation	-	71,452,756	142,088,547	55,838,364	818,178	520,754	1,626,945	-	-	272,365,544
Accumulated depreciation on deletions	-	-	-	-	-	-	2,783,917	-	-	2,783,917
Accumulated depreciation as on March 31, 2020	-	595,448,359	2,852,849,741	396,671,531	47,441,381	15,964,478	61,284,628	121,135,145	64,184,605	4,154,979,867
Carrying value as on March 31, 2020	2,002,855,003	1,662,115,216	2,873,068,396	94,540,792	3,847,837	1,677,209	9,475,598	5,379,897	3,378,138	6,656,338,087
Carrying value as on March 31, 2019	2,002,855,003	1,733,170,179	2,992,244,299	150,204,242	4,485,853	2,142,527	13,192,883	5,379,897	3,378,138	6,907,053,023

	Amount ₹. As at 31/03/2020	Amount ₹. As at 31/03/2019
Note-3.2: OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Capital Advances	6,902,993	8,745,083
Security Deposits	61,081,165	73,339,941
Other Receivables	1,312,789	12,518,989
Indirect Tax Balances	118,879,229	227,621,894
Deferred Revenue expenditure	5,003,375	10,006,746
	193,179,551	332,232,653
Note-3.3: INVENTORIES		
Raw Material	3,760,487,977	3,569,990,298
Finished Goods	1,888,550,593	2,188,761,078
Consumables	78,414,333	68,498,634
Stores & Spares	43,784,454	65,007,072
Stock in transit of Raw material	-	35,603,385
	5,771,237,357	5,927,860,467
Disclosure:		
The above inventories includes ₹.461,16,89,219 (₹.202,47,81,881) of material which are expected to be consumed / recovered beyond a period of 12 months.		
Note-3.4: CURRENT INVESTMENTS		
Investments carried at fair value through profit or loss		
Investments in mutual funds (Fixed maturity plans securities)	-	3,093,439
	-	3,093,439
Note-3.5: TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date of payment	378,733,462	584,859,591
Other trade receivables	259,048,092	108,699,352
	637,781,554	693,558,943
Less: Provision for bad & doubtful receivables	257,859,105	303,326,646
Total:	379,922,449	390,232,297
Break-up security details:		
i) Unsecured considered good	379,922,449	390,232,297
ii) Doubtful	257,859,105	303,326,646
Disclosure:		
Includes dues from companies where directors are interested	Nil	Nil
Note-3.6: CASH AND CASH EQUIVALENTS		
(1) Cash and Cash Equivalents		
a) Balances with banks - In Current Accounts	255,110,931	7,477,377
b) Cash on Hand	480,428	1,542,416
	255,591,359	9,019,794

	Amount ₹. As at 31/03/2020	Amount ₹. As at 31/03/2019
(2) Other Bank Balances		
a) In deposit accounts - Held as Margin Money	8,216,583	34,311,006
	8,216,583	34,311,006
	263,807,942	43,330,800

Disclosures:

Cash and Cash equivalents as of March 31, 2020 and March 31, 2019 includes restricted cash balances of ₹.82,16,583 and ₹.3,43,11,006 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. Bank balances also includes a sum of Rs. 22,00,00,000 paid into no-lien account as part of the OTS offer made to the Lenders.

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

Note-3.7: OTHER FINANCIAL ASSETS

Advances For Purchases & Works	322,981,604	374,077,975
Advance for expenses	12,151,827	16,146,704
Other Advances*	22,751,955	24,685,398
	357,885,387	414,910,077

Disclosure:

* Includes dues from companies where directors are interested	194,792	194,792
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Note-3.8: OTHER CURRENT ASSETS

Advance Tax and Tax Deducted at Source	13,077,672	18,106,626
MAT Credit Entitlement	153,973,013	153,973,013
State Govt incentives receivable (Sales Tax)	36,640,152	36,640,152
Prepaid Expenses	972,971	2,689,301
	204,663,808	211,409,093

Disclosures:

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

	Amount ₹. As at 31/03/2020	Amount ₹. As at 31/03/2019
Note-3.9: SHARE CAPITAL		
Equity share capital		
(i) Authorized		
Equity shares, of ₹.10 par value 25,80,00,000 equity shares	2,580,000,000	2,580,000,000
Preference shares of ₹.10 par value 7,40,00,000 preference shares	740,000,000	740,000,000
	3,320,000,000	3,320,000,000
(ii) Issued , Subscribed and fully paid up		
Equity shares of ₹.10 par value 7,59,84,812 equity shares	759,848,120	759,848,120
	759,848,120	759,848,120

Rights, Preferences and restrictions attached to Equity Shares:

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

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

Name of the Shareholder	As at March 31, 2020	
	No. of Shares	% held
Equity shares with voting rights:-		
i. Umashiv Garments Private Ltd.	20,789,115	27.36
ii. Vizag Profiles Private Limited	5,763,650	7.58
iii. Quality Steel Shopee Private Limited	4,250,000	5.59

	Amount ₹. As at 31/03/2020	Amount ₹. As at 31/03/2019
Note-3.10: OTHER EQUITY		
a) Capital Reserve		
Opening Balance	1,795,077,280	1,795,077,280
Additions during the Year	-	-
Closing Balance (A)	1,795,077,280	1,795,077,280
b) Revaluation Reserve		
Opening Balance	2,313,846,334	2,313,846,334
Addition due to adoption of fair value approach as per Ind AS		
Closing Balance (B)	2,313,846,334	2,313,846,334
c) Amalgamation Reserve		
Opening Balance	753,922,917	753,922,917
Additions during the Year		
Closing Balance (C)	753,922,917	753,922,917

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
d) Capital Redemption Reserve		
Opening Balance	5,504,000	5,504,000
Transfer from Statement of Profit & Loss		
Closing Balance (D)	5,504,000	5,504,000
e) Subsidy		
Opening Balance	1,500,000	1,500,000
Additions during the Year		
Closing Balance (E)	1,500,000	1,500,000
f) General Reserve		
Opening Balance	56,500,000	56,500,000
Transferred from Statement of Profit and Loss		
Closing Balance (F)	56,500,000	56,500,000
g) Securities Premium Account		
Opening Balance	897,823,960	897,823,960
Premium on shares issued during the year		
Closing Balance (G)	897,823,960	897,823,960
h) Investment Allowance Reserve		
Opening Balance	1,720,306	1,720,306
Additions during the Year		
Closing Balance (H)	1,720,306	1,720,306
i) Surplus in Statement of Profit and Loss		
Opening Balance	(5,670,364,839)	(5,303,577,932)
Add: Profit for the year	642,949,836	(366,786,907)
Closing Balance (I)	(5,027,415,003)	(5,670,364,839)
Total (a+b+c+d+e+f+g+h+i)	798,479,794	155,529,958
Other Comprehensive Income		
Opening	(2,018,423)	(881,412)
Defined benefit plan-Gratuity fund	1,897,756	(1,137,011)
Total:	(120,667)	(2,018,423)
Total Comprehensive Income	798,359,127	153,511,535
Note-3.11: BORROWINGS		
Non-current:		
Secured		
- Term Loans from banks	732,300,000	927,300,000
Unsecured		
- Term Loans from others	300,000,000	300,000,000
- Vehicle Hire Purchase Loans	-	803,916

	Amount ₹. As at 31/03/2020	Amount ₹. As at 31/03/2019
Current:	1,032,300,000	1,228,103,916
Secured		
- Term Loans from banks	1,720,281,887	1,531,650,694
Unsecured		
- Vehicle Hire Purchase Loans	764,634	1,491,904
	1,721,046,521	1,533,142,598
	2,753,346,521	2,761,246,514
Disclosure:		
Includes dues to companies where directors are interested (Term Loan from others under unsecured)	100,000,000	100,000,000

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

Nature of Security

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

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

The terms of repayment of term loans are stated below As at March 31, 2020

Banker/Financer	Terms of repayment
Corporate Term Loans	
State Bank of India outstanding as on 31.03.2020 of ₹.5,99,74,532 (Previous year: ₹.5,99,74,532)	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 31.03.2020 of ₹.36,17,82,934 (Previous year: ₹.36,17,82,934)	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 31.03.2020 of ₹.6,80,35,819 (Previous year: ₹.7,25,41,227)	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 31.03.2020 of ₹.10,49,45,821 (Previous year: ₹.10,53,22,219)	Repayable in 10 quarterly installments commencing from April, 2015. Last installment due in July 2017 Rate of interest 14.50% p.a. as at year end.

Banker/Financer	Terms of repayment
Term Loans State Bank of India (e-SBBJ) outstanding as on 31.03.2020 of ₹.1,22,42,403 (Previous year: ₹.1,22,42,403)	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 31.03.2020 of ₹. 2,23,34,970 (Previous year: ₹. 2,23,34,970)	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-SBT) outstanding as on 31.03.2020 of ₹. 1,41,05,099 (Previous year: ₹. 1,41,05,099)	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 31.03.2020 of ₹.39,84,45,246 (previous year: ₹.39,84,45,246)	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 31.03.2020 of ₹.41,94,89,819 (previous year: ₹.41,94,89,819)	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 31.03.2020 of ₹.29,49,49,744 (previous year: ₹.29,49,49,744)	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 31.03.2020 of ₹.29,48,14,004 (previous year: ₹.29,48,14,004)	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.
Punjab National Bank outstanding as on 31.03.2020 of ₹.39,02,32,229 (previous year: ₹.39,17,19,486)	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, 2020:

(Amount in ₹)

Borrowings	Principal Repayable in		
	1-2 Years	2-3 Years	Above 3 Years
Term Loans from others	-	100,000,000	200,000,000
Hire Purchase Loans	764,634	-	-

Installments falling due in respect of all the above Loans for a period of 12 months have been grouped under "Current maturities of long-term debt" (Refer Note 3.17)

"As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company has received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders. "Lenders have stopped charging interest on debts since accounts of the company have been identified as Non-Performing Asset. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.421,28,90,502 upto the year ended 31st March, 2020."

The Company has defaulted in the Servicing of debts. The details of continuing defaults as at 31st March 2020 are as follows:

Particulars	Upto 3 months		More than 3 months upto 12 months	
	Principal	Interest	Principal	Interest
State Bank of India	48,750,000	-	205,050,000	-
	(77,450,000)	-	(228,750,000)	(21,271,407)
Punjab National Bank	13,750,000	-	41,250,000	-
	(12,500,000)	-	(30,579,025)	-
Karur Vysya Bank Ltd	-	2,944,778	-	11,784,381
	-	-	(21,200,000)	(1,333,201)
Lakshmi Vilas Bank Ltd	-	5,550,263	-	15,088,660
	-	(4,748,192)	(110,000,000)	(35,410,242)
Total	62,500,000	8,495,041	246,300,000	26,873,041
	(89,950,000)	(4,748,192)	(390,529,025)	(58,014,850)

Particulars	More than 12 months		Total	
	Principal	Interest	Principal	Interest
State Bank of India	4,287,600,539	92,715,130	4,541,400,539	92,715,130
	(3,880,357,318)	(71,443,723)	(4,186,557,318)	(92,715,130)
Syndicate Bank	655,020,288	303,605,330	655,020,288	303,605,330
	(655,020,288)	(189,826,452)	(655,020,288)	(189,826,452)
Punjab National Bank	434,792,292	-	489,792,292	-
	(319,279,023)	-	(362,358,048)	-
Bank of India	487,685,955	54,612,740	487,685,955	54,612,740
	(487,685,955)	(56,117,236)	(487,685,955)	(56,117,236)
Karur Vysya Bank Ltd	375,144,260	329,352,159	375,144,260	344,081,318
	(353,944,260)	(244,161,198)	(375,144,260)	(245,494,399)
Lakshmi Vilas Bank Ltd	210,000,000	74,461,050	210,000,000	95,099,973
	(100,000,000)	(9,558,973)	(210,000,000)	(49,717,407)
IDBI Bank Ltd	372,176,632	228,397,693	372,176,632	228,397,693
	(372,176,632)	(91,079,838)	(372,176,632)	(91,079,838)
Dhanlaxmi Bank Ltd	183,945,534	85,248,337	183,945,534	85,248,337
	(183,945,534)	(50,237,345)	(183,945,534)	(50,237,345)
Andhra Bank	260,519,636	178,439,012	260,519,636	178,439,012
	(260,519,636)	(107,907,210)	(260,519,636)	(107,907,210)
Canara Bank	449,126,619	195,792,099	449,126,619	195,792,099
	(449,126,619)	(98,664,298)	(449,126,619)	(98,664,298)
Total	7,716,011,755	1,542,623,549	8,024,811,755	1,577,991,631
	(7,062,055,265)	(918,996,273)	(7,542,534,290)	(981,759,315)

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

(ii) Figures in brackets in the above table relates to previous years ended 31st March 2019.

Note-3.12: OTHER FINANCIAL LIABILITIES

	Amount ₹. As at 31/03/2020	Amount ₹. As at 31/03/2019
Non-current:		
Non-convertible	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 allotted on January 27, 2016, to the 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 Telangana and for the state of Andhra Pradesh. The shares are redeemable on January 26, 2023 at ₹. 10 per share.

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.

	Amount ₹. As at 31/03/2020	Amount ₹. As at 31/03/2019
Note-3.13: DEFERRED TAX LIABILITY (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	539,161,482	344,110,321
Charge/(credit) to Statement of Profit and Loss (Refer note:3.29)	(251,251,111)	195,051,161
	287,910,371	539,161,482

Components of Deferred tax liabilities/ (asset):

Deferred tax liabilities/(asset) in relation to:	Opening	Movement	Closing
Property, plant and equipment	854,354,209	5,153,642	859,507,851
Financial Assets	874,586	(535,653)	338,933
Provisions	44,017,504	18,735,509	62,753,013
Tax Losses/credits	(360,084,817)	(274,604,609)	(634,689,426)
Total:	539,161,482	(251,251,111)	287,910,371

Note-3.14: PROVISIONS (NON-CURRENT)

Employee Benefits:

Provision for Gratuity and others	17,265,059	12,078,705
	17,265,059	12,078,705

Note-3.15: BORROWINGS

Secured

Working Capital Loan from Banks	7,389,496,866	7,447,865,245
	7,389,496,866	7,447,865,245

Disclosure:

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

Note-3.16: TRADE PAYABLES

Current:

Micro and Small Scale Enterprises	22,907,002	8,950,809
Others (*)	1,066,393,041	1,349,331,007
	1,089,300,043	1,358,281,816

Disclosures:

(*) Others includes dues to companies where directors are interested	39,211,989	271,412,207
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As at March 31, 2020 there are ₹.2,28,49,952 overdues payable to micro and small enterprises (previous year ₹.89,50,809). The interest outstanding is ₹.7,84,427 (Previous year ₹.3,60,281) on the same. (Note: 3.31)

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

	Amount ₹. As at 31/03/2019	Amount ₹. As at 31/03/2018
Note-3.17: OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debt (Note:3.11)	1,721,046,521	1,533,142,598
Payables for Capital goods	10,488,813	13,888,729
Security Deposits	4,212,937	3,411,896
Other Current Liabilities(*)	173,743,476	252,333,928
Payable for Expenses (**)	97,218,870	250,054,622
	2,006,710,616	2,052,831,772

Disclosures:

(*) Other Current Liabilities includes dues to companies where directors are interested

- 99,828,402

(**) Payable for Expenses includes dues to companies where directors are interested

16,511,103 145,373,189

Note-3.18- OTHER CURRENT LIABILITIES

Statutory remittances	117,218,774	267,576,052
Unearned Revenue	159,785,727	237,489,458
Payables to Employees	28,048,167	30,565,033
Others	1,205,185	1,205,185
	306,257,853	536,835,728

Note-3.19: PROVISIONS (CURRENT)

Employee Benefits:

Provision for Gratuity and others

1,198,971 535,762

1,198,971 535,762

	Amount ₹. Year Ended 31/03/2020	Amount ₹. Year Ended 31/03/2019
--	---------------------------------------	---------------------------------------

Note-3.20: REVENUE FROM OPERATIONS

Sale of Products	6,675,885,725	8,283,892,253
Sale of Energy	290,473,803	515,829,402
Sale of Traded Goods	872,039,149	1,436,415,278
Discount	(34,124,338)	(20,669,099)
Operating revenue	7,804,274,339	10,215,467,834

Other Operating revenue

Sales Incentives	3,920,120	23,945,320
	3,920,120	23,945,320
	7,808,194,459	10,239,413,154

	Amount ₹. Year Ended 31/03/2020	Amount ₹. Year Ended 31/03/2019
Disaggregation of Revenue:		
Finished Goods Sold		
Rebar & Wires	4,940,415,366	5,887,059,598
Billets & Ingots	1,420,730,404	1,886,181,251
Sponge iron	2,068,344	7,596,522
Steel Scrap & Structural	12,688,735	34,788,581
Coal & Coal fines	364,121	7,190,175
Iron Ore & Iron Ore Fines	236,733,742	420,459,344
Mill Scale and Others	28,760,676	19,947,684
	6,641,761,387	8,263,223,154
Energy		
Power	290,473,803	515,829,402
	290,473,803	515,829,402
Trading Goods Sold		
Rebar, Wire & Wire Rod Coils	724,283,727	1,371,441,379
Billets & Ingots	10,774,225	-
Pig Iron & Scrap	713,543	-
Structurals & Others	61,155,414	39,728,103
Gas Sales	75,112,240	25,245,796
	872,039,149	1,436,415,278
Note-3.21: OTHER INCOME		
a) Interest income:		
Bank margin money and others	2,048,021	12,986,700
b) Other non-operating income:		
Lease Rental Income	7,421,244	10,334,348
c) Other gains and loss:		
Gain/(loss) on disposal of property, plant and equipment	935	-
d) Gain on financial assets:		
Unrealised Gain	-	99,394
e) Other receipts		
a) Other receipts	23,894,271	29,931,334
b) Reversal of GST Interest	72,656,046	-
	106,020,517	53,351,775
Note-3.22: COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Balance	3,569,990,298	3,590,946,039
Purchases	5,161,061,393	6,735,731,258
	8,731,051,690	10,326,677,297
Less: Closing Stock (**)	3,760,487,977	3,569,990,298
Cost of Materials Consumed (#)	4,970,563,714	6,756,686,999

	Amount ₹. Year Ended 31/03/2020	Amount ₹. Year Ended 31/03/2019
# Details of Materials Consumed		
Sponge Iron	32,672,875	234,288,978
Scrap	698,079,243	1,095,942,542
Pig Iron	477,507,360	583,778,979
Coal /Coal fines	1,696,618,315	2,070,197,073
Iron ore	1,417,863,091	1,445,939,486
Ferro Shots	250,699,958	459,547,076
Lime Stone	287,678	24,254,369
Pellets	198,356,672	389,334,085
Pooled Iron	152,982,327	443,202,568
Billet	4,370,583	-
Others	41,125,611	10,201,842
	4,970,563,714	6,756,686,999
** Details of Closing Stock of Raw Materials:		
Scrap	699,370,796	519,292,537
Iron Ore & Iron ore fines	27,509,101	15,433,542
Coal/Coal fines	2,886,427,902	2,879,045,272
Pig Iron	69,090,891	69,114,656
Iron Ore (Acce)	62,612,674	62,612,674
Lime Stone	488,906	287,678
Others	3,481,169	23,531,003
Pellets	654,388	672,936
Billet	10,852,150	-
	3,760,487,977	3,569,990,298
Note-3.23: PURCHASE OF TRADED GOODS		
Rebar, Wire & Wire Rod Coils	727,813,523	1,742,331,374
Billets,Blooms & ingots	10,499,972	-
Pig Iron & Scrap	-	218,385
Structurals	59,832,726	40,339,348
Gas	48,929,791	16,916,753
	847,076,013	1,799,805,860
Note-3.24: CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS:		
Inventories (at close)		
Finished Goods	1,180,894,351	1,492,224,441
Traded Goods	707,656,242	696,536,637
	1,888,550,593	2,188,761,078
Inventories (at commencement)		
Finished Goods	1,492,224,441	1,647,050,233
Traded Goods	696,536,637	390,924,385
	2,188,761,078	2,037,974,617
(Increase)/Decrease in Stock (A-B)	300,210,485	(150,786,461)

Details of inventory	Amount in ₹. Year Ended 31/03/2020		Amount in ₹. Year Ended 31/03/2019	
	Manufacturing	Trading	Manufacturing	Trading
Rebar & Wires	121,950,634	387,637,628	405,640,006	375,354,652
Billets & Ingots	306,702,232	-	310,999,083	
Sponge iron	446,305,704	-	462,280,819	
Pig iron & Scrap	-	320,018,615	-	321,181,985
Steel Scrap	278,349,660	-	275,974,142	
Mill Scale and Others	14,514,872	-	23,951,623	
Slag	13,071,248	-	13,378,767	
	1,180,894,351	707,656,242	1,492,224,441	696,536,637

	Amount ₹. Year Ended 31/03/2020	Amount ₹. Year Ended 31/03/2019
Note-3.25: EMPLOYEE BENEFITS		
Salaries, Wages & Bonus	245,221,521	236,086,612
Contributions to Provident Fund and other funds		
Provident Fund & DLI	6,018,552	6,486,542
Pension Fund	4,175,067	4,174,562
Group Gratuity Fund	5,004,691	2,746,250
Staff welfare	4,036,023	7,887,334
	264,455,854	257,381,300

Note-3.26: FINANCE COSTS

Interest Expenses on:

- Others

Bank Charges & Commission

33,211,845	91,836,746
1,494,322	7,818,674
34,706,167	99,655,420

Note-3.27: OTHER EXPENSES
a) Manufacturing Expenses:

Stores, Spares & Consumables

Power & Fuel

Gas charges

Repairs & Maintenance

Factory Maintenance

Freight Charges

Loading & Unloading Charges

Transmission Charges

Contract Charges

374,224,680	508,622,361
3,353,761	5,360,705
6,039,004	72,721,781
13,423,346	29,445,655
2,406,109	4,644,727
4,486,553	10,440,204
831,218	3,453,747
23,208,829	23,332,785
62,487,379	69,922,848

	Amount ₹. Year Ended 31/03/2019	Amount ₹. Year Ended 31/03/2018
Labour Charges	652,530	1,185,188
Other Manufacturing expenses	43,843,509	34,818,409
b) Other Operational Expenses:		
Legal & professional Charges	25,173,459	15,583,881
Rent, Hire and Rates & Taxes	41,001,204	37,615,778
Insurance	2,494,475	3,697,973
Payment to Auditors		
As Auditors	4,500,000	4,500,000
For Tax Audit	500,000	900,000
For Tax representation	450,000	450,000
For Certification & Others	450,000	1,050,000
CSR Expenses	1,379,005	1,476,032
Selling & Distribution Expenses	3,321,345	3,179,084
Provision for doubtful debts	(45,467,541)	(89,839,466)
General Charges (#)	65,736,164	74,320,748
Loss on sale of assets	977,276	296,525
Exchange Fluctuation Loss (Net)	11,704,514	9,940,747
Bad Debts Written Off	71,102,067	510,861,622
Prior period Expenses (Net)	-	632,283
	718,278,887	1,338,613,617
#General Charges Includes:		
Office Maintanance	6,381,708	6,241,053
Electricity charges	2,000	177,118
Postage & Telephone	1,063,413	1,185,516
Printing & Stationary	900,657	840,519
Freight & Handling Charges	28,470,392	27,517,358
Yard Expenses	390,140	86,833
Vehicle Maintanance	4,563,715	7,414,458
Security Charges	7,158,516	9,287,804
Miscl. Expenses	3,600,779	2,831,078
Fees and Licence	4,330,168	3,068,490
Business Promotion	1,165,508	3,442,238
Donations	801,085	157,000
Travelling & Conveyance	6,908,083	12,071,283
	65,736,164	74,320,748
Note-3.28: EXCEPTIONAL ITEMS		
Clean Energy Cess written off	114,859,588	66,927,741
	114,859,588	66,927,741

Note-3.29: DEFERRED TAX

Decrease/(increase) in deferred tax assets	(269,986,620)	29,545,329
(Decrease)/increase in deferred tax liabilities	18,735,509	165,505,832
Total deferred tax expenses/(benefit)	(251,251,111)	195,051,161

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

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

Particulars	31st March 2020	31st March 2019
i. (a) The principal amount remaining unpaid to the supplier as at the end of the year.	228.50	89.50
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	7.84	3.60
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
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.84	3.60
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

3.32 Contingent liabilities and commitments to the extent not provided for

Contingent Liabilities	Amount (₹) 31st March 2020	Amount (₹) 31st March 2019
a) Claim against the company by GAIL not acknowledge as debt	1,84,07,569	1,84,07,569
b) Demands from Sales tax department disputed	10,93,49,752	9,81,01,607
c) Demands from Excise departments disputed	39,21,18,966	50,41,76,101
d) Demands from GST departments disputed	85,22,684	Nil
e) Others	8,20,27,584	4,02,11,281
f) Letters of credit and bank guarantees	Nil	79,20,000

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

- 3.33** As part of debt resolution, lenders under Consortium agreed for settlement of dues of the company under One Time Settlement Scheme (OTS). Till date, the company received sanctions from majority of lenders including lead bank i.e., SBI constituting 77.89% of the compromise offer. The company is actively pursuing sanctions from remaining lenders. Lenders have stopped charging interest on debts since accounts of the company have been identified as Non-Performing Asset. The amount of such accrued and unpaid interest (including penal interest and other charges) not provided for is estimated at Rs.421,28,90,502 upto the year ended 31st March, 2020.

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

Particulars	Amount (₹) 31st March 2020	Amount (₹) 31st March 2019
Raw Materials	Nil	Nil
Components and Spares	Nil	6,97,824

- 3.35 Expenditure in foreign currency:**

Particulars	Amount (₹) 31st March 2020	Amount (₹) 31st March 2019
Raw Materials	Nil	1,97,35,253
Components and Spares	Nil	6,97,824
Travelling	Nil	5,17,695
Others	Nil	5,53,943
Total	Nil	2,15,04,715

- 3.36 Disclosure under Accounting Standards:**

3.36.1 Employee Benefits as per Ind-AS 19:

Defined benefit plan-Gratuity:

Particulars	31st March 2020 Value in ₹	31st March 2019 Value in ₹
A. Changes in the present value of the Obligation		
Present value of obligation at the beginning of the year	1,56,05,977	1,31,68,092
Interest cost	11,74,898	9,08,177
Current service cost	23,79,747	21,09,665
Past service cost	-	-
Benefits paid/payable	(12,86,152)	(28,69,083)
Actuarial gain/loss on obligation	17,94,055	22,89,126
Present value of obligation at the end of the year	1,96,68,525	1,56,05,977
B. Changes in the fair value of the Plan assets		
Fair value of plan assets at the beginning of the year	29,91,510	49,52,507
Expected return on plan assets	(5,00,863)	9,08,086
Contributions	-	-
Benefits paid/payable	(12,86,152)	(28,69,083)
Fair value of plan assets at the end of the year	12,04,495	29,91,510

Particulars	31st March 2020 Value in ₹	31st March 2019 Value in ₹
C. Amounts recognized in the Balance Sheet as on		
Present value of the obligations at the end of the year	1,96,68,525	1,56,05,977
Fair value of plan assets at the end of the year	12,04,495	29,91,510
Liabilities(+)/Asset(-) recognized in the balance sheet	(1,84,64,030)	(1,26,14,467)
D. Amounts recognized in the Statement of P&L for the year ended		
Current service cost	23,79,747	21,09,665
Past service cost	-	-
Interest cost	9,34,319	6,35,937
Net actuarial gain/loss recognized in the year	33,14,066	27,45,602
E. Other Comprehensive Income (OCI)		
Actuarial(Gain)/Loss recognized for the period	17,94,055	22,89,129
Return on Plan Assets excluding net interest	1,03,701	(6,36,494)
Total Actuarial(Gain)/Loss recognized in OCI	18,97,756	16,52,632
F. Principal Actuarial Assumptions:		
Description	2019-20	2018-19
Mortality	IALM (2012-14)Ult	IALM (2006-08)Ult
Interest/Discount Rate	6.77%	7.66%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	15.23	16.02

G. Sensitivity Analysis

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	1,78,29,917	2,18,15,964	2,18,15,309	1,77,99,924

H. Asset Information

	Target Allocation			
	2019-20		2018-19	
	Total Amount	%	Total Amount	%
Debt Security-Government Bond	Nil	Nil	26,48,097	88.55%
Equity Securities- Corporate Debt Securities	Nil	Nil	2,22,793	7.45%
Other Insurance contracts	Nil	Nil	1,19,620	4.00%
Gratuity Fund (SBI Life Insurance Co.Ltd)	12,04,495	100.00%		
Total Itemized Assets	12,04,495	100.00%	29,90,510	100.00%

I. Asset Liability Comparisons:

Year	31.03.16	31.03.17	31.03.18	31.03.19	31.03.2020
PVO at end of period	29,20,642	1,23,98,438	1,31,68,092	1,56,05,977	1,96,68,525
Plan Assets	7,88,751	66,16,772	49,52,507	29,91,510	12,04,495
Surplus/(Deficit)	(21,31,891)	(57,81,666)	(82,15,585)	1,26,14,467	(1,84,64,030)
Experience adjustments on plan assets	-	81,303	56,384	6,36,494	(1,03,701)

I. Narrations
1. Analysis of Defined Benefit Obligation:

- ä The number of members under the scheme has decreased by 6.45%.
- ä The total salary has decreased by 1.05% during the accounting period.
- ä The resultant liability at the end of the period over the beginning of the period has increased by 26.03%.

2. Expected rate of return basis

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

3. Description of Plan Assets and Reimbursement Conditions:

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

4. Investment / Interest Risk:

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

5. Longevity Risk:

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

6. Risk of Salary Increase:

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

7. Discount Rate:

The discount rate has decreased from 7.66% to 6.77%and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

3.36.2 Segment Reporting as per Ind-AS 108:
A) Basis for segmentation

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

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

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

(B) Information about reportable segments

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



Reportable Segments
(Amount(₹) in lakhs)

Particulars	Iron and Steel		Power		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.REVENUE								
External Sales	75,177.21	97,235.84	2,904.74	5,158.29	-	-	78,081.95	1,02,394.13
Inter-Segment Sales	5,511.26	11,009.77	53.22	8,493.06	(5,564.48)	(19,502.83)	-	-
Total Revenue	80,688.47	1,08,245.61	2,957.96	13,651.35	(5,564.48)	(19,502.83)	78,081.95	1,02,394.13
2.RESULT								
Segment Result	6,253.84	(265.33)	(841.20)	(455.47)	-	-	5,412.64	(720.80)
Finance Cost	259.26	946.68	87.81	49.87	-	-	347.07	996.55
Exceptional & Extra ordinary expenses	1,148.60	669.28	-	-	-	-	1,148.60	669.28
Income Taxes	-	-	-	-	-	-	(2,512.51)	1,950.51
Net profit	-	-	-	-	-	-	6,429.48	(3,667.87)
3.OTHER INFORMATION								
Segment Assets	1,12,833.04	1,15,811.08	25,882.27	26,940.33	-	-	1,38,715.31	1,42,751.41
Segment Liabilities	90,640.14	98,191.51	17,289.51	15,771.99	-	-	1,07,929.65	1,13,963.50
Additions to assets during the year	222.74	298.75	14.67	17.18	-	-	237.41	315.93
Depreciation and Amortisation expenses during the year	1,655.63	1,900.86	1068.63	1,061.30	-	-	2,723.66	2,962.16
Non-Cash expenses other than Depreciation and amortization	-	-	-	-	-	-	-	-

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

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

ii. Relatives of key management personnel:

1. B.Rajesh- Vice President Finance

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

1. Vizag Profiles Private Limited
2. Umashiv Garments Private Limited
3. Simhadri Wires Private Limited
4. Simhadri Pellets India limited
5. SatyatejVyaapar Private Limited
6. SAWP Steel Limited
7. SEIL (Hong Kong) Limited

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

(Amount in ₹)

Nature of Transactions	31 st March, 2020	31 st March, 2019
i. Transactions with Key Management Personnel:		
Sri B. Satish Kumar (Remuneration)	67,09,485	67,41,682
Sri B. Suresh Kumar (Remuneration)	60,00,000	60,00,000
Sri B. Ramesh Kumar (Remuneration)	60,00,000	60,00,000
ii. Transactions with relatives of Key Management Personnel:		
Sri B. Rajesh (Salary)	30,00,000	30,00,000
iii. Transactions with enterprise over which key management personnel/their relatives exercise significant influence:		
M/s.Vizag Profiles Private Limited:		
-Sale	1,50,85,817	7,80,29,498
-Purchase	7,57,06,961	Nil
-Services	10,66,22,769	14,15,05,977
-Lease Rent	99,75,000	99,00,000
Nature of Transactions		
M/s. SAWP Steel Limited		
-Sale	69,68,80,872	319,50,67,870
-Purchase	2,49,72,622	139,34,87,767
-Lease Rent	7,80,000	Nil

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

Nature of the Party	31st March, 2020	31st March, 2019
Enterprise over which key management personnel/their relatives exercise significant influence:		
M/s.Vizag Profiles Private Limited	(11,65,11,103)	(30,86,19,375)
M/s.Sri Ananda Subbaraya Wire Products Private Limited	(3,92,11,989)	(27,14,12,207)
M/s.Uma Shiv Garments Private Limited	Nil	(3,65,82,216)
M/s. SEIL (Hong Kong) Limited	1,94,772	1,94,772

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

Particulars	31st March, 2020	31st March, 2019
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (II)	64,16,44,180	(36,79,23,918)
No. of Equity Shares	7,59,84,812	7,59,84,812
Basic and Diluted Earnings Per Share (II)	8.44	(4.84)
Nominal Value per Share (II)	10	10

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

Necessary details have been disclosed in note no.3.13.

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

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

3.36.7 General:

- 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.
- Though the Company has declared net profit during the year ended 31st March 2020, (no interest provided on bank debt as mentioned in the notes), the year-end current liabilities continued to exceed the current assets as at 31st March 2020 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, and non-availability of working capital which have been compounded by the Covid pandemic and other factors beyond the control of the Company. Most of the lenders have agreed for the debt resolution by way of OTS and keeping in view the expected gradual improvement in demand for steel in the nearby future, the Company expects considerable improvement in its financial performance after the debt resolution. The impact of these developments is expected to be favorable on the Company's operations and financials and the company has therefore prepared these financial statements on the basis of going concern concept.

3.36.8 Fair Value Measurement:

Financial Instruments by category

	As at March 2020			As at March 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets:						
Investments	-	-	-	30,93,439	-	-
Trade receivables	-	-	37,99,22,449	-	-	39,02,32,297
Cash and cash equivalents	-	-	25,55,91,359	-	-	90,19,794
Other bank balances	-	-	82,16,583	-	-	3,43,11,006
Other financial assets	-	-	35,78,85,387	-	-	41,49,10,077
Total:	-	-	100,16,15,778	30,93,439	-	84,84,73,174
Financial Liabilities:						
Borrowings	-	-	738,94,96,866	-	-	744,78,65,245
Trade payables	-	-	108,93,00,043	-	-	135,82,81,816
Other financial liabilities	-	-	200,67,10,616	-	-	205,28,31,772
Total:	-	-	1048,55,07,525	-	-	1085,89,78,834

*FVTPL-Fair Value through Profit and Loss

*FVTOCI -Fair Value through Other Comprehensive Income

- ä Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advanced paid and certain other receivables) as of 31st March 2020 and 31st March 2019 are not included.
- ä Other liabilities that are not financial liabilities (such as statutory dues payable, advance from customers and certain other accruals) as of 31st March 2020, 31st March 2019 are not included.

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

3.36.9 Financial Risk Management :

a) Risk Management Framework

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

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

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

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

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 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).

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 2020

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	19,12,26,031	2,96,14,181	49,74,330	1,48,42,409	1,83,91,141	37,87,33,462	63,77,81,554
Expected loss rate	12.35%	15.04%	22.61%	25.12%	47.10%	57.10%	40.43%
Expected credit losses (loss allowance provision)	2,36,22,761	44,54,123	11,24,634	37,27,898	86,62,226	21,62,67,463	25,78,59,105
Carrying amount of trade receivables (net of impairment)	16,76,03,270	2,51,60,058	38,49,696	1,11,14,511	97,28,915	16,24,65,999	37,99,22,449

-Year ended 31 March 2019

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

Reconciliation of loss allowance provision-trade receivables:

(Amount in ₹)

Loss allowance on 1st April 2018	39,31,66,112
Changes in loss allowance	(8,98,39,466)
Loss allowance on 31st March 2019	30,33,26,646
Changes in loss allowance	(4,54,67,541)
Loss allowance on 31st March 2020	25,78,59,105

B. Liquidity risk

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

(i) Financing Arrangements

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

	31st March 2020	31st March 2019
Flexible rate		
Expiring within one year (bank overdraft and other facilities)		
Working capital limits with banks	Nil	Nil

(ii) Maturities of financial liabilities

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

-Year ended 31 March 2020

(Amount in ₹)

Ageing	Less than 3 months	More than 3 and upto 12 months	More than 1 year and upto 5 years	>5 years	Total
Trade payable	44,84,50,168	7,59,98,665	56,48,51,200	-	108,93,00,043
Non-current borrowings (Banks)	-	-	73,23,00,000	-	73,23,00,000
Current borrowings	738,94,96,866	-	-	-	738,94,96,866
Other financial Liabilities	180,85,15,446	5,46,31,437	14,35,63,732	-	200,67,10,615

-Year ended 31 March 2019

(Amount in ₹)

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

C. Market risk

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

(i) Foreign currency risk

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

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

(ii) Interest rate risk

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

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

3.6.10 Capital Management
(a) Risk management:

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

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

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders the Company has no external borrowings as on 31st March 2020.

(b) Dividends:

(Amount ₹.)

Particulars	31st March 2020	31st March 2019
(i).Equity Shares		
Final dividend for the year ended 31st March 2020 of Rs. Nil (31st March 2019 of Rs. Nil)	-	-

(Amount ₹.)

Particulars	31st March 2020	31st March 2019
Net Debt (excluding short term)	73,23,00,000	92,73,00,000
Total Equity	155,50,03,835	91,33,59,655
Net debt to equity ratio	0.47	1.01

As per our report of even date

For and on behalf of the Board of Directors

FOR BHAVANI & CO.

Chartered Accountants

Firm Reg. No: 012139S

CA S.KAVITHA PADMINI

Partner

M. No: 229966

UDIN : 20229966AAAACF9482

B.SATISH KUMAR

Chairman cum Managing Director

(DIN : 00163676)

B.SURESH KUMAR

Jt. Managing Director

(DIN : 00206473)

B.RAMESH KUMAR

Jt. Managing Director cum Chief Financial Officer

(DIN : 00206293)

RAVEENDRABABU. M

Company Secretary

M.No. : A34409

Place: Visakhapatnam

Date: 29.07.2020





If undelivered, please return to :

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