



REGD. OFFICE & WORKS: Plot No. 2, G.I.D.C. Estate, Palej, Dist. Bharuch – 392 220, Gujarat, India.
Phone : (02642) 277479 (Hunting Line) 277480, 277481, 277317, 277326, 277332, Fax : (+91-2642) 277307.
Visit us on : www.steelcogujarat.com E-mail : sgl@steelcogujarat.com CIN No.: 27110GJ1989PLC011748

SGL/PLJ/CS/2017-18/84
07th October, 2017

To,
The Manager,
Corporate Relationship Department,
BSE Limited,
Floor no. 25, P J Tower, Dalal Street,
Mumbai – 400 001.

By: BSE Listing Center, e-mail corp.relations@bseindia.com

Dear Sir,

Ref: - **scrip No. 500399 & Scrip- Steelco**

Sub: - **Submission of 27th Annual Report for the financial year 2016-17.**

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find attached herewith 27th Annual Report for the year ended 31st March, 2017 containing the information & disclosures as required under the Companies Act, 2013 and other requirements as specified in schedule V of SEBI Regulations, briefly mentioned as under:

1. Notice of 27th Annual General Meeting with Attendance Slip and Proxy Form.
2. Board's Report with annexures thereof (including Management Discussion & Analysis Report).
3. Audited Financial Statements i.e. Balance Sheet, Statement of Profit & Loss & Cash Flow Statement with notes and Report of Auditors thereon.

We would like to add that this 27th Annual Report for financial year 2016-17, along with necessary attachment are being sent to you by uploading through BSE listing Centre as well as through E-mail @ corp.relations@bseindia.com.

We would request to kindly take the same on record and acknowledge the receipt.

Thanking you.

Yours Faithfully
For Steelco Gujarat Limited


Ajay Thakkaf
Company Secretary



Encl: Scrutinizer's Report.

Corporate Office:

4th Floor, Marble Arch, Race Course Circle, Vadodara – 390 007, Gujarat. Phone: 0265-2333484, Fax: 2333483



STEELCO
GUJARAT
LIMITED

We do Great Things together



27th
Annual Report
2016-17

Employees' Engagement Activities

A move to enhance mutual interaction & cordial collaboration among the employees



Traditional Event of Navratri with Family Get-to-gether-Oct-16



Indoor Games - Carrom & Chess Championship-April & May, 2017



Kite Festival (Uttarayan) Celebrated on 13.01.17



Outdoor Games - Valleyball & Cricket Tournament organized in Dec-2016 & Jan-2017 respectively

COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. R. S. Mamak	Non-Executive Vice Chairman (upto 15-09-2016)
Shri Mitesh Shah	Managing Director
Shri Rashmi Chandaria	Non-Executive Director (upto 29-07-2017)
Shri Vimal Chandaria	Non-Executive Director
Shri Amish H. Mehta	Non-Executive Director (w.e.f. 24-05-2017)
Shri J. Mehra	Independent Director
Shri Mahendra Lodha	Independent Director
Shri S. S. Ranjan	Independent Director (upto 24-05-2017)
Shri Jiban Goswami	Nominee Director
Smt. Ameeta Trehan	Independent Director

CHIEF FINANCIAL OFFICER (CFO)

Shri Abhishek Jajoo

COMPANY SECRETARY

Shri Achal Thakkar

BANKERS

State Bank of India
State Bank of Mysore
State Bank of Travancore
State Bank of Hyderabad
Bank of India
Canara Bank
The Federal Bank Limited

REGISTERED OFFICE & WORKS

Plot No. 2, G.I.D.C. Estate,
National Highway No. 8,
Palej - 392 220,
Dist. Bharuch, Gujarat.
CIN : L27110GJ1989PLC011748
Phone : 02642-277 479 / 481, 277326
Fax : 02642-277 307
E-mail : sgl@steelcojaguarat.com
Website : www.steelcojaguarat.com

STATUTORY AUDITORS

M/s. Mukesh M. Shah & Co.
Chartered Accountants, Ahmedabad

INTERNAL AUDITORS

M/s. CNK & Associates, LLP
Chartered Accountants, Vadodara

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

Head Office :

Unit : Steelco Gujarat Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083.

Tel No. : 022 49186270 Fax : 49186060

E-mail Id : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

Branch :

Unit : Steelco Gujarat Limited
B-102 & 103, 1st Floor, Shangrila Complex,
Near Radhakrishna Char Rasta, Akota,
Vadodara - 390 020.

Tel No. : 0265-2356573, 2356794 Fax : 2356791

E-mail Id : vadodara@linkintime.co.in

Website : www.linkintime.co.in

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NOTICE

NOTICE is hereby given that **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of **STEELCO GUJARAT LIMITED** will be held on Friday, 29th September, 2017 at 02:30 p.m. at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat to transact the following business:

ORDINARY BUSINESS :

1. To consider & adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with Report of Board and the Auditors thereon, and
2. To appoint a Director in place of Shri Vimal Chandaria, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Mitesh H Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI AMISH H MEHTA AS A DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Shri Amish H. Mehta, (DIN: 07068022), who has been appointed by the Board of Directors as an Additional Director of the Company effective 24th May, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“**Act**”) and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation, pursuant to provisions of sections 149,152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force].”

6. TO CONSIDER AND APPROVE REAPPOINTMENT & FIXATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2018

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit & Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 and other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the reappointment of M/s. A. G. Tulsian & Co., Cost Accountants in practice, be and is hereby approved to conduct the audit of cost accounting records of the company for the financial year 2017-18 on a remuneration (plus applicable service tax and out of pocket expenses) as set out in statement annexed to the notice convening this meeting.

“**RESOLVED FURTHER THAT** any Director of the Company and /or the Company Secretary be and are hereby severally authorized to do all the acts and deeds necessary and expedient for the purpose.”

7. TO CONSIDER AND APPROVE REAPPOINTMENT OF SHRI MITESH H SHAH AS A MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS W.E.F. 14TH NOVEMBER, 2017 TO 13TH NOVEMBER, 2020.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and also subject to the approval of the banks and/or the Central Government, if required, the consent of the Company be and is hereby accorded to the reappointment of Shri Mitesh H Shah (DIN : 07013137) as a Managing Director of the Company for a period of three years from November 14, 2017 to November 13, 2020 on the major terms and conditions of appointment including remuneration payable as set out in the explanatory statement with liberty to Board of Directors to alter and/or to vary the terms and conditions of the re-appointment, including the terms of remuneration, as may be agreed to, between the Board of Directors and Shri Mitesh H Shah.”

“**RESOLVED FURTHER THAT** in case of absence of profit or in adequate profit in any financial year, during the currency of the tenure of Shri Mitesh H Shah as Managing Director of the Company, the aforesaid remuneration by way of salary, perquisites, bonus, etc., shall be treated as Minimum Remuneration.”

**By order of the Board,
For Steelco Gujarat Limited**

**Place : Mumbai
Date : 30th August, 2017
CIN : L27110GJ1989PLC011748**

**Achal Thakkar
Company Secretary**

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Members desiring to seek any information pertaining to Annual Accounts and operations of the Company are requested to write their questions/ queries to the Company Secretary of the Company so as to reach at least seven days before the date of the Annual General Meeting to enable the Company to keep the information available to the best extent possible.

Members are requested to intimate changes, if any, in their registered addresses to the Share Transfer Agent for shares held in physical format to their respective Depository Participant(s) for shares held in electronic form, quoting their Registered Folio Number / DP ID No. as the case may be in all the correspondence.

The Register of Members and Share Transfer Books of the Company will remain closed from 23/09/2017 to 29/09/2017 (both days inclusive).

Members are requested to bring their copy of the Annual Report and the Attendance Slips at the Annual General Meeting.

Equity Shares of the Company are listed at BSE Ltd., P. J. Tower, Dalal Street, Mumbai.

Equity Shares of the Company are dematerialized with NSDL and CDSL.

All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's registered office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat on all working days of the Company between 3:00 p.m. to 5:00 p.m. up to the date of Annual General Meeting.

Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of item no. 5 to 7 is annexed hereto.

E-Voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The e-voting period begins on 26/09/2017 (9:00 a.m.) and ends on 28/09/2017 (5:00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22/09/2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 28/09/2017 (5.00 p.m.).

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holds shares as on 22/09/2017, may obtain the login ID and password by following instructions given at notice which is uploaded at www.evotingindia.com or sending request at helpdesk.evoting@cdslindia.com.

PROCEDURE FOR E-VOTING

A. The 'Step by Step' procedure and instructions for casting your vote electronically are as under:

- i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- ii. Next click on "Shareholders" tab to cast your votes.
- iii. Now Enter your User ID.
For CDSL: 16 digits beneficiary ID.
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vi. If you are a first time user, follow the steps given below:

For members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use sequence number which is printed on address label/ sticker affixed on back page of the Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login Password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN 170904001 for the Company (Steelco Gujarat Limited) on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO", for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take print of the votes cast by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non - Individual Shareholders and Custodians.

- o Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - o A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - o After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - o The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - o A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - o In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- xviii. Shareholder can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Shri Devesh A. Pathak, Practicing Company Secretary (Membership No. FCS 4559), Vadodara has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The Scrutinizer shall, after conclusion of the voting at General meeting, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favor or against, not later than three days of the conclusion of the meeting, if any, forthwith to the Chairman of the Company or a person authorized by him.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.steelcojaguarat.com and on the website of CDSL www.evoting.cdsl.com immediately after result is declared and shall be communicated to the stock exchanges, where the shares of the Company are listed.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013, TO THE ACCOMPANYING NOTICE DATED 30TH AUGUST, 2017.

Item No. 5

TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI AMISH H. MEHTA AS A DIRECTOR OF THE COMPANY

Shri Amish H. Mehta, has been appointed by the Board of Directors as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and pursuant to applicable articles of the Articles of Association of the Company. Shri Amish H. Mehta, will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹ 1,00,000, proposing his candidature for the office of Director. Shri Amish H. Mehta, once appointed, will be liable to retire by rotation.

The Company has received from Shri Amish H. Mehta (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The profile and specific areas of expertise of Shri Amish H. Mehta are provided in the Corporate Governance Report.

Your Directors recommend and seek your approval to the resolution, as appearing in item no.5 of the accompanying notice, by way of Ordinary Resolution.

Except Shri Amish H. Mehta and Shri Vimal Chandaria, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 6

TO CONSIDER AND APPROVE REAPPOINTMENT & FIXATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2018

The Board, on the recommendation of the Audit Committee, has approved the reappointment, M/s A. G. Tulsian & Co., Cost Accountants in practice, Ahmedabad (Membership No. 19812) as Cost Auditors of the company, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2018 at a remuneration of ₹ 1,60,000 plus Service Tax and out of pocket expenses, if any.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the shareholders of the Company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item no. 6 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ending on 31st March, 2018.

Your Directors recommend and seek your approval to the resolution as set out in item no. 6 of the accompanying notice by way of Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives shall be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the notice.

Item No.7

TO CONSIDER AND APPROVE REAPPOINTMENT OF SHRI MITESH H. SHAH AS A MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS W.E.F. 14TH NOVEMBER, 2017 TO 13TH NOVEMBER, 2020.

Shri Mitesh H. Shah has been appointed as a Managing Director w.e.f. 14th November, 2017 and has been associated with the Company since almost 3 years. He is an Engineer from Metallurgy and has experience of over 27 years in the steel industry. He has expertise in production, quality, planning, marketing, sales, finance, procurement and general management of the Company. Keeping in view the dedicated services, expertise and his wise counsel, his performance and achievements of objectives, it has been recommended by the Nomination and Remuneration Committee and approved by the Board the re-appointment of Shri Mitesh H. Shah (DIN: 07013137) as a Managing Director of the Company from 14th November, 2017 to 13th November, 2020, i.e. for a further period of three (3) years.

The following are the major terms and conditions of re-appointment of Shri Mitesh H. Shah:

I. Shri Mitesh H. Shah shall have the power of general conduct and management of the business and affairs of the Company subject to the superintendence, control and direction of the Board.

II. REMUNERATION:

BASIC SALARY:

₹ 7,80,000 per month, including dearness allowance in the pay scale of ₹ 7,80,000 - ₹ 9,30,000 with annual increment of ₹ 75,000 per month.

III. PERQUISITIES AND ALLOWANCES

PART-A

- i. Rent free furnished accommodation including maintenance charges.
- ii. Gas, electricity and water, municipal and property taxes etc., at actuals.
- iii. Re-imbursment of Business Expenditures maximum up to ₹ 60,000 per month.
- iv. Books and Periodical expenses up to a maximum of ₹ 25,000 per month.
- v. Full Medical insurance for self, Spouse and Children at a sum assured of ₹ 6,00,000 each.
- vi. Use of Chauffer driven cars and telephone at residence.
- vii. Medical expenses incurred for self and all dependent family members subject to a ceiling of ₹ 1,250 per month.
- viii. Leave Travel Concession once in a year for self and all dependent family members, maximum up to ₹ 37,900 per month.
- ix. Hospitalization reimbursement in accordance with the scheme and rules of the Company.
- x. Washing, Food Coupon and Children Education Allowance aggregating to ₹ 6,000 per month.
- xi. Uniform Expenses up to a maximum of ₹ 25,000 per month.
- xii. Club fees (maximum of one club)
- xiii. Soft furnishing upto 15 days average basic salary.

PART B

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and part thereof.
- iii. Encashment of leave at the end of the tenure as per Company Rules.

PART C

- Special one-time Bonus of ₹ 10,60,000 as a special case towards performance achievement payable in November, 2017.
- Annual Bonus linked to performance, not exceeding ₹ 26,50,000 Lakhs. The performance shall be as per the criteria to be recommended by Nomination & Remuneration Committee and approved by the Board of Directors.

The Criteria for the Annual Bonus linked to performance to be finalized by the Board of Directors.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of Shri Mitesh H. Shah as Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, bonus, etc., as specified above, within the provisions of the Companies Act, 2013 subject to the approval of the bank and / or the central Govt., if required.

IV. TERMINATION

The aforesaid appointment may be terminated by either party giving at least three (3) months' notice in writing in that behalf or notice pay (considering Basic Salary and all allowances) in lieu thereof at the end of which period; termination of the contract shall take effect.

Your Directors seek your approval by way of Special Resolution as set out in item No. 7 of the accompanying Notice. Additional information as required under Schedule V to the Companies Act, 2013.

Except Shri Mitesh H. Shah, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ADDITIONAL INFORMATION REQUIRES AS PER AMENDED SCHEDULE V TO THE COMPANIES ACT, 2013 RELATING TO ITEMS NO. 7 OF THE NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING

I. GENERAL INFORMATION

1. Nature of Industry:

The Company is engaged in the manufacturing of Cold Rolled Steel Galvanized Steel and Colour Coated Steel. The Company's products are classified under steel industry.

2. Commencement of Commercial Production:

The Company's plant is already in operation, since 1994.

3. Financial Performance :

(₹ In Lakhs)

Particulars	Financial Year	
	2016-17	2015-16
Effective Capital	56.30	3,216.33
Total Income	53,499.97	50,849.01
Profit (Before Tax)	(3,074.21)	98.63

4. Export Performance & Net Foreign Exchange Outgoing:

(₹ In Lakhs)

Particulars	Financial Year	
	2016-17	2015-16
Net Foreign Exchange outgo	23,216.48	18,448.86
Net Foreign Exchange Earned	32,492.69	26,453.41

5. The Company has neither made any foreign investment nor has any foreign collaboration.

II. INFORMATION ABOUT THE APPOINTEE DIRECTOR:

1. Background Details of the Managerial Personnel:

Shri Mitesh H. Shah, is an Engineering Graduate in Metallurgy having over 27 years of vast experience in the field of Steel. Previously, he was associated with Essar Steel Group as a CEO and since almost 3 years, he has been associated with Steelco Gujarat Limited as a Managing Director.

2. Past Remuneration:

(` In Lakhs)

Particulars	2016-17	2015-16	2014-15
Salary	79.02	70.02	25.42
Retiral Benefits	21.34	18.91	10.93
Other Benefits & Allowances	55.34	40.25	6.86

3. Recognition or awards:

Under his leadership, Steelco Gujarat Limited has been awarded as under:

- Silver Safety Award 2015 from Greentech Foundation for outstanding achievements in Safety Management.
- Gold Safety Award 2016 from Greentech Foundation for outstanding achievements in Safety Management.
- Second Highest Exporter Award from Adani Hazira port in 'Container' category in 2016.
- Highest Importer & Exporter Award from Adani Hazira port in 2017.

4. Job Profile and his suitability:

Shri Mitesh H. Shah is an Engineering Graduate in Metallurgy having over 27 years of vast experience in the field of Steel at various senior positions including CEO & Managing Director. He has started his career with Graduate Engineer Trainee in Essar Steel Ltd in 1991 and with his technical expertise, knowledge and leadership qualities, spearhead various operational functions like Steel Melting Plant, Cold Rollig Complex, Heading Operation Strategy Group in Essar Steel and also as CEO and Managing Director.

His passion is to take challenges for transformation in manufacturing with not only by technology upgradation but changing mind set of team for organization growth, employee engagement activity & taking leadership assignment with commitment to turn around an Organisation.

After his successful achievement in Essar Steel, Pune and Hazira, he was given an additional responsibility of PT Essar Steel Ltd. Indonesia as a President & again in very short span it was turn around.

In 2014, he moved to Steelco Gujarat Limited as a Managing Director with again his passion to take new challenges. Significant improvement has started in Productivity with positive profitability, development in HSE culture and working culture of the Company.

In short, he is an enterprising leader & planner with a successful record of contributions in driving Manufacturing Excellence, Business Operations, New Set-ups, Improving Productivity and enhancing revenue growth, targeting top management assignments with an organisation of high repute.

5. Remuneration Proposed:

As per the resolution and explanatory statement of this notice.

6. Comparative remuneration profile with respect to industry, size of the Company, profit of the position and person (in case of expertise the relevant details would be with respect to the country of his origin)

The remuneration proposed commensurate with the nature, size and constitution of the Company, complexity of operations, industry scenario and the eligibility of the appointee.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Shri Mitesh H. Shah does not have any pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel.

III. OTHER INFORMATION

1. Reasons of Losses:

The overall steel industry is passing through a sluggish phase. Certain reasons for not achieving profit are as under:

- Global pressure due to structural demand slowdown.
- Significant overcapacity in China coupled with the slowdown in its domestic demand has resulted in Chinese Steel producers "dumping" its production in overseas market at uneconomic rates for others to be able to compete and thus has adversely affected the Company's export market with lower margins.
- Lack of adequate working capital assistance from banks adversely affected the Company's operations. With the support of third party financing, it resulted in a higher input cost, ultimately impacting margins of the Company.
- The domestic coated market has moved towards 1220 mm material with rapid growth in the colour coated steel sector and against that, the company was not able to participate in this high growth, high margin market, due to width concern.
- Discontinuance of Open Access Power by GETCO, resulting in considerably high power cost.

The above factors have adversely impacted price realization and margins of the Company and consequently, the overall profitability and its impact on the working capital.

2. Steps taken for improvement:

- The Company is implementing various long-term measures to improve its cash flow and revival of the operations of the Company. The Company is exploring multiple options of financial restructuring and is in discussions with strategic investor to infuse long-term required finance for its critical capex plan and also for revival of its operations. The Company is also in discussion with lenders on its detailed Debt Resolution Plan envisaging proposed critical capex on colour coating line and Alu Zinc lines. On positive outcome of efforts in above direction, the Company and its management is hopeful to make optimum utilization of its resources, renegotiate its contracts and complete

the on-going projects to generate future cash flows, meet its financial obligations towards lenders and creditors. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows. The promoters also continue to be committed to providing the required operational support to Company in the foreseeable future;

- Strategies & markets with upcoming economy with colour coated products under capex;
- Starting of Open Access power, which has already started resulting into significant saving in power cost, which is one of the major cost of the Company;
- Various steps being taken by the Government of India will help to grow steel industry as a whole;
- The value-add capex of Colour Coating Line (CCL) has already started from June 2017 and is in operations with capacity of around 80%;
- The proposed value-add capex of Aluminum Zinc (AZ) Line will enable the company to enhance the Company's viability in the market with wider market, both domestic & export, better margin and branding of the Company;
- Diversifying the product basket and market;
- Forward Integration by implementation of capex adding value added products resulting in higher realization per ton of production; and
- With various products, the Company will be in a position to explore and penetrate new markets including domestic markets, which will enable sustained growth.

3. Expected increase in productivity and profits in measurable terms

After the capex plan, the capacities of the Company are / will be as under:

Installed capacities	Current	Post Capex
Pickling Unit	300,000 MTPA	300,000 MTPA
Cold Rolling Mill	184,000 MTPA	184,000 MTPA
Galvanizing Line	60,000 MTPA	36,000 MTPA
Colour Coating Line*		60,000 MTPA
Alu-Zinc Line		150,000 MTPA

* *Colour Coating Line already installed and commercial production commenced from 1st June, 2017 and the capacity is expected at 60,000 MTPA till 2019 and post that, it will be 84,000 MTPA.*

- Currently Existing Coverage of the company's galvanizing facilities cater to the export market where the demand is for thinner gauges and widths less than 1000 mm. New coating line will enable SGL to diversify into the domestic coated market where the demand is for thicker gauges and 1220 mm width. Currently SGL exports 70% of its production. After the expansion, SGL expects that 70% of its sales will be in the domestic market. Domestic market demand for AZ product is growing rapidly and is sold at a premium over GI product. Ultimately, this will gradually, improve the margins and overall profitability of the Company.
- Market for Colour Coated Products (Colour Coating Line and Alu-Zinc Line) is expected to grow at 23%-25% & 30% CAGR respectively, which will be the growth story for the Company in volume and in margin.

IV. DISCLOSURE

Remuneration package of Shri Mitesh H. Shah is set out in the Corporate Governance Report for the information of Shareholders.

**By order of the Board,
For Steelco Gujarat Limited**

**Place : Mumbai
Date : 30th August, 2017
CIN : L27110GJ1989PLC011748**

**Achal Thakkar
Company Secretary**

BOARD'S REPORT

To
The Members,

Your Directors are pleased to present the Twenty Seventh Annual Report of your Company together with the Audited Financial Statements for the year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS

Particulars	(` in Lakhs)	
	Current Year Ended 31.03.17	Previous Year Ended 31.03.16
Sales / Other Income (Net of Excise Duty)	53,499.97	50,849.01
Profit before Depreciation & Interest	(693.25)	227.88
(Less) : Depreciation	(252.15)	(254.92)
Profit / Loss before interest & financial charges	(945.40)	(27.04)
(Less) : Interest & financial charges	(2,128.81)	(2,095.76)
Profit / (Loss) after interest & financial charges	(3,074.21)	(2,122.80)
Exceptional & extraordinary items	0.00	(2,221.43)
Profit after Exceptional & Extraordinary items	(3,074.21)	98.63
Net profit / (loss) before tax	(3,074.21)	98.63
(Less) : Tax	0.00	0.00
Net profit / (loss) after tax	(3,074.21)	98.63

2. DIVIDEND

Your Directors do not recommend any dividend on the equity shares of the Company in view of carried forward losses.

3. REVIEW OF OPERATIONS & PERFORMANCE

The overall sales during FY 2016-17 stood at 109,109 MT, increased by 5% over FY 2015-16 (104,052 MT) and in terms of revenue also, it has increased by approx. 5% from ` 508.49 crores to ` 534.99 crores. Further, the Company made cash loss of ` 28.22 crores as compared to Cash Profit of ` 3.53 crores of FY 2015-16.

The Steel Industry has been impacted adversely during the year and the Company faced various challenges due to certain factors which are as under:

- Global pressure due to structural demand slowdown;
- Significant overcapacity in China coupled with the slowdown in its domestic demand has resulted in Chinese Steel producers "dumping" its production in overseas market at uneconomic rates for others to be able to compete and thus has adversely affected the Company's export market with lower margins;
- Lack of adequate working capital assistance from banks adversely affected the SGL's operations. With the support of third party financing, it resulted in a higher input cost, ultimately impacting margins of the Company;
- The domestic coated market has moved towards 1220 mm material with rapid growth in the colour coated steel sector and against that, the company was not able to participate in this high growth, high margin market, due to width concern;
- Discontinuance of Open Access Power by GETCO, resulting in considerably high power cost; and
- Fluctuation in raw material prices during the year.

There are challenges going forward in FY 2017-18, however, the outlook of the Company is optimistic in view of the following:

- The Company is implementing various long-term measures to improve its cash flow and revival of the operations of the Company. The Company is exploring multiple options of financial restructuring and is in discussions with strategic investor to infuse long-term required finance for its critical capex plan and also for revival of its operations. The Company is also in discussion with lenders on its detailed Debt Resolution Plan envisaging proposed critical capex on colour coating line and Alu Zinc lines. On positive outcome of efforts in above direction, the Company and its management is hopeful to make optimum utilization of its resources, renegotiate its contracts and complete the on-going projects to generate future cash flows, meet its financial obligations towards lenders and creditors. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows. The promoters also continue to be committed to providing the required operational support to Company in the foreseeable future;
- Strategies & markets with upcoming economy with colour coated products under capex;
- Starting of open Access power, which has already started resulting into significant saving in power cost, which is one of the major cost of the Company;
- Various steps being taken by the Government of India will help to grow steel industry as a whole;
- The value-add capex of Colour Coating Line (CCL) has already started from June 2017 and is in operations with capacity of around 80%;
- The proposed value-add capex of Aluminum Zinc (AZ) Line will enable the company to enhance the Company's viability in the market with wider market, both domestic & export, better margin and branding of the Company;
- Diversifying the product basket and market;
- Forward Integration by implementation of capex adding value added products resulting in higher realization per ton of production; and
- With various products, the Company will be in a position to explore and penetrate new markets including domestic markets, which will enable sustained growth.

4. PERFORMANCE OF SUBSIDIARY COMPANY

As such, as per the provisions of the Companies Act, 2013, there is no subsidiary Company of the Company.

Metchem Singapore Pte. Ltd, during the year under review, have transferred all the shares of Steelco Colour Coating Limited, held by them, to SPICA Investment Ltd, Mauritius (holding company of the Company) and hence, Steelco Colour Coating Limited has become fellow subsidiary of Steelco Gujarat Limited as per the applicable Accounting Standards.

5. BOARD OF DIRECTORS

Dr. R. S. Mamak, Non-Executive Vice Chairman and Shri S. S. Ranjan, Independent Director ceased to be the directors of the Company due to their resignations w.e.f. 16th September, 2016 and 25th May, 2017.

Shri Amish H. Mehta has been appointed as an additional director of the company, who holds the office till the conclusion of the Annual General Meeting.

The Independent Directors on the Board of the Company, viz. Shri J. Mehra, Shri Mahendra Lodha, Shri S. S. Ranjan (upto 24th May, 2017) & Smt. Ameeta Trehan (Woman Director) and the Company has received confirmation / declarations from the Independent Directors of the Company under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Rashmi Chandaria ceased to be a director w.e.f. 29th July, 2017, due to his sad and sudden demise occurred on 29th July, 2017.

6. KEY MANAGERIAL PERSONNEL

During the year under review, the details of Key Managerial Personnel are as under:

Sr. No	Name of person	Designation
1	Shri Mitesh H. Shah	Managing Director
2	Shri Abhishek Jajoo	Chief Financial Officer
3	Shri Achal Thakkar	Company Secretary

7. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be applicable, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. Respective member of the Board does not participate in the discussion of his / her evaluation. The Board of Directors expressed their satisfaction with the evaluation process.

8. NUMBER OF MEETINGS OF THE BOARD

The Company has complied with the provisions for holding Board Meetings and the gap between any two meetings did not exceed 120 days. Four meetings (including one adjourned meeting) of the Board of Directors of the Company were held during the year under review on 20/05/2016, 12/08/2016, 11/11/2016, 16/02/2017 (adjourned meeting of 14/02/2017).

9. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has a Whistle Blower Policy pursuant to Section 177 of the Companies Act, 2013 and the rules made thereunder and applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, to report genuine concerns of Directors and Employees. The Policy has been posted on website of the Company, www.steelcogujarat.com.

10. NOMINATION AND REMUNERATION POLICY

The Policy of the Company has been framed on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and remuneration of Key Managerial Personnel and other employees of the Company pursuant to Sub-section (3) of Section 178 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy has been posted on website of the Company, www.steelcogujarat.com.

11. CORPORATE GOVERNANCE

Your Company is compliant of all mandatory requirements pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance as stipulated by Regulation 72 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, along with the required certificate from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by the said Regulations is given in Annexure - 3.

12. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is given in Annexure - 4.

13. RELATED PARTY TRANSACTIONS

All transactions entered with related parties during the year under review, if any, were on arm's length basis and in ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further, there is no material related party transaction during the year under review with the promoters, directors or key managerial personnel.

14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(4) (c) of the Companies Act, 2013:

- i. That in preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards read with requirements set out under Schedule III have been followed along with proper explanation relating to material departures, if any;
- ii. 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 31st March, 2017 and of the loss of the Company for the year ended on that date;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other regularities;
- iv. The annual accounts have been prepared 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, as such, however, the same needs to be strengthened further.
- vi. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

15. STATUTORY AUDITORS

The terms of present statutory auditors M/s Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad, expired and they hold office until the conclusion of the ensuing Annual General Meeting.

The Company has received consent and requisite certificate from M/s. Walker Chandio & Co., LLP, Chartered Accountants, as the Auditors to the effect that their appointment, if made, would be

within the prescribed limit under Section 141 of the Companies Act, 2013, confirming their eligibility for appointment as Auditors of the Company.

16. COST AUDITORS

Your Directors have appointed M/s A. G. Tulsian & Co., Cost Accountants, Ahmedabad, as Cost Auditors in compliance with the Companies (Cost Accounting Records) Rules, 2011.

The Cost Auditors have filed the Cost Audit Report for the financial year ended 31st March, 2016 within the due date.

Pursuant to provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, and the Companies (Cost Records and Audit) Rules, 2014 and other applicable provisions, if any, the Board on the recommendation of the Audit Committee, has approved the reappointment of M/s A. G. Tulsian & Co., Cost Accountants, Ahmedabad as the Cost Auditors and remuneration payable to them, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018. The Company has received a letter from M/s A. G. Tulsian & Co., Cost Accountants, Ahmedabad showing their willingness to be appointed as Cost Auditors, certifying that they are not disqualified under section 148(5) read with section 141(3) of the Companies Act, 2013.

17. SECRETARIAL AUDITOR

The Company has received consent and requisite certificate from M/s. Devesh Vimal & Co., Practicing Company Secretaries, Vadodara, the present Secretarial Auditors, to the effect that their re-appointment, if made, would be within the prescribed limit, confirming their eligibility for re-appointment as Secretarial Auditors of the Company. Accordingly, M/s. Devesh Vimal & Co. has been re-appointed to act as Secretarial Auditors of the Company for the FY 2017-18.

18. QUALIFICATIONS / OBSERVATIONS OF STATUTORY AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT

Note No. 35 relating to preparation of financial statement on Going Concern basis, in spite of accumulated losses and their impact on net worth, is self-explanatory as regards the observation made by the Statutory Auditors in their report.

In Secretarial Audit Report Observations, relating to order of SEBI for non-compliance / delayed compliance of Minimum Public Shareholding, please refer to clause XI, para 5 of Corporate Governance Report, which is self-explanatory.

19. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Devesh Vimal & Co. Practicing Company Secretaries, Vadodara to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure -5 and forms an integral part of this report.

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under section 92 of the Companies Act, 2013 is included in this Report as Annexure - 6 and forms an integral part of this report.

21. INTERNAL FINANCIAL CONTROLS

The Company has appointed M/s. CNK & Associates LLP, Chartered Accountants, to report on adequacy and effectiveness of internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable weakness in the design or operation was observed by them. The Statutory Auditors have opined that the Company has, in all material respects, internal financial controls over financial reporting, which is required to be strengthened further and its operative effectiveness requires improvement.

22. ENVIRONMENT & SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned compliances environmental requirement regulations and preservation of natural resources.

23. ANTI-SEXUAL HARASSMENT POLICY

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women under Workplace (Prevention Prohibition and Redressal) Act, 2013.

24. HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has structured induction process and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) / Key Performance Areas (KPA's) are in place for management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior learning & organizational development.

25. CREDIT RATING

M/s Brickwork Ratings India Pvt. Ltd. had awarded BWR 'B' in respect of long term debts and BWR 'A4' in respect of Short term Debts during FY 2015-16 and during the year under review, there has been no update on the rating renewal.

26. DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosure of particulars relating to conservation of energy and technology absorption and foreign exchange earnings and outgo as required by Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in Annexure - 1.

27. CORPORATE SOCIAL RESPONSIBILITY

Considering the losses and exposure, the CSR requirements are not applicable to your Company; hence, the Company has not framed Corporate Social Responsibility (CSR) Policy.

28. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Act read with Rules 5(1), 5(2) and Rules 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees and the Disclosure pertaining to remuneration and other details are set out in Annexure – 2 to the Board's Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

None of the employees listed in the said Annexure - 2 is a relative of any Director of the Company. None of the employees hold (by himself or along with his / her spouse and dependent children) more than two percent of the equity shares of the Company.

29. GENERAL DISCLOSURES

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

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Details of remained, unpaid or unclaimed dividend at the end of year.
- c) Issue of equity shares with differential right as to dividend, voting or otherwise.
- d) Issue of shares (including Sweat Equity Shares) to employees of the Company under any scheme.

- e) Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- f) No significant or material orders passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

30. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for the co-operation and assistance received from the Government of India, Government of Gujarat, Financial Institution, the Company's Bankers, Electricity Companies, Palej Gram Panchayat, other Government Agencies, Customers, Suppliers and Investors. Your Directors express gratitude to the investors for their confidence reposed in the Company and Co-operation, and especially to the employees for their dedicated service and support.

31. CAUTIONARY STATEMENT

Statement in the Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'Forward Looking Statements' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that may make difference to the Company's operations include raw material availability and its prices, cyclic demand and the pricing in the Company's principal markets, changes in government policies, regulations, tax regimes, economic developments within India and countries in which the Company conducts business.

**By order of the Board
For Steelco Gujarat Limited**

Place : Mumbai Mahendra Lodha Mitesh H. Shah
Date : 30th August, 2017 Director Managing Director

ANNEXURE - 1 TO THE BOARD'S REPORT

**REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO
PARTICULARS REQUIRED UNDER SECTION 134(3) (M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES
(ACCOUNTS) RULES, 2014.**

I. CONSERVATION OF ENERGY

Energy Conservation & Pollution measures taken: -

The energy conservation measure taken are as under:

- In addition to existing capacitor banks, 500 KVAR additional capacitor banks added, in order to improve power factor, which led to increase in Power Factor rebate, ultimately saving in power cost.
- 250 KW of Variable Voltage & Variable Frequency Drive (VVVF Drive) have been utilized in Fume Exhaust System of 6-Hi Mill leading to saving in power consumption of approx. 25000-30,000 units per month of 6-Hi Mill consumption.
- Installation of Maximum Demand (MD) Controller in loop in order to ensure that MD does not exceed the limits and consequently, Maximum Demand has never exceeded the limits during the year.
- The Company has entered into a long term agreement with private party for purchase of power, effective from March 2017, which started giving saving in power cost significantly.

The pollution control measures taken are as under:

- Additional Lime tank with the starrer arrangement has been made at effluent generation i.e. Galvanizing line to dilute the effluent at generation point which is improving quality of the treated water.
- Modification has been done in Primary Clarifier of Effluent Treatment Plant.
- Installed new cooling tower to re-use of the quenching tank water.

The Energy optimization scheme and pollution control measures are being continuously reviewed and improved as an ongoing exercise. The Company is also meeting the requirements of local Pollution Control Board and other statutory obligations.

FORM A:

The required data with respect to total energy consumption and energy consumption per unit of production is furnished below:

A. Power and Fuel Consumption -

	Current Year ended 31.03.2017	Previous Year ended 31.03.2016
1 ELECTRICITY		
(a) Purchased (Units in '000 KWH)	29,337.30	28,275.39
Total Amount (₹ in Lakhs)	2,337.74	2,355.21
Rate/Unit (₹)	7.97	8.33
(b) Own generation (through Diesel Generator)		
Units (KWH)	-	-
Units per Ltr. of Fuel	-	-
Cost/Unit (₹)	-	-
2 LIGHT DIESEL OIL / HIGH SPEED DIESEL		
Quantity (Ltrs.)	1,26,016	1,74,211
Total Cost (₹ in Lakhs)	74.89	89.13
Rate / Unit per Ltr (₹)	59.43	51.16
3 CNG		
Quantity (SCM)	28,12,716	29,71,826
Total (₹ in Lakhs)	750.11	945.42
Rate / Unit (₹)	26.67	31.81

B. Consumption per Unit of Production –

PRODUCT	Current Year ended 31.03.2017	Previous Year ended 31.03.2016
Cold Rolled (Steel) Coils / Sheets & GP/GC Coils / Sheets		
ELECTRICITY (Units/PMT)		
CR Coils/ Sheets	273.06	263.26
GP / GC Coils	36.89	36.32
Total (LDO+CNG) (Ltrs/PMT)		
CR Coils/ Sheets	14.46	17.10
GP / GC Coils / Sheets	30.10	28.71

II TECHNOLOGY ABSORPTION

Research & Development :

The Company does not have any in-house Research and Development Department.

Technology absorption, adaptation and innovation :

- (1) Designed, erected and commissioned (in-house) Colour Coating Line (CCL) in the month of February, 2017 and started trials in the month of March, 2017. We have successfully started commercial production from 1st June, 2017.
- (2) Installation of in-house Zinc Alloy Furnace, which benefited us in saving cost for Zinc Alloy making, saving in transportation cost & timely availability of material and better quality (pure form), as compared to the same getting done through outside vendor.
- (3) Successfully received product license for IS 513:2008 for CRCA –domestic market.
- (4) Successfully received certificate in Integrated Management System (ISO:9001:2015 and ISO :14001:2015).
- (5) Innovated new areas of markets successfully as well as flexibility in product mix.
- (6) Overall improvement in efficiency plant operations.
- (7) Change in width / thickness of input material, which led to saving in input material cost. (1.8 mm thickness replaced with 2 mm thickness)

III FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to Exports, Initiatives to increase Exports, Development of new Export Markets for Products and Services and Export Plans:

The Company is exporting a large quantity of its Cold Rolled and Galvanized Products and has achieved a significant presence in the Global market as its products have been well accepted.

2. Total Foreign Exchange Earned and Expended:	(` in Lakhs)	
	Current Year ended 31.03.2017	Previous Year ended 31.03.2016
a. Earnings	32,492.69	26,453.41
b. Expenditure	23,216.48	18,448.86

By order of the Board
For Steelco Gujarat Ltd.

Place : Mumbai
Date : 30th August, 2017

Mahendra Lodha Mitesh H. Shah
Director Managing Director

ANNEXURE - 3 TO THE BOARD'S REPORT CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of all the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management.

Your Company believes that for its sustained success, it must maintain global standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. The Company has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth and long-term value creation for its shareholders.

Above all, Corporate Governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Accountability and transparency are key drivers to improve decision-making and rationale behind such decisions, which in turn improves confidence of all stakeholders.

II. GOVERNANCE STRUCTURE

The corporate governance structure of Steelco Gujarat Limited is as follows:

The Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic, guidance, objective and independent view to the Company's management and adheres to ethics, transparency and disclosure.

Committees of the Board: The Board has constituted all the mandatory committees viz, Audit Committee, Nomination & Remuneration Committee as well as Stakeholders Relationship Committee. Each of the said committee has been mandated to operate within a given framework.

III. BOARD OF DIRECTORS

- **Composition :** The Board has optimum combination of Executive and Non-Executive Directors. The composition of the Board as on 31st March, 2017 was as under:

Category of Directors	No. of Directors
➤ Promoters, Non-Executive	2
➤ Non-Promoter Executive	1
➤ Non-Executive Independent	4
➤ Nominee Director	1

- **Meetings and Attendance:**

During the year from 1st April, 2016 to 31st March, 2017, the Board met 4 (Four) times, i.e. 20/05/2016, 12/08/2016, 11/11/2016 and 16/02/2017 (16/02/2017 was an adjourned meeting of 14/02/2017). Attendance of Directors at the Meeting of the Board of Directors (BOD) held during the financial year 2016-2017 and Annual General Meeting (AGM) held on 30th September, 2016 are as follows:

Category	Name of Directors	No. of Board Meetings attended	Whether attended AGM held on 30.09.2016	*No. of Directorships in other Companies		**No. of Committee Memberships in other Companies	
				Chairman of the Board/MD	Board Members	Chairman of the Committee	Member
Promoter:							
- Executive Director	—	—	—	—	—	—	—
- Non-Executive Director	Shri Rashmi Chandaria*** Shri Vimal Chandaria	4 3	No No	— —	1 —	— —	— —
Non Promoter Executive/ Non- Executive Director(s)							
- Non-Executive Vice Chairman	Dr. R.S. Mamak*	2	No	—	—	—	—
- Managing Director	Shri Mitesh H. Shah	4	Yes	—	1	—	—
Independent Non-Executive Director(s):	Shri J. Mehra Shri M. Lodha Shri S. S. Ranjan** Smt. Ameeta Trehan	4 4 4 4	No No No —	— — — —	6 3 — 3	— 3 — —	— 5 — —
Nominee Director(s):	Shri Jiban Goswami	4	No	—	—	—	—

* Ceased to be a Director and hence also ceased to be Non-Executive Vice Chairman w. e. f. 16th September, 2016.

** Shri S. S. Ranjan ceased to be a director w.e.f. 25th May, 2017, due to resignation.

*** Shri Rashmi Chandaria, Director (Non-Executive) ceased to be a director due to his sad demise on 29th July, 2017.

Shri Amish H. Mehta has been appointed as an Additional Director (Non-Executive) w.e.f. 24th May, 2017.

(Directorship in private companies, foreign companies and associates are excluded.

Represents Membership / Chairmanships of Audit Committee and Shareholders' / Investors' Grievance Committee only).

IV. AUDIT COMMITTEE

- **Terms of reference** : The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.
- **Composition and Attendance** : As on 31st March, 2017, the Audit Committee consists of four Non-Executive Directors as under:

Name of Director	Composition as on 31 st March, 2017	No. of Meetings held	No. of Meetings attended
Shri Mahendra Lodha	Chairman	4	4
Shri S. S. Ranjan*	Member	4	4
Shri Jiban Goswami	Member	4	4
Smt. Ameeta Trehan	Member	4	4

* Shri S. S. Ranjan, being ceased to be a director w.e.f. 25th May, 2017, ceased to be a member of the Committee
Shri Amish H. Mehta, who has been appointed as a Director (Non-executive) w.e.f. 24th May, 2017, have been inducted as a member to the Committee in place of Shri S. S. Ranjan, w.e.f. 24th May, 2017.

All the members of the Audit Committee are having financial and accounting knowledge. The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The other Board members also attended the Audit committee meetings as invitees. The Company Secretary acts as the Secretary to the Audit Committee.

V. NOMINATION AND REMUNERATION COMMITTEE

- **Terms of reference and Remuneration Policy** : The terms of reference of the Nomination and Remuneration Committee include the matters as specified under Section 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms includes mainly formulation of the criteria for determining qualifications, positive attributes and independence of a director as also to recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
- **Composition and Attendance** : As on 31st March, 2017, Nomination & Remuneration Committee consists of three Non-Executive Independent Directors are as under:

Name of Director	Composition as on 31 st March, 2017	No. of Meetings held	No. of Meetings attended
Shri Mahendra Lodha	Chairman	2	2
Shri J. Mehra	Member	2	2
Shri S. S. Ranjan*	Member	2	2

* Shri S. S. Ranjan, being ceased to be a director w.e.f. 25th May, 2017, ceased to be a member of the Committee
Shri Amish H. Mehta, who has been appointed as a Director (Non-executive) w.e.f. 24th May, 2017, have been inducted as a member to the Committee in place of Shri S. S. Ranjan, w.e.f. 25th May, 2017.

REMUNERATION POLICY: The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors, Key Managerial Personnel & Employees of the Company and has been posted on its website www.steelcogujarat.com.

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are not paid any remuneration except payment of sitting fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them, as approved by the Board of Directors from time to time. The total amount of sitting fees for the Financial Year 2016-17 was ` 21.42 Lakhs. The Non-Executive Directors do not have any material pecuniary relationship or transactions with the Company.

B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Vice Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, resolution passed by the Board of Directors and Shareholders of the Company and approval of Central Government, wherever required. The remuneration package of Executive Vice Chairman and Managing Director comprises of salary, perquisites, allowances and contributions to provident and other retirement benefit funds. Annual Bonus is linked to the performance and is recommended by the Nomination and Remuneration Committee and then approved by the Board.

Presently, the Company does not have a scheme for grant of stock option or performance linked incentives for its directors.

DETAILS OF SITTING FEES/REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS FOR THE YEAR ENDED 2016-17

(a) NON-EXECUTIVE DIRECTORS

Name of the Non-Executive Directors	Sitting Fees (`)	Remuneration (`)
1 Shri Dr. R. S. Mamak	80,000	-
2 Shri Rashmikant Chandaria*	-	-
3 Shri Vimal Chandaria*	-	-
4 Shri J. Mehra	4,16,000	-
5 Shri Mahendra Lodha	4,20,000	-
6 Shri S. S. Ranjan	4,16,000	-
7 Shri Jiban Goswami	4,00,000	-
8 Smt. Ameeta Trehan	4,10,000	-
Total	21,42,000	-

* Sitting Fees has been waived off voluntarily.

(b) EXECUTIVE DIRECTORS

Remuneration to Executive Directors

(` in lakhs)

Particulars	Shri Mitesh H. Shah (Managing Director)
Salary (`)	79.02
Retiral Benefits	21.34
Other Benefits & Allowances	55.34

Notes:

Application has been made to the Central Government in respect of remuneration of Shri Mitesh H. Shah. The application is for re-consideration of MCA approval accorded vide their letter no. SRN C53024618/3/2015-CL-VII dtd. 11th March, 2016.

VI STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition and Attendance:

This Committee comprises of three Directors. The table below highlights the composition and attendance of the Members of the Committee.

Name of Director	Composition as on 31 st March, 2017	No. of Meetings held	No. of Meetings attended
Shri Mahendra Lodha	Chairman	1	1
Dr. R. S. Mamak / Shri J. Mehra*	Member	1	1
Shri Mitesh H. Shah	Member	1	1

* Dr. R. S. Mamak ceased to be a Director w.e.f. 16th September, 2016 and ceased to be a member of the Committee and in his place, Shri J. Mehra, has been inducted as a member w.e.f. 11th November, 2016.

The Company Secretary & Compliance Officer acts as a Secretary to the Committee.

Terms of Reference :

The Company has authorized its Registrar and Transfer Agent, M/s. Link Intime India Private Limited, for taking necessary action to the investors' requests / complaints like, share Transfer/ Transmission / Transposition/ issue of duplicate share certificates in lieu of lost/misplaced/ worn out and such other activities related to shares.

The Committee is looking after the Shareholders' Relationship / Investors' Grievance and Redressal of investors' / shareholders' major complaints, if required.

The secretarial department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. the minutes of the Stakeholders Relationship / Investors Grievance Committee meeting are circulated to the Board and noted by the Board of Directors of the Board Meetings. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish and update their telephone numbers, address and e-mail address to facilitate prompt action.

Status of Investor Complaints as on 31st March, 2017 and reported under regulation 13 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under:

Total 5 numbers of complaints received and addressed to the shareholders during the year ended on 31st March, 2017. There was no Complaint outstanding as on 31st March, 2017. The number of pending share transfer and pending requests for dematerialization as on 31st March, 2017 were nil. Shareholders' / Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than 30 days as on 31st March, 2017.

VII. SEPARATE MEETING OF INDEPENDENT DIRECTORS'

The Independent Directors of the Company had separately met during the year on 16th February, 2017 to review the performance of non-independent directors and the Board as a whole, to review the performance of the Chairperson of the Company, and to assess the efficiency of flow of information between the management and the Board.

All the Independent Directors were present at this meeting.

VIII. SUBSIDIARY COMPANY

There is no subsidiary Company of the Company.

IX. MEANS OF COMMUNICATION

- Ø The quarterly financial results of the Company are forwarded to the Stock Exchanges immediately on approval by the Board of Directors and are also published in widely circulated national English Daily and local Gujarati Daily.
- Ø The financial results, official news releases and presentation made to institutional investors, if any and other statutory information, are also displayed on the Company's website www.steelcojaguarat.com.
- Ø Management Discussion and Analysis forms part of the Annual Report.

X. GENERAL SHAREHOLDER INFORMATION ANNUAL GENERAL MEETINGS

The last three Annual General Meetings (AGMs) of the Company were held at the Registered Office of the Company at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat, as detailed below:

Financial Year	Date	Day	Time	Special Resolution
2013 - 2014	26 th September, 2014	Friday	3:30 P.M	5
2014 - 2015	30 th September, 2015	Wednesday	2:30 P.M	1
2015 - 2016	30 th September, 2016	Friday	3:30 P.M	2

Annual General Meeting for the year 2016-17

Day & Time	: Friday, 29 th September, 2017 at 2:30 p.m.
Venue	: Registered Office : Plot No.2, GIDC Estate, Palej, Dist.- Bharuch
Book Closure Date	: 23 rd September, 2017 to 29 th September, 2017 (both days inclusive)
Cut off / Record Date	: 22 nd September, 2017

The Company has been listed on BSE Limited the starting of the financial year and has paid Annual Listing Fees for financial year 2017-18 for the said Stock Exchanges.

Tentative Calendar for Financial year ending on 31st March, 2018

Audited Annual Results for the year ended 31 st March, 2017.	On 20 th May, 2017
Unaudited First Quarter Results	On 30 th August, 2017
Unaudited Second Quarter Results	By 14 th December, 2017
Unaudited Third Quarter Results	By 14 th February, 2018
Audited Annual Results	By 30 th May, 2018

BSE Stock code: Scrip code: 500399 & Scrip – STEELCO

Dematerialisation of Shares & Liquidity

95.81 % of the equity shares of the Company have been dematerialized (NSDL – 87.89% and CDSL- 7.92%) as on 31st March, 2017. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), where by shareholders have an option to dematerialise their shares with either of the Depositories.

Reconciliation of Share Capital Audit Report

As stipulated by SEBI Regulations in this regards, a qualified Practicing Company Secretary Carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange(s) where the shares of the Company are listed. The audit confirms the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL & CDSL) and total number of shares in physical form.

Details of the Directors seeking appointment / reappointment at the forthcoming Annual General Meeting

Name of Director	Shri Vimal Chandaria	Shri Mitesh H. Shah	Shri Amish H. Mehta
Date of Birth	18.08.1957	11.12.1968	14.11.1959
Date of Appointment	15.11.2013	14.11.2014	24.05.2017
Expertise	Business Management	Industrial Management	Corporate Finance, Accountancy and Corporate Laws
Qualification	Graduate in Business Management	Engineer	- Chartered Accountant - Company Secretary
List of public companies in which outside directorship held as on 31 st March, 2017*	Nil	1	NIL
No. of shares held	Nil	Nil	NIL

* Directorship in private companies, foreign companies and associates are excluded.

➤ Registrar and Share Transfer Agent :

Share Transfer and all other Investor's/Shareholder's related activities are attended and processed by our Registrars and Transfer Agent (RTA). For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact our Registrar and Transfer Agent at following address:

M/s. LINK INTIME INDIA PVT. LTD.

Head Office: Unit: Steelco Gujarat Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Tel No: 049186270 Fax: 49186060
E-mail id : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

Branch: Unit: Steelco Gujarat Limited,
B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta
Akota, Vadodara - 390020
Tel No: 0265-2356573, 2356794, Fax: 2356791
E-mail ID: vadodara@linkintime.co.in

➤ **DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017**

No. of Equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 - 500	130157	98.55	2773493	6.52
501 - 1000	824	0.62	717316	1.69
1001 - 2000	455	0.34	723925	1.70
2001 - 3000	199	0.15	523213	1.23
3001 - 4000	71	0.05	252038	0.59
4001 - 5000	96	0.07	459353	1.08
5001 - 10000	146	0.11	1105069	2.60
10001 & Above	129	0.10	36007415	84.60
Total	132077	100.00	42561822	100.00

➤ **Category of Shareholders as on 31st March, 2017:**

Category of Shareholders	Total Holding	Percentage (%)
Promoter (SPICA INVESTMENTS LTD.)	3,19,21,366	75.00
Institutional Investors		
a. Mutual Funds	19,290	0.05
b. Banks, FI's, Insurance Companies	6,25,642	1.47
Private Corporate Bodies	5,89,060	1.38
NRIs / OCBs (other than Promoter Group)	32,373	0.08
Indian Public	9,374,091	22.02
Total	4,25,61,822	100.00

➤ **Stock Market Price Data :**

High and Low of market the stock price of the Company's equity shares traded on BSE Ltd (BSE) during the last financial year was as follows:

Month	Steelco Share price		BSE SENSEX	
	High	Low	High	Low
April - 16	5.40	4.00	26100.54	24523.20
May - 16	5.48	3.71	26837.20	25057.93
Jun-16	6.60	3.70	27105.41	25911.33
Jul-16	7.25	5.36	28240.20	27034.14
Aug-16	6.30	4.90	28532.25	27627.97
Sep-16	6.89	5.00	29077.28	27716.78
Oct-16	7.45	5.63	28477.65	27488.30
Nov-16	7.85	4.83	28029.80	25717.93
Dec-16	6.75	4.49	26803.76	25753.74
Jan-17	7.95	5.60	27980.39	26447.06
Feb-17	9.50	7.74	29065.31	27590.10
Mar-17	8.95	6.90	29824.62	28716.21

COMPLIANCE

In compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 executed with the Stock Exchange(s), as applicable, the Company has obtained the certificate regarding compliance of conditions of Corporate Governance from M/s. Devesh Vimal & Co., Practicing Company Secretaries, Vadodara, which appears as a part of the Annual Report of the Company.

Shareholder's correspondence should be addressed to the Company's RTA at the address mentioned above. The Shareholders having securities in a dematerialized form should give instructions relating to change of address, nomination and / or power of attorney executed by the shareholders directly to their respective Depository Participant(s). Alternatively shareholders may contact us at secretarial@steelcogujarat.com.

XI. AFFIRMATION AND OTHER DISCLOSURES

Compliance with Governance Framework:

The Company has been in compliance with all mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Related Party Transaction:

All transactions entered into with the related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Related Party Transactions have been disclosed under the note 34 of the significant accounting policies and notes forming part of the financial statements in accordance with "Accounting Standard 18". A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis was periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transaction, which is posted on Company's website at www.steelcojaguarat.com.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of the business and have no potential conflicts with the interest of the Company at large and are carried out on an arm's length basis or fair value.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the year:

The Company has complied with all requirements of the listing agreement entered into with the Stock Exchanges as well as the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other Regulations and Guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years. However, in case of non-compliance of Minimum Public Shareholding the Compliance was made in August 2014 after delay of 14 months, the adjudication proceedings were initiated and after adjudication, the adjudicating officer of SEBI has ordered penalty of ₹ 25 lakhs in this matter for delayed compliance. The Company has made an appeal to Securities Appellate Tribunal (SAT) against the said order, considering the genuine difficulties beyond control faced, for delayed compliance and which has caused neither loss to the investors nor undue gain to the promoters. The said appeal is under process.

Whistle Blower Policy/Vigil Mechanism:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy / Vigil Mechanism for Directors and Employees to report to the management about the unethical behaviour, fraud or violations of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

Disclosure of Accounting Treatment:

In preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies, which are consistently applied, are set out in the notes to the Financial Statements.

Disclosure on Remuneration to Managing Director

The remuneration of Managing Director consists of Salary, retirement benefits (fixed) and other perquisites (variable as on actuals), bonus, etc. as mentioned in the explanatory statement to the notice convening 27th Annual General Meeting. The remuneration also consists of annual performance linked bonus, which is variable as it depends on the performance of the appointee and the Company. The notice period is of three (3) months as mentioned in the notice. Further, there is neither Stock Options scheme nor service contracts any nor severance fees.

Non-mandatory requirements:

Adoption of non-mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are being reviewed by the Board from time to time.

XII. DECLARATION REGARDING COMPLIANCE BY BOARD MEMEBRS AND SENIOR MANAGERIAL PERSONNEL WITH COMPANY'S

CODE OF CONDUCT PURSUANT TO SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2016:

This is to confirm that all Board Members and Senior Management Personnel of the Company have complied with the code of conduct for Directors & Senior Managerial Personnel during the year ended 31st March, 2017.

XIII. In terms of the Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the certification by Chief Financial Officer and Managing Director of the Company on the financial statements and internal control relating to financial reporting, have been obtained by the Board of Directors.

XIV. PLANT LOCATION:

The Company has one Plant which is located at :

Steelco Gujarat Limited
Plot No.2, GIDC Estate,
Palej-392220,
Dist. Bharuch, Gujarat.

XV. ADDRESS FOR CORRESPONDENCE:

Steelco Gujarat Limited
Plot No.2, GIDC Estate,
Palej-392220,
Dist. Bharuch, Gujarat.

As per requirement of the Regulation 46(2) (j) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges, the Company has created a dedicated email ID secretarial@steelcojgujarat.com exclusively for the purpose of registering complaints of the investors and is prominently displayed on the Company's website www.steelcojgujarat.com.

XVI. COMPLIANCE OFFICER:

Shri Achal Thakkar, Company Secretary is the Compliance Officer of the Company and Secretary to all Committees of the Board.

**By Order of the Board
For Steelco Gujarat Limited**

Place : Mumbai
Date : 30th August, 2017

Mahendra Lodha **Mitesh H. Shah**
Director **Managing Director**

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Steelco Gujarat Limited,

We have examined the compliance of conditions of Corporate Governance of STEELCO GUJARAT LIMITED ("the Company") for the year ended March 31, 2017, as stipulated in Regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of conditions of Corporate Governance is responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the 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 our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2017 as applicable.

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 Devesh Vimal & Co.
Practising Company Secretaries

Place : Vadodara
Date : 21st August, 2017

CS Devesh A. Pathak
Partner
Membership No. FCS - 4559
CP No. - 2306

ANNEXURE - 4 TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES AND OUTLOOK

The Steel Industry plays a dynamic role in the development of any modern and emerging economy. The demand for steel industry is driven mainly from industries like infrastructure, automobile, engineering, aviation, construction. The per capita consumption of steel is a normally accepted measure for socio-economic development of the people of the country. Consequently, the steel sector has been a major contributor to India's manufacturing output.

During the year, the global steel industry continues to face headwinds of weak demand and overcapacity, gradual slowdown and downward pressure on prices of energy commodities.

Global Steel Industry -

In 2016, Global Crude Steel production stood at 1.63 Billion Tonnes with a growth of 0.8% over 2015 and the consumption grew by 1.0% to 1.52 Billion Tonnes in 2016. The countries with export focused steel industry like China, Japan, Korea & Russia continued to flood global steel markets with exports at predatory prices. The World Steel Association has forecast that the global steel demand will increase by 1.3% to 1.54 Billion Tonnes in 2017 over 2016. The demand in developing economies excluding China, which accounts for 30% of the world total, is expected to grow by 4.0% and 4.9% in 2017 and 2018 respectively.

Indian Economy -

The Indian Economy registered growth of 7.1% in FY 2016-17, with the Agricultural sector growth of 4.1%, industrial sector growth of 5.2% and service sector growth of 8.8%. For FY 2017-18, GDP has been forecast in the range of 6.75-7.5%. The government's strategies & plans to reform will benefit the growth of the nation and various policies and initiatives take by the Government in areas like Demonetization, Taxation (GST), Foreign Direct Investment (FDI), Make in India, ease of doing business, etc. will further thrust the growth.

Indian Steel Industry –

The Indian steel sector has been affected adversely due to intense competition pressure with a surge in domestic steel production and elevated level of steel imports at predatory pricing. During 2016-17, crude steel production stood at 97.4 Million Tonnes, with growth of about 8.5% over 2015-16. The Finished steel production also registered growth of 11.3% in 2016-17 over 2015-16. The total finished steel import, with decline of 36.6%, stood at 7.5 Million Tonnes and against that, the exports grew by 102% to 8.24 Million Tonnes and this led India to emerge as a net exporter of total finished steel. However, the consumption of finished steel grew only by just 3%.

The overall steel industry is not doing well due to facing various headwinds like fluctuations in raw material prices & currency as well as the increasing NPAs and stressed Assets. The Minimum Import Price imposition after the safeguard duty on certain steel products, have provided relief to some extent to the industry. With Government's focus on manufacturing & industries occupied with spending on infrastructures (roads, rails, ports, etc.), it is well expected that the demand is going to increase in coming years. The data of steel consumption for various sectors, viz. construction & infrastructure, engineering & fabrication, automotive and parts, other transportation, packaging & others has current demand (2016) of 81.5 Million Tonnes and its projected demand in 2030 is 230 Million Tonnes (almost 3 times) and this will help drive the growth. The industry looks optimistic with higher GDP growth and expected improvement in pace with public & private sector projects with Government focus on infrastructure projects.

The new Steel Policy, 2017 (NSP) released by the Government aims to increase steel production, with the objective of making the country self-sufficient in steel production. The main core elements of the policy are :

- 300 million tons finished steel-making capacity by 2030;
- 160 per capita steel consumption by 2030;
- Preference for domestically produced steel in Government procurement
- Export 24 million Tonnes steel (10% of production) by 2030
- Reduction of imports to zero by 2030;
- Domestically produce value added steel-CRGO, special steel, and alloys;
- Reduce import dependence on coking coal to 65% by 2030-31; Focus on palletization and installation of slurry pipelines and conveyors including BF/BOF technology

Certain highlights of the Steel Industry in India are :

- 3rd largest consumer of finished steel globally (2016)
- 3rd largest producer of finished steel globally (2016)
- 2nd largest producer of sponge iron in the world (2016)
- Constitutes 2% of GDP of the nation
- Providing more than 6 million jobs.

THREATS, RISKS AND CONCERN

The per capita consumption of steel in India is very low in comparison to global average as well as in comparison to various other Asian economies. Eventually India has a long way to go in the consumption of steel, which as such, ensures long-term growth and good prospects for the steel sector in long run.

The Indian steel industry still suffers are high cost of power and fuel, which are expected to be addressed by new Government in due course of time. Continuous capacity expansion of integrated steel manufacturer for processing value added products are resulting into increase in their market share at the cost of secondary manufactures and resulting into squeezing margins due to keen competition. To stay ahead your company continues to develop more and more value added specialized products and better product mix and geography mix to ensure its own growth.

As a measure of cost control by saving on power cost, the Company has tied up with private power supplier for purchase of power under Long-Term open access mechanism which has already started significant saving in power cost. However, the Company did not see any development in purchase of open access power through IEX, due to denial by Gujarat Energy Transmission Corporation Ltd as technical issues in Grid line on account of critical loading have been there. The Company is also exploring the other options for further saving in power cost like solar power, wind power, etc.

Your company continues to have high exposure to forex due to significant export and import. The volatility of currency contributes to high risk and to minimize the impact of the same a prudent policy of necessary hedging / forward sales has been adopted to draw the balance between the forex asset and liabilities.

The Board of Directors is being informed periodically in respect of risk assessment and steps being taken by the Company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The overall sales during FY 2016-17 stood at 109,109 MT, increased by 5% over FY 2015-16 (104,052 MT) and in terms of revenue also, it has increased by approx. 5% from ` 508.49 crores to ` 534.99 crores, due to reduction in steel prices. Further, the Company made cash loss of ` 28.22 crores as compared to Cash Profit of ` 3.53 crores of FY 2015-16.

The Steel Industry has been impacted adversely during the year and the Company faced various challenges due to the factors mentioned as under:

- Global pressure due to structural demand slowdown;
- Significant overcapacity in China coupled with the slowdown in its domestic demand has resulted in Chinese Steel producers “dumping” its production in overseas market at uneconomic rates for others to be able to compete and thus has adversely affected the Company’s export market with lower margins;
- Lack of adequate working capital assistance from banks adversely affected the SGL’s operations. With the support of third party financing, it resulted in a higher input cost, ultimately impacting margins of the Company;
- The domestic coated market has moved towards 1220 mm material with rapid growth in the colour coated steel subsector and against that, the company was not able to participate in this high growth, high margin market, due to width concern;
- Discontinuance of Open Access Power by GETCO, resulting in considerably high power cost; and
- Fluctuation in raw material prices during the year.

There are challenges going forward in FY 2017-18, however, the outlook of the Company is optimistic in view of the following:

- The Company is implementing various long-term measures to improve its cash flow and revival of the operations of the Company. The Company is exploring multiple options of financial restructuring and is in discussions with strategic investor to infuse long-term required finance for its critical capex plan and also for revival of its operations. The Company is also in discussion with lenders on its detailed Debt Resolution Plan envisaging proposed critical capex on colour coating line and Alu Zinc lines. On positive outcome of efforts in above direction, the Company and its management is hopeful to make optimum utilization of its resources, renegotiate its contracts and complete the on-going projects to generate future cash flows, meet its financial obligations towards lenders and creditors. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows. The promoters also continue to be committed to providing the required operational support to Company in the foreseeable future;
- Strategies & markets with upcoming economy with colour coated products under capex;
- Starting of open Access power, which has already started resulting into significant saving in power cost, which is one of the major cost of the Company;
- Various steps being taken by the Government of India will help to grow steel industry as a whole;
- The value-add capex of Colour Coating Line (CCL) has already started from June 2017 and is in operations with capacity of around 80%;
- The proposed value-add capex of Aluminum Zinc (AZ) Line will enable the company to enhance the Company’s viability in the market with wider market, both domestic & export, better margin and branding of the Company;
- Diversifying the product basket and market;
- Forward Integration by implementation of capex adding value added products resulting in higher realization per ton of production; and
- With various products, the Company will be in a position to explore and penetrate new markets including domestic markets, which will enable sustained growth.

Regarding outlook of the capex, phase I, i.e. Colour Coating Line, which has already started its commercial production from June, 2017, the Colour coated steel demand has increased at a CAGR of 21% in 2006 to 2014 and in last 3-4 years, the demand has significantly increased. The total capacity of Colour Coated Steel in India in 2017 reaches to 2.4 million tonnes per annum.

The phase II, the Aluzinc Line (proposed), the market of Aluminum & Zinc coating is a global trend adopted by various finished steel manufacturers as the same has various advantages. It has been proven to stand the test of time as it is designed to withstand the rigors of various climatic conditions. The product is 4 times more durable than galvanized finished steel and in addition, it is light, heat resistant, and extremely thermally reflective. As the Al-Zn coating steel uses less zinc as compared to Galvanized Steel, margins are expected to be higher and markets for the product looks more attractive.

The long term outlook, in view of capex is positive.

INTERNAL CONTROL SYSTEM AND THEIR EFFICACY

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses executing transaction with proper authorization and ensure compliance of corporate policies.

Internal Audit covering the key areas of operations and Audit on Internal Financial Control covering areas including operations having Financial Reporting impact are conducted at regular intervals. It is an independent assurance and functions responsible for evaluating and improving the effectiveness of risk management control and governance processes.

An Audit Committee consisting of three Independent Directors, one Nominee Director and one Non-Executive Director is in place. The Internal Audit Reports are placed before the Audit Committee. The Audit Committee deliberates and advises the Management on improvements/compliance and the management provides complies with the same to the said Committee, from time to time.

STATUTORY COMPLIANCES

After obtaining confirmation from the various departments of the Company in respect of compliance with all the statutory requirements, a declaration regarding compliance of the provisions of various statutes is made by the Managing Director at each Board Meeting and deviations, if any, are brought to the notice of Directors with reasons and remedial measures taken to comply with the same. The Company Secretary, as a Compliance Officer, ensures compliance of the Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other various SEBI Regulations.

QUALITY

Your Company believes in branding its products for sustainable and long term growth, through customer satisfaction that goes beyond contractual obligations, improvement in quality, resolution of customer complaints with a target of improvement in reduction of complaints from time to time. In today's global competition and open economy, quality plays a vital role in marketing the products and in staying ahead of others. Therefore, more emphasis is being given to manufacturing of products that meets high standards of quality in the global market and customers' satisfaction. Proactive efforts are directed towards determining customers' requirements and achieving all-round customer satisfaction. This is primarily achieved through automated systems, high attention to complaint resolution, online communication, and information exchange, at various levels.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Industrial and employee relations with the company remain cordial throughout the year. It has been with the fulfillment of our market commitments, prompt communications, and participation in social activities and to provide challenging and safe environment in the company, where every employee can develop its own strength and deliver its best expertise in the company's interest.

The Board of Directors on record conveys thanks to all the employees for their valuable contribution towards their support in performance of the company in this difficult situation.

Your Company encourages employees to go beyond their scope of work, initiated various employee engagement activities and encourages them to participate, undertake voluntary projects and training and developmental sessions enabling the employees to learn and contribute innovative ideas in line with the vision, mission and core values of the Company.

ANNEXURE - 5 TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Steelco Gujarat Limited
Plot No.2, GIDC Estate, Palej - 392 220
Dist. Bharuch, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Steelco Gujarat 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 expressing our opinion thereon.

Based on our verification of the Steelco Gujarat 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 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [Presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014.]
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, we further report that laws specifically applicable to the Company are:
- (a) Water (Prevention and Control of Pollution) Act, 1974
 - (b) Air (Prevention and Control of Pollution) Act, 1981
 - (c) Hazardous Waste (Management and Handling) Rules, 1989
 - (d) The Environment Protection Act, 1986
 - (e) Indian Boilers Regulations, 1950

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd. [including 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, Standards, etc. mentioned above subject to the following observations:

- (a) Earlier, the Company had received notice from SEBI for non compliance of the Clause 40A of the Listing Agreement regarding Minimum Public Shareholding. Subsequently, promoters fully liquidated the excess Equity Shares by way of sale under OFS scheme on 30th June, 2014 and 6th August, 2014 as per the prescribed SEBI Guidelines. Thereafter SEBI issued order vide no. EAD-2/DSR/RG/PU/566-567/2016 dtd. April 29, 2016 pursuant to Section 23-I of the SCR Act, 1956 read with Rule 5 of the SCR Rules, 1957 imposing a penalty of ₹ 25 lacs under Section 23E of the SCR Act, 1956 on the Company & Spica Investment Ltd., the promoter, to be paid jointly & severally within 45 days from the receipt of the order. We have been given to understand that the said order has been challenged at Securities Appellate Tribunal (SAT).

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report (by way of information) in respect of the Company that during the audit period :

(a) Since the Company has not issued any securities during the period under review:

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014.
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

were not applicable during the period under review.

(b) In view of neither voluntary delisting of Equity Shares nor buy back of any security of the Company,

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

were not applicable during the period under review,

(c) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India mandatorily applicable during the period under review were complied with.

(d) Application is made to the Central Government in respect of Revision in remuneration of Shri Mitesh H. Shah and reconsideration of approval vide their letter no. SRN C53024618/3/2015-CL-VII dtd. 11th March, 2016.

(e) Members of the Company at their Annual General Meeting held on 30th September, 2016 authorized the Board of Directors of the Company

- to enter into a related party transaction for sale of partial unusable land, admeasuring of about 40470.9893 sq. mtrs at a consideration amounting to ` 15,00,00,000 (Rupees Fifteen Crores Only) to Steelco Colour Coating Limited.
- to offer, issue and allot 6% new 3,00,00,000 redeemable cumulative non-convertible preference shares, each of ` 10 to SPICA Business Corp, Panama.

**For Devesh Vimal & Co.
Practising Company Secretaries**

**CS Devesh A Pathak
Partner**

**Place : Vadodara
Date : 21st August, 2017**

**FCS No. 4559
C P No: 2306**

Note: This report is to be read with our letter of even date which is enclosed as per Annexure forming integral part of this report.

To,
The Members,
Steelco Gujarat Limited
Plot No. 2, G.I.D.C. Estate, Palej,
Dist. Bharuch, Gujarat- 392220

Ref: Secretarial Audit Report dated 21st August, 2017 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of secretarial records is the responsibility of 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 the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings 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 procedures 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 Devesh Vimal & Co.
Practising Company Secretaries**

**CS Devesh A Pathak
Partner**

**Place : Vadodara
Date : 21st August, 2017**

**FCS No. 4559
C P No: 2306**

ANNEXURE-6 TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31-03-2017

[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	: L27110GJ1989PLC011748
ii) Registration Date	: 09/01/1989
iii) Name of the Company	: STEELCO GUJARAT LIMITED
iv) Category / Sub-Category of the Company	: Engineering Industry dealing in Steel
v) Address of the Registered office and contact details	: Plot No.2, GIDC Estate, Palej - 392 220, Dist. Bharuch, Gujarat
vi) Whether listed Company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	: M/s. Link Intime India Private Limited Unit : Steelco Gujarat Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Tel No. 022 49186270, Fax: 49186060 Email Id: rnt.helpdesk@linkintime.co.in Website : www.linkintime.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Manufacturing of CR coils/Sheets	7209	48%
2	Manufacturing of Galvanized Coils/ Sheet	7210	52%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY –

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
-	-	-	-	-	-

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

I) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of Promoters' & Promoter group									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt./ State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
d) Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Government	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (Specify)									
f) Bodies Corporate	31921366	0	31921366	75.00	31921366	0	31921366	75.00	0.00
SUB TOTAL (A) (2)	31921366	0	31921366	75.00	31921366	0	31921366	75.00	0.00
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	31921366	0	31921366	75.00	31921366	0	31921366	75.00	0.00

B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds/ UTI	4980	14310	19290	0.05	4980	14310	19290	0.05	0.00
b) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
e) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
f) Financial Institutions / Banks	625402	240	625642	1.47	6832	240	7072	0.02	1.45
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)									
SUB TOTAL (B)(1):	630382	14550	644932	1.52	11812	14550	26362	0.06	1.46
(2) Central Government/ State Government(s)/ President of India									
Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
(3) Non Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakhs	4305607	1742108	6047715	14.21	5118824	1739408	6858232	16.11	-0.14
ii) Individuals shareholders holding nominal share capital in excess of ` 1 lakhs	2739573	0	2739573	6.44	2496336	0	2496336	5.87	-0.49
b) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
c) Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (Specify)									
f) Trusts	3525	0	3525	0.01	3525	0	3525	0.01	0.00
g) Hindu Undivided Family	484394	0	484394	1.14	507706	0	507706	1.19	1.14
h) Non Resident Indians (Non Repat)	720	0	720	0.00	2927	0	2927	0.01	0.00
i) Non Resident Indians (Repat)	31653	0	31653	0.07	60383	0	60383	0.14	-0.15
j) Clearing Member	98884	0	98884	0.23	158374	0	158374	0.37	0.10
k) Bodies Corporate	559820	29240	589060	1.38	497381	29230	526611	1.24	-0.46
Sub Total (B)(3)	8224176	1771348	9995524	23.48	8845456	1768638	10614094	24.94	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	8854558	1785898	10640456	25.00	8857268	1783188	10640456	25.00	1.46
Total (A)+(B)	40775924	1785898	42561822	100.00	40778634	1783188	42561822	100.00	1.46
Non Promoter - Non Public Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
Total (A)+(B)+(C)	40775924	1785898	42561822	100.00	40775924	1785898	42561822	100.00	0.00

(ii) SHAREHOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	SPICA INVESTMENTS LTD.	31921366	75.00	75.00	31921366	75.00	75.00	0.00

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) - NO CHANGE

SI No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	31921366	75.00	31921366	75.00
2	Changes during the year	0	0.00	0	0.00
3	At the end of the year	31921366	75.00	31921366	75.00

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

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Reason	Cumulative shareholding at the end of the year - 2017	
		Nos. of Shares held	% of total shares of the Company	Date of Transactions	No. of Shares		Nos. of Shares held	% of total shares of the company
1	RAMAN MADHOK	266777	0.6268				266777	0.6268
	AT THE END OF THE YEAR						266777	0.6268
2	BAJRANG MANGAL	167978	0.3947				167978	0.3947
	AT THE END OF THE YEAR						167978	0.3947
3	BAJRANG MANGAL	166814	0.3919				166814	0.3919
	AT THE END OF THE YEAR						166814	0.3919
4	GAJRABA B REVAR	45900	0.1078				45900	0.1078
				17 Jun 2016	8113	Transfer	54013	0.1269
				24 Jun 2016	100	Transfer	54113	0.1271
				30 Jun 2016	4000	Transfer	58113	0.1365
				08 Jul 2016	2000	Transfer	60113	0.1412
				22 Jul 2016	6000	Transfer	66113	0.1553
				29 Jul 2016	16015	Transfer	82128	0.1930
				05 Aug 2016	2500	Transfer	84628	0.1988
				12 Aug 2016	10000	Transfer	94628	0.2223
				07 Oct 2016	18000	Transfer	112628	0.2646
				14 Oct 2016	5501	Transfer	118129	0.2775
				21 Oct 2016	5000	Transfer	123129	0.2893
				28 Oct 2016	10871	Transfer	134000	0.3148
	10 Feb 2017	1000	Transfer	135000	0.3172			
	AT THE END OF THE YEAR						135000	0.3172
5	MAHENDRA GIRDHARILAL	100	0.0002				100	0.0002
				23 Dec 2016	(20)	Transfer	80	0.0002
				30 Dec 2016	72747	Transfer	72827	0.1711
				06 Jan 2017	42282	Transfer	115109	0.2705
	13 Jan 2017	17461	Transfer	132570	0.3115			
	AT THE END OF THE YEAR						132570	0.3115
6	NEETA JAIN	80000	0.1880				80000	0.1880
				11 Nov 2016	2564	Transfer	82564	0.1940
				25 Nov 2016	17436	Transfer	100000	0.2350
				16 Dec 2016	20000	Transfer	120000	0.2819
				23 Dec 2016	377	Transfer	120377	0.2828
	20 Jan 2017	3224	Transfer	123601	0.2904			
27 Jan 2017	6399	Transfer	130000	0.3054				
	AT THE END OF THE YEAR						130000	0.3054
7	LATA MANGAL	115280	0.2709				115280	0.2709
	AT THE END OF THE YEAR						115280	0.2709
8	NARENDRA R. MALI	102670	0.2412				102670	0.2412
	AT THE END OF THE YEAR						102670	0.2412
9	LUXMI KANT GUPTA	22311	0.0524				22311	0.0524
				20 Jan 2017	700	Transfer	23011	0.0541
				10 Feb 2017	25463	Transfer	48474	0.1139
				17 Feb 2017	24528	Transfer	73002	0.1715
				03 Mar 2017	12942	Transfer	85944	0.2019
	17 Mar 2017	100	Transfer	86044	0.2022			
24 Mar 2017	3577	Transfer	89621	0.2106				
	AT THE END OF THE YEAR						89621	0.2106
10	SHAREKHAN LIMITED	8259	0.0194				8259	0.0194
				15 Apr 2016	85	Transfer	8344	0.0196
				22 Apr 2016	265	Transfer	8609	0.0202
				29 Apr 2016	(1182)	Transfer	7427	0.0174
				06 May 2016	(1853)	Transfer	5574	0.0131
				13 May 2016	965	Transfer	6539	0.0154
				20 May 2016	673	Transfer	7212	0.0169
				27 May 2016	14600	Transfer	21812	0.0512
				03 Jun 2016	(12240)	Transfer	9572	0.0225
				10 Jun 2016	(274)	Transfer	9298	0.0218
	17 Jun 2016	(214)	Transfer	9084	0.0213			
24 Jun 2016	2320	Transfer	11404	0.0268				
30 Jun 2016	(2201)	Transfer	9203	0.0216				

				01 Jul 2016	1568	Transfer	10771	0.0253
				08 Jul 2016	2442	Transfer	13213	0.0310
				15 Jul 2016	3418	Transfer	16631	0.0391
				22 Jul 2016	405	Transfer	17036	0.0400
				29 Jul 2016	13990	Transfer	31026	0.0729
				05 Aug 2016	11292	Transfer	42318	0.0994
				12 Aug 2016	41	Transfer	42359	0.0995
				19 Aug 2016	2216	Transfer	44575	0.1047
				26 Aug 2016	(1706)	Transfer	42869	0.1007
				02 Sep 2016	(7069)	Transfer	35800	0.0841
				09 Sep 2016	8915	Transfer	44715	0.1051
				16 Sep 2016	610	Transfer	45325	0.1065
				23 Sep 2016	(825)	Transfer	44500	0.1046
				30 Sep 2016	14115	Transfer	58615	0.1377
				07 Oct 2016	(8165)	Transfer	50450	0.1185
				14 Oct 2016	(1380)	Transfer	49070	0.1153
				21 Oct 2016	2280	Transfer	51350	0.1206
				28 Oct 2016	14188	Transfer	65538	0.1540
				04 Nov 2016	1252	Transfer	66790	0.1569
				11 Nov 2016	(16140)	Transfer	50650	0.1190
				18 Nov 2016	(250)	Transfer	50400	0.1184
				25 Nov 2016	(50)	Transfer	50350	0.1183
				02 Dec 2016	55	Transfer	50405	0.1184
				09 Dec 2016	34	Transfer	50439	0.1185
				16 Dec 2016	116	Transfer	50555	0.1188
				23 Dec 2016	(5)	Transfer	50550	0.1188
				30 Dec 2016	35975	Transfer	86525	0.2033
				06 Jan 2017	3450	Transfer	89975	0.2114
				13 Jan 2017	(5700)	Transfer	84275	0.1980
				20 Jan 2017	972	Transfer	85247	0.2003
				27 Jan 2017	(500)	Transfer	84747	0.1991
				03 Feb 2017	4983	Transfer	89730	0.2108
				10 Feb 2017	(295)	Transfer	89435	0.2101
				17 Feb 2017	549	Transfer	89984	0.2114
				24 Feb 2017	(2320)	Transfer	87664	0.2060
				10 Mar 2017	1389	Transfer	89053	0.2092
				17 Mar 2017	(326)	Transfer	88727	0.2085
				24 Mar 2017	(2672)	Transfer	86055	0.2022
				31 Mar 2017	(581)	Transfer	85474	0.2008
				AT THE END OF THE YEAR			85474	0.2008
11	R UMESH SHARMA	80000	0.1880				80000	0.1880
				24 Jun 2016	(100)	Transfer	79900	0.1877
				15 Jul 2016	5000	Transfer	84900	0.1995
				04 Nov 2016	(5000)	Transfer	79900	0.1877
				13 Jan 2017	(39900)	Transfer	40000	0.0940
				03 Feb 2017	(12000)	Transfer	28000	0.0658
				AT THE END OF THE YEAR			28000	0.0658
12	DELHI IRON & STEEL CO (P) LTD	86578	0.2034				86578	0.2034
				06 May 2016	(2996)	Transfer	83582	0.1964
				05 Aug 2016	(5550)	Transfer	78032	0.1833
				14 Oct 2016	(10000)	Transfer	68032	0.1598
				21 Oct 2016	(1751)	Transfer	66281	0.1557
				28 Oct 2016	(8620)	Transfer	57661	0.1355
				11 Nov 2016	(42666)	Transfer	14995	0.0352
				AT THE END OF THE YEAR			14995	0.0352
13	IDBI BANK LTD.	618570	1.4533				618570	1.4533
				29 Jul 2016	(20000)	Transfer	598570	1.4064
				05 Aug 2016	(40000)	Transfer	558570	1.3124
				12 Aug 2016	(48000)	Transfer	510570	1.1996
				19 Aug 2016	(50000)	Transfer	460570	1.0821
				21 Oct 2016	(3439)	Transfer	457131	1.0740
				28 Oct 2016	(73091)	Transfer	384040	0.9023
				04 Nov 2016	(55505)	Transfer	328535	0.7719
				11 Nov 2016	(40000)	Transfer	288535	0.6779
				18 Nov 2016	(20000)	Transfer	268535	0.6309
				25 Nov 2016	(41421)	Transfer	227114	0.5336
				02 Dec 2016	(32500)	Transfer	194614	0.4573
				09 Dec 2016	(65000)	Transfer	129614	0.3045
				16 Dec 2016	(129614)	Transfer	0	0.0000
				AT THE END OF THE YEAR			0	0.0000

14	GAJESH GANPATRAJ ABANI	129482	0.3042				129482	0.3042
				15 Jul 2016	(30219)	Transfer	99263	0.2332
				22 Jul 2016	(728)	Transfer	98535	0.2315
				29 Jul 2016	(34485)	Transfer	64050	0.1505
				05 Aug 2016	(500)	Transfer	63550	0.1493
				09 Sep 2016	(493)	Transfer	63057	0.1482
				30 Sep 2016	(2500)	Transfer	60557	0.1423
				14 Oct 2016	(26669)	Transfer	33888	0.0796
				04 Nov 2016	(33888)	Transfer	0	0.0000
	AT THE END OF THE YEAR						0	0.0000
15	HEMANT LAJPAL	83374	0.1959				83374	0.1959
				04 Nov 2016	(83374)	Transfer	0	0.0000
							0	0.0000
	AT THE END OF THE YEAR						0	0.0000

(v) **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl. No.	For Each of the Directors and KMP	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
1	At the beginning of the year	0.00	0.00	0.00	0.00
	Changes during the year	00	0.00	00	0.00
	At the end of the year	0.00	0.00	0.00	0.00

V. **INDEBTEDNESS**

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

₹ Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,752.23	802.94	38.37	9,593.54
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	2.85	0.00	0.00	2.85
Total (i+ii+iii)	8,755.08	802.94	38.37	9,596.39
Change in Indebtedness during the financial year				
• Addition	4,630.96	635.85	4.23	5,271.04
• Reduction	395.19	662.77	0.00	1,057.96
Net Change	4,235.77	(26.92)	4.23	4,213.08
Indebtedness at the end of the financial year				
i) Principal Amount	12,988.00	776.02	42.60	13,806.62
ii) Interest due but not paid	781.21	0.00	0.00	781.21
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	13,769.21	776.02	42.60	14,587.83

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

₹ Lakhs

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager Mitesh H. Shah	Total Amount
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.46	84.46
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	7.87	7.87
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	6.29	6.29
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	98.62	98.62
	Ceiling as per the Act	N.A.	N.A.

B. Remuneration to other directors:

Lakhs

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		J. Mehra	Mahendra Lodha	S.S. Ranjan	AmeetaTrehan	
1.	Independent Directors					
•	Fee for attending board committee meetings	4.16	4.20	4.16	4.10	16.62
•	Commission	-	-	-	-	-
•	Others, please specify - remuneration	-	-	-	-	-
	Total (1)	4.16	4.20	4.16	4.10	16.62
2.	Other Non-Executive Directors					
•	Fee for attending board committee meetings	0.80	0	0	4.00	4.80
•	Commission	-	-	-	-	-
•	Others, please specify	-	-	-	-	-
	Total (2)	0.80	0	0	4.00	4.80
	Total (B) = (1 + 2)	4.96	4.20	4.16	8.10	21.42
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					N.A.

C. Remuneration to Key Managerial Personnel other than MD/Manager

Lakhs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.26	30.22	38.48
	(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	8.26	30.22	38.48
	Ceiling as per Act	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Nil / None

By Order of the Board
For Steelco Gujarat Limited

Place : Mumbai
Date : 30th August, 2017

Mahendra Lodha Mitesh H. Shah
Director Managing Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Steelco Gujarat Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Steelco Gujarat Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit; and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the note no. 35 in the financial statements which indicates that the Company's financial statements have been prepared on a going concern assumption inspite of the Company having incurred cash Loss during the year ended March 31, 2017 and the net worth being negative as at 31st March, 2017. These conditions, along with other matters set forth in Note No. 35, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis in view of the management's efforts of recovery and revival and exploring various long-term measures to improve its cash flow and revival of the operations, proposed financial restructuring and exploration of strategic investor to infuse long-term required finance its critical capex plan and also for revival of its operations notwithstanding the fact that its net worth is eroded and most of the bankers of the company have classified as non-performing assets, which may have its impact on financial position and cash flows of the Company. The appropriateness of the said basis is wholly dependent upon the company's ability to raise requisite long term finance and/or generate sufficient cash flows and lenders' continuous support in future to meet its commitment of future revival plans and for continuing operations.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure-1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143 (3) of the Act, we report that:
 - 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.
 - 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 financial statements dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in “**Annexure –2**”; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note 19** to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - The company has provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th December, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management.

**For MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 106625W**

**PARTNER
Mukesh M. Shah
Membership No. 030190**

**Place : Mumbai
Date : 24th May, 2017**

**Annexure - 1 to in the Independent Auditors’ Report of even date to the members of
STEELCO GUJARAT LIMITED for the year ended 31st March, 2017.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - Some of the fixed assets were physically verified during the year by the management in accordance with programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and on the basis of our examination of the records of the company, the titles deeds of immovable properties are held in the name of the company.
- The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, having regard to the size of the Company and nature of its business.
 - In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventory. Discrepancies observed on physical verification of inventory have been appropriately been dealt with in the financial statements.
- The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii)(a) and (iii)(b) of paragraph of the Order are not applicable to the company for the current year.
- In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of section 185 and 186 of the Act is applicable, and accordingly paragraph 3 (iv) of the Order is not applicable to the Company.
- The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules frames thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.
- We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Company Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at 31st March, 2017, there are no such undisputed dues payable for a period of more than six months from the date they became payable **except stamp duty amounting to ₹ 53.32 lacs which is still not deposited and Service Tax under reverse charge basis amounting to ₹ 1.77 lacs which has since now been deposited.**
- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at 31st March, 2017 which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amounts involved (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax Penalty	268.02	2007-08	Commissioner of Income Tax – Appeal, Baroda
	Income Tax Penalty	142.42	2008-09	Commissioner of Income Tax – Appeal, Baroda
	Income Tax	393.53	2010-11	Commissioner of Income Tax – Appeal, Baroda
	Income Tax	240.50	2012-13	Commissioner of Income Tax – Appeal, Baroda
Custom Act	Custom Duty	32.66	2008-09	CESTAT, Ahmedabad
Gujarat Stamp Act, 1958	Stamp Duty	45.44	2008-12	

8. **According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has delayed in repayment of dues to banks and financial institution during the year aggregating to ₹ 372.15 lacs (the delay in such repayments being for less than 45 days in each individual case) and ₹ 364.20 lacs of such dues were in arrears as on the balance sheet date.**
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. **According to the information and explanations given to us and on the basis of our examination of the books of account, due to inadequacy of profits, the Company had filed an application for approval of Managerial Remuneration as approved by the Company Shareholders vide special resolution dated 11th May, 2015. The said application is under approval and has yet not been granted by the Central Government. Pending approval of Central Government, the remuneration paid and expensed in the financial results of financial year 2016-17 is in excess of the applicable limits of Schedule V of the Companies Act 2013 by ₹ 43.16 lacs.**
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given 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 the Act where applicable and 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 give 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.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 106625W**

Place : Mumbai
Date : 24th May, 2017

**PARTNER
Mukesh M. Shah
Membership No. 030190**

**Annexure - 2 to in the Independent Auditors' Report of even date to the members of
STEELCO GUJARAT LIMITED for the year ended 31st March, 2017.**

Report on the Internal Financial Control 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 Steelco Gujarat Limited ("the company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, internal financial controls system over financial reporting which is required to be strengthened so as to make the same commensurate with the size and nature of business of the Company and operative effectiveness of such internal financial controls over financial reporting requires improvement and need to be made effective as at March 31, 2017, based on 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 MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 106625W**

**PARTNER
Mukesh M. Shah
Membership No. 030190**

**Place : Mumbai
Date : 24th May, 2017**

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	INR - LAKHS	
		Figures as at end of March 31,	
		2017	2016
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	7,886.79	7,886.80
Reserves and Surplus	2	<u>(10,806.97)</u>	<u>(7,732.76)</u>
		(2,920.18)	154.03
Share Application Money Pending Allotment:			
		0.01	0.01
		<u>(2,920.17)</u>	<u>154.04</u>
Non-Current Liabilities:			
Long Term Borrowings	3	2,981.84	3,067.29
Other Long Term Liabilities	4	5.94	6.19
Long Term Provisions	5	<u>290.43</u>	<u>251.41</u>
		3,278.21	3,324.89
Current Liabilities:			
Short Term Borrowings	6	9,719.55	5,738.81
Trade Payables	7	17,711.58	15,865.54
Other Current Liabilities	8	3,748.90	2,056.57
Short Term Provisions	9	<u>135.80</u>	<u>125.43</u>
		31,315.83	23,786.35
Total		<u>31,673.87</u>	<u>27,265.28</u>
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	10	4,443.12	4,685.84
Intangible Assets	10	11.53	9.38
Capital work-in-progress		<u>983.28</u>	<u>96.22</u>
		5,437.93	4,791.44
Non Current Investments	11	5.00	5.00
Deferred Tax Asset [Net]	12	-	-
Long Term Loans and Advances	13	<u>1,281.41</u>	<u>1,343.87</u>
		6,724.34	6,140.31
Current Assets:			
Inventories	14	10,152.13	7,464.30
Trade Receivables	15	10,667.02	9,277.45
Cash and Bank Balances	16	558.12	1,293.20
Short Term Loans and Advances	17	1,466.79	971.92
Other Current Assets	18	<u>2,105.46</u>	<u>2,118.10</u>
		24,949.53	21,124.97
Total		<u>31,673.87</u>	<u>27,265.28</u>

Significant Accounting Policies
Notes to the Financial Statements

1 to 39

As per our report of even date
Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Mukesh M. Shah
Partner
Membership No: 30190

Place : Mumbai
Date : 24th May, 2017

For and on behalf of the Board

Mahendra Lodha
Director

Abhishek Jajoo
Chief Financial Officer

Place : Mumbai
Date : 24th May, 2017

Mitesh H. Shah
Managing Director

Achal Thakkar
Company Secretary

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

Particulars	Note No.	INR - LAKHS	
		Figures for the year ended on March 31,	
		2017	2016
REVENUE:			
Revenue from Operations:	20		
Sale of Products [Gross]		54,104.81	52,166.60
Less : Excise Duty		1,851.69	2,590.66
Sale of Products [Net]		52,253.12	49,575.94
Other Operating Revenues		1,107.44	1,014.79
Net Revenue from Operations		53,360.56	50,590.73
Other Income	21	139.41	258.28
Total Revenue		53,499.97	50,849.01
EXPENSES:			
Cost of Materials Consumed	22	43,282.36	38,987.91
Changes in Inventories of Finished goods and Work-in-progress	23	(49.30)	631.48
Employee Benefits Expense	24	1,620.32	1,452.72
Finance Costs	25	2,128.81	2,095.76
Depreciation and Amortisation expenses	10	252.15	254.92
Other Expenses	26	9,339.84	9,549.02
Total Expenses		56,574.18	52,971.81
Profit/(Loss) for the year		(3,074.21)	(2,122.80)
Excess Provision of depreciation in earlier years written back (Refer Note No. 10)		-	-
Profit/(Loss) for the year before exceptional and extraordinary items and tax		(3,074.21)	(2,122.80)
Exceptional item (Refer Note No. 36)		-	732.59
Profit/(Loss) for the year before extraordinary items and tax		(3,074.21)	(1,390.21)
Extraordinary item		-	-
Profit on Sale of Land (Refer Note No.10(1))		-	1,488.84
Profit/(Loss) before Tax		(3,074.21)	98.63
Less/(Add): Tax Expense:			
Current Tax		-	-
Deferred Tax	12	-	-
		-	-
Profit/(Loss) for the Year		(3,074.21)	98.63
Significant Accounting Policies			
Notes to the Financial Statements	1 to 39		

As per our report of even date
Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Mukesh M. Shah
Partner
Membership No: 30190

Place : Mumbai
Date : 24th May, 2017

For and on behalf of the Board

Mahendra Lodha
Director

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Chief Financial Officer

Place : Mumbai
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Mitesh H. Shah
Managing Director

Achal Thakkar
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

INR - LAKHS

Particulars	Figures for the year ended on March 31,	
	2017	2016
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit / (Loss) before tax	(3,074.21)	98.63
Adjustments for:		
Depreciation	252.15	254.92
Profit on Sale of Land	-	(1,488.84)
[Profit]/Loss on sale of assets [Net]	0.60	2.01
Interest income	(77.01)	(56.67)
Interest expenses	2,128.81	2,095.76
Bad debts written off	-	2.00
Write back of unclaimed long outstanding dues	-	732.59
Provision for doubtful debts written back	6.05	-
Exchange (Gain)/Loss - Unrealised	(457.08)	(178.98)
Provisions for employee benefits	65.07	44.90
Total	1,918.60	1,407.69
Operating profit before working capital changes	(1,155.61)	1,506.32
Adjustments for:		
[Increase]/Decrease in trade receivables	(1,170.17)	(3,035.50)
[Increase]/Decrease in inventories	(2,687.84)	434.69
[Increase]/Decrease in short term advances	(509.06)	812.10
[Increase]/Decrease in long term advances	67.89	(25.56)
[Increase]/Decrease in other current assets	(19.27)	(585.50)
Increase/[Decrease] in trade payables	2,299.07	1,842.78
Increase/[Decrease] in other current liabilities	154.21	137.19
Increase/[Decrease] in other long term liabilities	(0.25)	0.75
Increase/[Decrease] in long term Provisions	(26.05)	(32.87)
Increase/[Decrease] in short term Provisions	10.37	2.38
Total	(1,881.09)	(449.55)
Cash generated from operations	(3,036.71)	1,056.77
Less : Direct taxes paid [Net of refunds]	(5.43)	(8.77)
Cash flow before extraordinary items	(3,042.13)	1,048.00
Less : Extraordinary items	-	-
Net cash from operating activities	(3,042.13)	1,048.00
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(653.91)	(69.12)
Proceeds from sale of fixed assets	0.01	1,497.99
Interest received	108.91	(21.84)
Net cash from investing activities	(544.99)	1,407.03
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Availment of Long Term Borrowings	635.85	133.35
Repayment of Long Term Borrowings	(407.74)	(584.64)
Short Term Borrowings [Net]	3,987.00	422.88
Interest paid	(1,363.07)	(2,111.86)
Net cash used in financing activities	2,852.04	(2,140.26)
Net increase/(decrease) in cash and cash equivalents	(735.08)	314.76
Cash and cash equivalents at the beginning of the year	1,293.20	978.44
Cash and cash equivalents at the close of the year	558.12	1,293.20

Notes to the cash flow statement

1. All figures in brackets are outflow.
2. Previous year's figures have been regrouped wherever necessary.
3. Cash and cash equivalents at the end [beginning] of the year include ₹ 424.47 Lacs [₹ 1038.90 Lacs] not available for immediate use.
4. Cash and cash equivalents comprise:

	As at March 31		
	2017	2016	2015
a. Cash on hand	2.00	4.84	1.36
b. Balance with banks	131.65	249.46	8.97
c. Total	133.65	254.30	10.32

As per our report of even date

Mukesh M. Shah & Co.

Chartered Accountants

Firm Registration No. 106625W

Mukesh M. Shah

Partner

Membership No: 30190

Place : Mumbai

Date : 24th May, 2017

For and on behalf of the Board

Mahendra Lodha

Director

Abhishek Jajoo

Chief Financial Officer

Place : Mumbai

Date : 24th May, 2017

Mitesh H. Shah

Managing Director

Achal Thakkar

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

Company Overview

Steelco Gujarat Limited was incorporated on 9th January 1989 and is a listed entity. The Company's commercial Production of Cold Rolled Steel products started in FY 1994 with cold rolling of Steel Continuous Hot Dip Galvanising Line in FY 1997. The Company is engaged in manufacturing of GP/GC Coil Sheets & CR Coils & Sheets and the factory and office is located at Palej – 392220, Bharuch, Gujarat. The company is accredited with ISO 9001:2000 and ISO 14001:2004 certification on quality management standards for the manufacturing and supply of CR steel sheet/coils/strips and CR galvanized plain/corrugated sheet/coil/strips. The products manufactured by the company are also meeting the international standard such as BIS, JIS, DIN etc.

Significant Accounting Policies

1 Basis of Accounting:

The financial statements are prepared under "historical cost convention" on a going concern assumption (Please refer note no.36) on "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government to the extent applicable and with the applicable provisions of the Companies Act, 1956 and the provisions of the Companies Act, 2013, which are made effective from and after 12th September, 2013. The company has consistently applied the Accounting Policies in preparation and presentation of the financial statements.

2 Use of Estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amount of income and expenses during the Year. Actual results/outcome could differ from these estimates. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively in the year in which such estimates are actually materialized.

3 Fixed Assets and Depreciation:

A All Fixed Assets are valued at cost less depreciation / amortization. Cost [net of Cenvat credit available] comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Financing costs directly attributable to the construction of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready for their intended use.

Cost of addition or extension to an existing asset, which is of a capital nature and/or which becomes an integral part of the existing asset is capitalised and added to the gross book value of that asset.

All fixed assets are stated at their Historical Costs.

B Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II except in cases of Buildings and Plant and Machineries, where the estimated useful life has been estimated at a longer period than that is specified in Schedule - II based on an external technical assessment and evaluation independent technical assessors. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. As per the

management policy, the said extended useful life will be reviewed at the end of 3 Years or any indication which requires revision in useful life.

C Leasehold Land is being amortised over the life of the lease. While all other assets are depreciated over its estimated residual useful life.

D For determining the appropriate depreciation rates, plant and machinery falling under the category of continuous process plant has been identified on the basis of technical opinion obtained.

E Depreciation on additions to and disposals of the Fixed Assets during the period has been provided on pro-rata basis, according to the period each such asset was used during the period except in case of low value items not exceeding ₹ 10,000, which are depreciated fully in the period of addition.

F Depreciation on addition or extension to the existing Fixed Asset, which becomes integral part of that asset is provided on pro-rata basis according to the remaining useful life of the existing asset.

4 Impairment of Assets:

A If at a balance sheet date, there is an indication above impairment of any item of fixed assets, the same is treated as impairment loss and is charged to the statement of Profit and Loss.

B After impairment of an asset, the depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

C At a balance sheet date, if there is an indication that a previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount and previously recognised impairment loss is reversed.

5 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition/construction of qualifying Fixed Assets are capitalized as a part of the cost of the respective asset upto the date when such assets are ready for their intended use and borrowing costs other than these costs are charged to Profit and Loss Account.

6 Expenditure during the Construction Period:

The expenditure incidental to the expansion / new projects is carried forward as "Pre-operative and Project expenditure pending allocation/capitalization" and are allocated to Fixed Assets in the period of commencement of the commercial production / respective assets being put to use.

7 Inventories:

A Inventories consisting of Raw Materials, Work-in-Process and Finished Goods are valued at lower of cost and net realizable value.

B For this purpose, the cost of raw material is determined using monthly moving average cost method (net of Cenvat credit availed).

C Cost of finished goods and Work-in-process is determined by taking average material costs (net of Cenvat credit availed) and other appropriate and relevant manufacturing overheads.

D Inventories consisting of Stores, Consumables, Spare Parts, and Packing Materials etc. are valued at lower of cost and net realizable value.

For this purpose direct costs, and appropriate relevant overheads are apportioned using the FIFO method.

8 Revenue Recognition:

- A** Revenue is recognised to the extent it is possible that economic benefits will flow to the company and the revenue can be reliably measured and there is a reasonable certainty regarding ultimate collection.
- B** Revenue from sale of products is recognised on transfer of all significant risks and rewards of ownership of the goods to the customers, which generally coincides with the dispatch of goods. Sales are stated exclusive of Sales Tax / VAT, trade discounts and sales returns.
- C** Export benefits / incentives are accounted on accrual basis in accordance with various government schemes in respect thereof and are shown under "Other Operating Revenue".
- D** Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.
- E** Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

9 Foreign Currency Transactions:

- A** The transactions in foreign currencies are converted into Indian Rupees at the rates of exchange prevailing on the date of transactions.
- B** The balances in Current Assets and Current Liabilities in foreign currencies at the date of Balance Sheet have been converted into Indian Rupees at the rate of exchange prevalent on that date. The resultant net gain/loss arising out of such foreign exchange translations is taken to Profit and Loss Account except in respect of such differences related to acquisition of fixed assets from a country outside India which are capitalized as a part of cost of respective fixed asset.

10 Excise Duty:

Excise Duty is accounted gross of Cenvat benefit availed on inputs, fixed assets and eligible services.

11 Employee Benefits:

A Defined Contribution Plans:

The Company contributes on a defined contribution basis to Employees' Provident Fund towards post employment benefits, all of which are administered by the respective Government authorities, and it has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

B Defined Benefit Plans:

The Superannuation scheme is administered through the Life Insurance Corporation of India (LIC). The liability for the defined benefit plan is funded by way of payment of premium as determined by the LIC of India and the same is administered by LIC and the Company has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

The Company administers the gratuity scheme being unfunded liability. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses,

which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Profit and Loss Account.

C Leave Entitlements (Long Term Employee Benefit):

The employees of the company are entitled to leave as per the leave policy of the Company. The unfunded liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary, which is calculated using projected unit credit method as at the year end and charged to the Profit and Loss Account.

12 Provision for Bad and Doubtful Debts/Advances:

Provision is made for Bad & Doubtful Debts / Advances which in the opinion of the management is considered doubtful of recovery.

13 Taxes on Income:

- A** Tax expenses comprise of current and deferred tax.
- B** Current tax is measured at the amount expected to be paid on the basis of relief and deductions available in accordance with the provisions of Indian Income Tax Act, 1961 and includes Minimum Alternate Tax ("MAT") paid by the company on book profits in accordance with the provisions of the IncomeTax Act, 1961.
- C** MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period and will be able to set off such MAT credit entitlement.
- D** Deferred income tax reflects the impact of the current year reversible timing differences between the taxable income and accounting income for the Year and reversal of timing differences of the earlier Year.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

14 Leases:

Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the whole ownership of the leased assets. Operating lease payments are recognized as expenses in the statement of Profit and Loss as and when paid.

15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed for:

- A** Possible obligations which will be confirmed by future events not wholly within the control of the Company, or
- B** Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

NOTES TO THE FINANCIAL STATEMENTS

INR - LAKHS
Figures as at end of March 31,
2017 **2016**

NOTE: 1-SHARE CAPITAL:

Authorised:

7,50,00,000 [as at 31-03-15 : 7,50,00,000] Equity Shares of ` 10/- each	7,500.00	7,500.00
7,50,00,000 [as at 31-03-15 : 7,50,00,000] Preference Shares of ` 10/- each	7,500.00	7,500.00
	15,000.00	15,000.00

Issued, Subscribed and Paid-up:

4,25,61,822 [as at 31-03-16 : 4,25,61,822] Equity Shares of ` 10/- each, fully paid up	4,256.18	4,256.18
3,28,20,000 [as at 31-03-16 : 3,28,20,000] 12.50% Cumulative Redeemable Non-Convertible Preference Shares of ` 10/- each, fully paid up	3,282.00	3,282.00
34,86,200 [as at 31-03-16 : 34,86,200] 7.00% Cumulative Redeemable Non-Convertible Preference Shares of ` 10/- each, fully paid up	348.62	348.62
Total	7,886.79	7,886.79

A The reconciliation of the number of Shares outstanding is as under:

Particulars	Equity shares		Preference Shares	
	As at end of March 31, 2017	2016	As at end of March 31, 2017	2016
Number of shares at the beginning	42,561,822	42,561,822	36,306,200	36,306,200
Add: issued during the year	-	-	-	-
Number of shares at the end	42,561,822	42,561,822	36,306,200	36,306,200

B The equity shares rank parri passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.

C 12.50 % Cumulative Redeemable Non-Convertible Preference Shares are redeemable after a period of 18 years from the date of its issues i.e.29-09-2008.

The said shares do not carry any voting rights nor do they participate in the profits of the Company, except that they carry preferential right in respect of cumulative arrears of unpaid dividend. In the event of liquidation of the Company, the preference shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all other preferential amounts but before distribution to the equity shareholders.

D 7.00 % Cumulative Redeemable Non-Convertible Preference Shares are redeemable after a period of 15 years from the date of its issues i.e. 21-02-2014.

The said shares do not carry any voting rights nor do they participate in the profits of the Company, except that they carry preferential right in respect of cumulative arrears of unpaid dividend. In the event of liquidation of the Company, the preference shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all other preferential amounts but before distribution to the equity shareholders.

E Details of Share Holders holding more than 5% of Share Capital :
Spica Investments Limited (Holding Company), Mauritius, which is a subsidiary of Spica Business Corp., Panama.

Number of Equity Shares	31,921,366	31,921,366
% to total share holding	75.00	75.00
Number of Preference Shares	36,306,200	36,306,200
% to total share holding	100.00	100.00

F Equity shares allotted without payment being received in cash	Nil	Nil
G Preference shares allotted without payment being received in cash	Nil	Nil
H Equity Shares allotted as fully paid up shares by way of Bonus Shares	Nil	Nil

INR - LAKHS
Figures as at end of March 31,
2017 **2016**

NOTE: 2-RESERVES AND SURPLUS:

Capital Reserve:

Balance at the beginning and at the end of the year	<u>489.68</u>	489.68
	<u>489.68</u>	<u>489.68</u>

Revaluation Reserve:

Balance as at the beginning of the year	-	7,479.16
Less : Reversal of Revaluation reserve pursuant to disclosure of fixed assets at its historical costs/ Transfer to statement of Profit and Loss to the extent of Depreciation provided on Revalued amount	-	(7,479.16)
	<u>-</u>	<u>-</u>

Surplus in statement of Profit and Loss:

Balance as at the beginning of the year	(8,222.44)	(8,321.07)
Add: (Loss)/Profit for the year	(3,074.21)	98.63
Balance as at the end of the year	<u>(11,296.65)</u>	<u>(8,222.44)</u>
Total	<u>(10,806.97)</u>	<u>(7,732.76)</u>

NOTE: 3-LONG TERM BORROWINGS:

INR - LAKHS

	INR - LAKHS			
	Non-current portion		Current Maturities	
	Figures as at end of March 31,		Figures as at end of March 31,	
	2017	2016	2017	2016
A Term Loans from Banks [Secured]				
Term Loan	2,212.64	2,927.12	1,055.80	736.52
B Finance Lease Obligations [Unsecured]:				
From Banks	-	6.82	6.82	12.54
C From Shareholder [Unsecured]	769.20	133.35	0.00	0.00
Total	<u>2,981.84</u>	<u>3,067.29</u>	<u>1,062.62</u>	<u>749.06</u>
The above amount includes:				
Secured borrowings	2,212.64	2,927.12	1,055.80	736.52
Unsecured borrowings	769.20	140.17	6.82	12.54
Amount disclosed under the head "Other Current Liabilities" [Note-8]	<u>(2,981.84)</u>	<u>(3,067.29)</u>	<u>(1,062.62)</u>	<u>(749.06)</u>
Net amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

A Securities and Terms of Repayment for Secured Long Term Borrowings:

Rupee Term Loans:

Rupee Term Loan of ` 3268.44 Lacs is secured by way of joint mortgage of immovable properties of the company situated at Plot No.2, GIDC Estate, Palej, Dist. Bahruch, Gujarat (India) both present and future and by way of hypothecation of whole of immovable property of the company, including plant and machinery and other movables, both present and future (Save and except inventories and book debts) whether installed or not, or in the course of transit by way of first charge to the lenders subject to the first charge on specified movable assets created in favour of banks providing Working capital finance) to rank on " pari- passu basis.

The secured borrowings are further secured by way of pledge of 3,19,21,366 Equity Shares held by the promoters in favour of the Consortium of Bankers and corporate guarantee of Spica Business Corp., Panama, the holding company of Spica Investments Ltd., Mauritius.

The loans are rescheduled in terms of Corporate Debts Restructuring Scheme as is approved by the Corporate Debt Restructuring Cell vide its approval letter dtd June 27, 2012. Accordingly the loans are now repayable in stepped-up quarterly 30 instalments commencing from December 2013 as detailed hereunder.

Sr No	Financial year	% of Principal to be repaid	Sr No	Financial year	% of Principal to be repaid	Sr No	Financial year	% of Principal to be repaid
1	2013-14	5%	4	2016-17	15%	7	2019-20	15%
2	2014-15	10%	5	2017-18	15%	8	2020-21	15%
3	2015-16	10%	6	2018-19	15%			

Rate of Interest is linked to SBI PLR Rate + 1 %. Presently 9.30 % (SBI PLR) + 1 % = 10.30 %

B Default in repayment of monthly interest and Term Loan Instalments:

During the year the company has made delays in payment of interest on long term borrowings in the range of 2 to 50 days. Interest accrued & due during the year up to March, 31st 2017 amounting ` 177.14 Lacs has not been paid till the date of financial statement. During the year the company has made delays in repayment of principal value of long term borrowings in the range of 1 to 12 days. The company has not paid loan installments of ` 364.20 Lacs which were due during the year up to 31st March, 2017.

C Terms of Repayment for Unsecured Long Term Borrowings:

Finance obligations of ` 36.30 Lacs is taken against Hypothecation of respective vehicles and it is repayable as per the repayment schedule 36 equal monthly instalments alongwith interest for the year. The outstanding amount as at March 31st, 2017 is ` 6.82 Lacs. [As at March 31st, 2016: ` 19.36 Lacs]. There is no default by the company in repayment of such loan during the year.

D Unsecured Loan form Shareholders:

Unsecured, long term borrowings from the ultimate holding company, Spica Business Corp. Panama, is interest free and do not carry any specific terms of repayment. However, there is no amount to be repaid during next 12 months from the balance sheet date.

INR - LAKHS

Figures as at end of March 31,

	2017	2016
NOTE :4-OTHER LONG TERM LIABILITIES:		
Others : Security deposits from customers	5.94	6.19
Total	5.94	6.19

NOTE: 5-LONG TERM PROVISIONS:

Provision for Employee Benefits	290.43	251.41
Total	290.43	251.41

Disclosure pursuant to Accounting Standard-15 [Revised] "Employee Benefits" : Defined benefit plan and long term employment benefit

A General Description:

Gratuity [Defined Benefit Plan]: The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more, gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The gratuity scheme is administered by the company, being unfunded liability.

Leave Wages [Long Term Employment Benefit]: The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method. The Leave encashment obligation is administered by the company, being unfunded liability.

INR - LAKHS

	Figures as at end of March 31,			
	2017		2016	
	Gratuity	Pre. Leave	Gratuity	Pre. Leave
B Change in the present value of the defined benefit obligation:				
Opening defined benefit obligation	226.26	63.69	218.12	57.43
Interest cost	17.68	4.85	17.45	4.59
Current service cost	19.49	5.09	20.32	15.63
Benefits paid	(11.01)	(5.58)	(18.22)	(12.27)
Actuarial [gain]/losses on obligation	2.67	16.22	(11.41)	(1.69)
Closing defined benefit obligation	255.09	84.26	226.26	63.69
C Change in the fair value of plan assets:				
Opening fair value of plan assets	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gains/[losses]	-	-	-	-
Closing fair value of plan assets	-	-	-	-
Total actuarial gain [loss] to be recognized	-	-	-	-
D Actual return on plan assets:				
Expected return on plan assets	-	-	-	-
Actuarial gain/[loss] on plan assets	-	-	-	-
Actual return on plan assets	-	-	-	-
E Amount recognised in the balance sheet:				
[Assets]/Liability at the end of the Year	255.09	84.26	226.26	63.69
Fair value of plan assets at the end of the year	-	-	-	-
Difference	255.09	84.26	226.26	63.69
Unrecognised past service cost	-	-	-	-
[Assets]/Liability recognised in the Balance Sheet(*)	255.09	84.26	226.26	63.69
F [Income]/Expenses recognised in the Statement of Profit and Loss :				
Current service cost	19.49	5.09	20.32	15.63
Interest cost on benefit obligation	17.68	4.85	17.45	4.59
Expected return on plan assets	-	-	-	-
Net actuarial [gain]/loss in the year	2.67	16.22	(11.41)	(1.69)
Net [benefit]/expense	39.84	26.16	26.36	18.53
G Movement in net liability recognised in Balance Sheet:				
Opening net liability	226.26	63.69	218.12	57.43
Expenses as above [P & L Charge]	39.84	26.16	26.36	18.53
Employer's contribution	(11.01)	(5.58)	(18.22)	(12.27)
[Assets]/Liability recognised in the Balance Sheet	255.09	84.26	226.26	63.69

		INR - LAKHS			
		Figures as at end of March 31,			
		2017		2016	
		Gratuity	Pre. Leave	Gratuity	Pre. Leave
H	Principal actuarial assumptions as at Balance Sheet date:				
	Discount rate	7.75%	7.75%	8.00%	8.00%
	[The rate of discount is considered based on market yield on Government Bonds having currency and terms consistence with the currency and terms of the post employment benefit obligations]				
	Expected rate of return on plan Assets	N.A.	N.A.	N.A.	N.A.
	[The expected rate of return assumed by the Insurance company is generally based on their Investment patterns as stipulated by the Government of India]				
	Annual increase in salary cost	4.00%	4.00%	5.00%	5.00%
	[The estimates of future salary increases considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]				
I	The categories of plan assets as a % of total plan assets are:				
	Insurance Company	0.00%	0.00%	0.00%	0.00%
	(*) Out of these ` 48.92 Lacs are disclosed under Note - 9 "Short Term Provision".				
J	Amount recognised in current and previous four years:				
		As at March 31,			
	Gratuity:	2013	2014	2015	2016
	Defined benefit obligation	171.33	204.22	218.13	226.26
	Fair value of Plan Assets	-	-	-	-
	Deficit/ [Surplus] in the plan	-	-	-	-
	Actuarial Loss/ [Gain] Plan Obligation	16.18	10.60	48.17	(11.41)
	Actuarial Loss/ [Gain] on Plan Assets	-	-	-	-
	The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.				

		INR - LAKHS	
		Figures as at end of March 31,	
		2017	2016
NOTE: 6-SHORT TERM BORROWINGS:			
Loans repayable on Demand:			
	Working Capital Loans from Banks [Secured] [*]	9,719.55	5,088.59
	From Others [Unsecured] / Inter corporate deposits	-	650.22
	Total	9,719.55	5,738.81
The above amount includes:			
	Secured borrowings	9,719.55	5,088.59
	Unsecured borrowings	-	650.22
	Net amount	9,719.55	5,738.81
[*]	Working Loan comprising Cash Credit(CC), Packing Credit Foreign Currency(PCFC), Export Packing Credit(EPC), Bills discounted and Demand Loan(DL)is repayable on demand from Banks are secured by way of hypothecation of the Company's entire current assets including stock of goods, including raw material, work-in-process, finished goods, stores, consumables, spares, goods in transit etc.and book-debts,both present and future, to rank on "pari-passu" basis.These facilities are also secured by way of first chargeover the entire fixed assets including Equitable mortgage over leasehold right over the factory land of the Company situated at Plot No.2, GIDC Estate, Palej, Dist. Bharuch, Gujarat (India) both present and future. Interest for borrowing in Indian Currency through CC, EPC and DL is 10.30 % p.a. and for borrowing in foreign currency through PCFC is in the range of Libor + 2.6172 % p.a. to Libor + 2.6420% p.a.		
	The secured borrowings are further secured by way of pledge of 3,19,21,366 Equity Shares held by the promoters in favour of the Consortium of Bankers		
	The company has drawn the working capital finance facilities from SBI and its member banks & Federal bank in excess of the Limits sanctioned by the consortium of Banks. The said default has continued till date.		
	The company has not paid interest accrued and due during the year till March 31,2017 amounting to ` 604.07 Lacs on various working capital finances availed from banks		
NOTE: 7-TRADE PAYABLES:			
	Micro, Small and Medium Enterprises [*]	-	0.50
	Acceptances	2,085.03	9,922.02
	Other Trade Payables	15,626.55	5,943.02
	Total	17,711.58	15,865.54
[*]	Disclosure in respect of Micro, Small and Medium Enterprises:		
A	Principal amount remaining unpaid to any supplier as at the Year	-	0.50
B	Interest due thereon	0.03	0.14
C	Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
D	Amount of interest due and payable for the period of delay in making payment [which have been paid but beyond the appointed day during the Year] but without adding the interest specified under the MSMED.	0.03	0.14
E	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
F	The amount of further interest 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 u/s 23.	-	-
	The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		

INR - LAKHS
Figures as at end of March 31,

NOTE: 8-OTHER CURRENT LIABILITIES:

	2017	2016
Current Maturities of Long Term Debt [Refer Note No. 3]	1,062.62	749.06
Interest accrued and due on borrowings	781.21	18.40
Interest accrued but not due on borrowings	7.96	5.03
Advances from Customers	1,017.84	559.04
Amount repayable to Holding company against Offer For Sale(OFS)	42.60	38.37
Amount received on OFS, to comply with 25% Public share holding, is under Bank's Lien. Will be refunded once its free from lien.		
Others:		
Provision for Expenses	576.18	649.46
Provision for Stamp Duty	53.32	-
Duty on raw materials imported under Advance Licence Benefit Scheme	160.69	-
Payable to Statutory Authorities	46.48	37.21
Total	3,748.90	2,056.57

NOTE: 9-SHORT TERM PROVISIONS:

Provision for Employee Benefits	48.92	38.55
Others:		
Provision for Taxation	86.88	86.88
[Net of advance payment of taxes of ` 2.90 {as at 31-03-16: ` 2.90 } Lacs.]		
Total	135.80	125.43

NOTE: 10-FIXED ASSETS:

INR - IN LAKHS

	Leasehold Land [Refer Note. 1]	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
A Tangible Assets:							
Gross Block:							
As at March 31, 2016	76.09	3,059.40	24,160.91	115.88	165.18	192.98	27,770.44
Additions	-	-	1.46	0.58	-	3.53	5.57
Disposals [Refer below Note.1]	-	-	(6.21)	-	-	-	(6.21)
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2017	76.09	3,059.40	24,156.16	116.46	165.18	196.51	27,769.80
Depreciation:							
As at March 31, 2016	19.00	1,561.09	21,196.41	69.18	78.98	159.93	23,084.59
Charge for the Year	0.75	52.76	163.90	7.03	17.05	6.20	247.69
Disposals	-	-	(5.60)	-	-	-	(5.60)
Adj. on Change in Dep. Method	-	-	-	-	-	-	-
Adj. on Reversal of Revaluation	-	-	-	-	-	-	-
As at March 31, 2017	19.75	1,613.85	21,354.71	76.21	96.03	166.13	23,326.68
Net Block:							
As at March 31, 2016	57.09	1,498.31	2,964.50	46.70	86.20	33.05	4,685.85
As at March 31, 2017	56.34	1,445.55	2,801.45	40.25	69.15	30.38	4,443.12

B Intangible Assets:

	Computer Software	Total
Gross Block:		
As at March 31, 2016	33.98	33.98
Additions	6.60	6.60
Disposals	-	-
Other adjustments	-	-
As at March 31, 2017	40.58	40.58
Depreciation:		
As at March 31, 2016	24.59	24.59
Charge for the Year	4.46	4.46
Disposals	-	-
Other adjustments -Change in Method	-	-
Other adjustments -Reversal of Revaluation Reserve	-	-
As at March 31, 2017	29.05	29.05
Net Block:		
As at March 31, 2016	9.39	9.39
As at March 31, 2017	11.53	11.53

Notes :

- 1 As on 31st March, 2016 the company has entered into an "Agreement to Sell" of a part of its leasehold industrial land admeasuring 40470.99 Sq. Mtr. out of it total 247581.81 Sq. Mtr. of leasehold land under 99 years lease from G.I.D.C. situated at Plot No.2, G.I.D.C. Estate, N.H.No.8, Palej, Dist.Bharuch, Gujarat (India) with M/s Steelco Colour Coating Limited at a total considetation of ` 1500 lacs. The company has received a part payment of ` 519 lacs during the year. The final sale deed and conveyancing and registration of titles in the favaour of the buyer is yet to executed after obtaining regulatory approvals & compliance and completion of other regulatory and other formalities. In anticipation of completion of above stated approvals & compliances, the company has recorded the above stated transaction as sale of land in its books of accounts on the basis of "Agreement to Sell" and the resultant net profit of ` 1488.84 lacs has been shown under "Extra-ordinary Item" in the statement of profit & Loss of F.Y.2015-16. The company is yet to recover balance consideration of ` 981.07 lacs.
- 2 During financial year 2014-15, the Company has carried out an exercise to undertake technical assessment and evaluation of its fixed assets and has appointed an independent Govt. approved technical valuer and assessors namely Gujarat Techno - Economic Consultants Pvt. Ltd. The said firm has carried out technical evaluation and assessment of fixed assets and based on their technical review and the practice and policy of continuous refurbishment and maintenance of the equipment and buildings, it has suggested estimated remaining useful life of buildings and Plant and Machineries for a period which is longer than the period as is specified in Schedule-II to the fixed assets which is as under:

Class of Assets

Remaining Useful Life as per

	Schedule - II	Technical assessment
Factory Building	10 to 26 years	3 to 45 years
Buildings other than factory Building	13 to 54 years	20 to 40 years
Plant and Machineries	0 to 12 years	1 to 22 years

- 3 Break up of additions, disposals and other adjustments for previous year is as under:

INR - LAKHS

	Tangible Assets			Intangible Assets		
	Gross Block	Depreciation	Net Block	Gross Block	Depreciation	Net Block
Opening	27,720.06	22,837.56	4,882.50	30.20	20.42	9.78
Additions	65.25	250.75	(185.50)	3.78	4.17	(0.39)
Disposals	(14.87)	(3.71)	(11.16)	-	-	-
Adustment on Change in Depreciation	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-
Closing	27,770.44	23,084.60	4,685.84	33.98	24.59	9.39

INR - LAKHS

Figures as at end of March 31,

2017 **2016**

NOTE: 11-INVESTMENTS:

Long Term Investments [Valued at Cost]:

Trade Investments [unquoted]: (Fellow Subsidiary Company)

Investment in Fully Paid Equity Shares of Steelco Colour Coating Limited [50,000 Equity Shares of ` 10/- each (Previous Year - 50,000 Equity Shares)]

5.00 5.00

Total

5.00 **5.00**

NOTE: 12-DEFERRED TAX ASSETS [NET]:

A The Company has worked out deferred tax liabilities / assets as at March 31, 2017. In view of unabsorbed depreciation and business losses under tax laws, net result of computation is net deferred tax assets, which are not recognised as a matter of prudence and in absence of virtual certainty as to its realization.

B Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under :

INR-LAKHS

	As at 31-03-15	Charge for the previous Year	As at 31-03-16	Charge for the current Year	As at 31-03-17
Deferred Tax Liabilities:					
Depreciation	748.12	57.72	805.84	19.16	824.99
Total	748.12	57.72	805.84	19.16	824.99
Deferred Tax Assets:					
Retirement benefits and other					
statutory allowances	22.41	3.09	25.50	240.36	265.86
Bad debts provision	99.61	(4.72)	94.89	2.09	96.98
Unabsorbed business losses	548.86	6.54	555.40	730.86	1,286.26
Unabsorbed depreciation	3,675.70	321.29	3,996.98	121.61	4,118.60
Total	4,346.57	326.20	4,672.77	1,094.93	5,767.70
Net Deferred Tax Liability	(3,598.45)	(268.48)	(3,866.93)	(1,075.77)	(4,942.71)

INR - LAKHS

Figures as at end of March 31,

	2017	2016
NOTE: 13-LONG TERM LOANS AND ADVANCES:		
[Unsecured, Considered Good unless otherwise stated]		
Security Deposits	15.93	14.66
Other Loans and Advances:		
Balances with Customs/ Central Excise/ Sales Tax Authorities	1,060.18	1,129.34
Advance payment of Tax (Net of Provision ` 114.50, {Previous year ` 114.50} Lacs.)	205.29	199.87
	<u>1,265.48</u>	<u>1,329.21</u>
Total	<u>1,281.41</u>	<u>1,343.87</u>
NOTE: 14-INVENTORIES:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	5,248.29	2,528.12
Work-in-progress	1,407.96	1,032.09
Finished Goods	366.30	401.47
Stores and Spares	2,721.49	2,833.18
Packing Materials	2.65	3.78
Others : Scrap (As certified by the management)	405.44	665.66
Total	<u>10,152.13</u>	<u>7,464.30</u>
Goods in transit included above is as under:		
Raw Materials	3,738.99	48.97
Finished Goods	-	-
NOTE: 15-TRADE RECEIVABLES:		
[Unsecured]		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	3,853.72	1,868.44
Considered doubtful	280.23	274.18
	<u>4,133.95</u>	<u>2,142.62</u>
Less : Provision for doubtful debts	280.23	274.18
	<u>3,853.72</u>	<u>1,868.44</u>
Others-Considered good	6,813.30	7,409.01
Total	<u>10,667.02</u>	<u>9,277.45</u>
NOTE: 16-CASH AND BANK BALANCES :		
Balances with Banks		
In Current Accounts	131.65	249.46
In Fixed Deposits	424.47	1,038.90
Cash on Hand	2.00	4.84
Total	<u>558.12</u>	<u>1,293.20</u>
A Earmarked balances with banks:		
a Balances with Banks include balances to the extent held as margin money deposits against guarantee. Margin money are lying with the Scheduled/ Nationalised banks. Margin money is given against:		
i Guarantees	92.30	93.70
ii For opening letter of credits	290.83	905.56
b Bank deposits with maturity of more than 12 months	-	-
c Company keeps Fixed deposit with the Nationalised / Scheduled banks, which can be withdrawn by the Company as per its own discretion	-	-
d Fixed deposit under lien placed with banks for amount received on the behalf of Holding Company against Offer For Sale(OFS)	42.60	38.74
NOTE: 17-SHORT TERM LOANS AND ADVANCES:		
[Unsecured, Considered Good]		
Others :		
Balances with Customs/ Central Excise/ Sales Tax Authorities	1,069.44	584.34
Advances to Vendors	360.20	374.38
Other Advances : Advances recoverable in cash or in kind or for value to be received	37.15	13.19
Total	<u>1,466.79</u>	<u>971.92</u>

	INR - LAKHS		
	Figures as at end of March 31,		
	2017	2016	
NOTE: 18-OTHER CURRENT ASSETS:			
Interest Receivables	236.07	267.97	
Export Incentive Receivables	617.74	103.03	
Prepaid Expenses	79.09	191.68	
Amount Receivable on Sale of Land [Refer Note No.10 (1)]	981.07	981.00	
Assets Held for Sale	-	-	
Other Receivables : Advances recoverable in cash or in kind for value to be received. (Refer Note 1 & 2 below)	191.49	574.41	
Total	2,105.46	2,118.10	
Notes:			
1)	It includes an amount of ` 113.86 Lacs (as at 31.03.2016 ` 113.86 Lacs) on accounts of refundable interest & financial charges by bank in terms of approved Corporate Debt Restructuring Scheme by CDR Cell vide letter dtd. 27 June, 2012.		
2)	It includes an amount of ` Nil, subject to pending approval, (` 21.06 Lacs as at 31.03.2016) recoverable from the Managing Director in remuneration paid than the maximum amount of remuneration approved by the Central Government.		
NOTE: 19-CONTINGENT LIABILITIES AND COMMITMENT [TO THE EXTENT NOT PROVIDED FOR]:			
A Contingent Liabilities:			
a	In respect of guarantees given by Banks and/or counter guarantees given by the Company	402.76	386.00
b	Other money for which the Company is contingent liable:		
i	In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority	290.32	378.51
ii	In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/Courts.	1,098.75	1,379.91
iii	Letters of Credit	113.38	298.57
iv	Dividend on Cumulative Preference Shares	3,564.62	3,129.97
v	Interest on Electricity Duty Deferment Loan	39.80	39.80
vi	Labour Matters	35.02	50.00
vii	Liability of import duty on raw materials imported under Advance Licence Benefit Scheme against which export obligation remained to be fulfilled over the period stipulated under the Licence.	5,175.12	2,288.62
viii	Stamp duty payable under Gujarat Stamp Act, 1958 for various hypothication deeds executed	-	45.44
ix	Penalty under SECURITIES CONTRACTS (REGULATION) ACT, 1956 for delayed compliance with respect to minimum public shareholding requirement.	25.00	25.00
x	Interest waived under CDR package, payable under recompense clause (refer below note - c)	1,272.90	1,272.90
Total		12,017.67	9,294.72
c	Central Board of excise & custom ("CBEC") vide its office memorandum dated 22nd February 2011 has clarified that where the cenvat credit is availed in respect of goods exported under the duty free import authorisation ("DFIA"). Even if the said credit without being utilised is reversed or paid back alongwith interest after the goods are cleared for export, it will be treated as if such credit is availed by the assessee. Being agrieved by issue of such memorandum in respect of benefits claimed by the company on DFIA, the company has filed a writ petition in Mumbai High Court challenging the memorandum issued by CBEC, which is decided in favour the company, based on the facts of the case and prevalent legal position and Foreign Trade Policy. However, central excise department has filed special leave petition in the supreme court challenging the above decision of the mumbai high court, which has been admitted by H'noble Supreme Court. The company has been advised by its legal advisors that the stand of the excise deptatment is not tenable, hence there would not be any financial liabilities arising on the company.		
d	The company and the CDR lenders executed a CDR Restructuring Package ('CDR Package') during the financial year ending March 31, 2013. The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR Proposal. Hence, ` 1272.90 lacs, the recompense amount payable by the company is contingent upon the exit which is inter-alia dependent upon improved financial performance and various factors, the outcome of which currently is materially uncertain, none of the CDR lenders has not exercised this right.		
B Commitments:			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances]	65.52	-
b	Commitments under Wage Settlement agreement with the workers of the Company	-	-
c	Total	65.52	-
d	The Company has entered into a supply agreement with supplier of Zinc during the period from 1st April, 2016 to 31st March, 2017 under which it is under obligation to purchase minimum 3000- 4500 MT of Zinc during the said period with a minimum monthly commitment of 250 MT (quantity tolerance (+/-) 5 MT) . In case of any shortfall, the favourable pricing treatment would not be available to the Company for such shortfall quantity, the amount of which is not ascertainable.		

INR - LAKHS

Figures as at end of March 31,

	2017	2016	
NOTE: 20-REVENUE FROM OPERATIONS:			
Sales of Goods (Including excise duty)			
Manufactured goods	54,104.81	52,166.60	
	<u>54,104.81</u>	<u>52,166.60</u>	
Other Operating Revenues:			
Net Gain/[Loss] on foreign currency transactions and translation	242.64	-	
Export Incentives	864.10	1,013.80	
Conversion Charges (Job Work)	0.70	0.99	
Total	<u>1,107.44</u>	<u>1,014.79</u>	
Details of Sales of Goods [Net of Excise Duty]			
Cold Rolled Coils/Sheets	26,066.40	23,397.68	
Galvanised Sheets	25,146.58	25,289.73	
Others : Scrap Sales	1,040.14	888.53	
NOTE: 21-OTHER INCOME:			
Interest Income [Gross]	77.01	56.67	
Other Non-operating Income:			
Insurance Claim Received	41.86	-	
Provision for Independent non-executive Directors remuneration written back	-	19.33	
Write back of provision for Bad & Doubtful Debts	-	16.89	
Others	20.54	165.39	
Total	<u>139.41</u>	<u>258.28</u>	
NOTE: 22-COST OF MATERIALS CONSUMED:			
Raw Materials:			
Stock at commencement	2,528.12	2,815.57	
Add : Purchases	45,286.68	38,098.97	
	<u>47,814.80</u>	<u>40,914.54</u>	
Less : Stock at close	5,248.29	2,528.12	
	<u>42,566.51</u>	<u>38,386.42</u>	
Packing Materials consumed	715.85	601.49	
Total	<u>43,282.36</u>	<u>38,987.91</u>	
Details of Raw Materials Consumed			
H R Coils	37,380.50	33,781.54	
Zinc	5,186.01	4,604.88	
NOTE: 23-CHANGES IN INVENTORIES:			
Stock at close:			
Work-in-progress	1,363.98	1,032.09	
Finished Goods	741.37	1,047.31	
	<u>2,105.35</u>	<u>2,079.39</u>	
Less: Stock at commencement:			
Work-in-progress	1,032.09	1,349.05	
Finished Goods	1,047.31	1,355.52	
	<u>2,079.40</u>	<u>2,704.57</u>	
	<u>(25.95)</u>	<u>625.18</u>	
Differential Excise Duty on Opening and Closing stock of Finished Goods	<u>(23.35)</u>	<u>6.30</u>	
Total	<u>(49.30)</u>	<u>631.48</u>	
Details of Inventories	As at 31-03-15	As at 31-03-16	As at 31-03-17
Finished Goods			
Cold Rolled Coils/Sheets	817.06	887.18	437.35
Galvanised Coils/Sheets	538.46	160.12	272.32
Work - in - progress			
Cold Rolled Coils/Sheets	1,168.55	922.33	1,237.92
Galvanised Coils/Sheets	180.50	109.75	159.84

INR - LAKHS
Figures as at end of March 31,

	2017	2016
NOTE: 24-EMPLOYEE BENEFIT EXPENSE:		
Salaries and wages	1,086.24	998.97
Contribution to provident and other funds	95.66	88.94
Staff welfare expenses	438.42	364.81
Total	1,620.32	1,452.72
The Company's contribution towards the defined contribution plan		
	80.37	74.91
The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.		
NOTE: 25-FINANCE COST:		
Interest expense [*]	1,772.87	1,628.36
Other Borrowing Costs	57.59	84.86
Bank commission & charges	298.35	382.54
Total	2,128.81	2,095.76
[*] The break up of interest expense into major heads is given below:		
On term loans	461.46	419.90
On working capital loans	838.34	511.33
Others	473.07	697.13
	1,772.87	1,628.36
NOTE: 26-OTHER EXPENSES:		
Consumption of stores and spare parts	2,262.71	1,842.24
Other manufacturing expenses	343.75	346.60
Power & fuel	3,162.74	3,389.76
Rent [*]	18.91	19.66
Repairs to Buildings	6.04	16.27
Repairs to Plant and Machinery	236.23	196.73
Repairs to Others	6.98	6.53
Insurance	60.81	81.67
Rates and Taxes [excluding taxes on income]	3.92	15.96
Managing Directors' Remuneration	79.03	81.22
Independent non-executive Directors remuneration	0.00	0.00
Traveling Expenses	107.00	102.86
Legal and Professional Fees	191.00	122.14
Net Loss/[Gain] on foreign currency transactions and translation	0.00	178.86
Commission on sales	210.88	121.61
Freight and forwarding on sales	2,117.60	2,652.33
Other marketing expenses	40.78	55.08
Amount written off (Net)	75.95	(3.96)
Bad debts:		
Bad debts written off	-	2.00
Provision for doubtful debts	6.05	-
	6.05	2.00
Less : Transferred from Provision for Doubtful Debts	-	2.00
	6.05	-
Directors' sitting fees	21.42	36.56
Net Loss on Fixed Assets [Net of Loss of ` 0.60 Lacs {Previous Year: Net Loss ` 2.01 Lacs}]	0.60	2.01
Donations	0.07	3.06
Prior year Expenditure/(Income) Net	25.88	11.65
Miscellaneous Expenses [**]	361.49	270.18
Total	9,339.84	9,549.02

[*] Rent Expenses: The Company has taken various residential/office premises/godowns under operating lease or leave and license agreement. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. The Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments are recognised in the statement of Profit and Loss.

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ can be cancelled at the option of either of the parties. There is no escalation clause in the lease agreement. There are no sub-leases. Lease payment recognised in the statement of Profit and Loss is ` 19.66 lacs [Previous Year- ` 19.66 lacs]

INR - LAKHS

Figures as at end of March 31,

	2017	2016
[**] Miscellaneous Expenses include Payment to the auditors as [Excluding Service Tax]:		
a i Auditors	11.00	11.00
ii For Tax Audit	2.50	2.50
iii For Other Services	2.62	4.50
iv Total	<u>16.12</u>	<u>18.00</u>
b Cost Auditor's Remuneration including fees for other services & including Service Tax	2.00	2.00

NOTE: 27-CALCULATION OF EARNINGS PER EQUITY SHARE [EPS]:

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

A Profit/(Loss) after tax	INR - Lakhs	(3,074.21)	98.63
B Dividend on cumulative Preference shares	INR - Lakhs	434.65	434.65
C Profit/(Loss) after tax attributable to Equity Shareholders			
a Before Exceptional & Extraordinary items	INR - Lakhs	(3,508.86)	(2,557.45)
b After Exceptional items but before Extraordinary items	INR - Lakhs	(3,508.86)	(1,824.86)
c After Extraordinary items	INR - Lakhs	(3,508.86)	(336.02)
D Basic and weighted average number of Equity shares outstanding during the year	Numbers	42,561,822	42,561,822
E Nominal value of equity share	INR	10	10
Basic & Diluted EPS			
a Before Exceptional & Extraordinary items	INR	(8.24)	(6.01)
b After Exceptional items but before Extraordinary items	INR	(8.24)	(4.29)
c After Extraordinary items	INR	(8.24)	(0.79)

NOTE: 28-VALUE OF IMPORTS CALCULATED ON CIF BASIS:

Raw Materials	23,180.75	18,310.97
Spare Parts	6.69	34.39
Capital Goods	-	-

NOTE: 29-EXPENDITURE IN FOREIGN CURRENCY:

Professional and Consultation Fees	-	2.58
Others [including Travelling, Commission, Overseas Freight etc.]	29.03	100.93

NOTE: 30-EARNINGS IN FOREIGN EXCHANGE:

Export of goods calculated on F.O.B. basis	32,492.69	26,453.41
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NOTE: 31-REMITTANCES MADE ON ACCOUNT OF DIVIDEND IN FOREIGN CURRENCY

Nil Nil

NOTE: 32-RAW MATERIALS AND SPARE PARTS CONSUMED:

	Figures for the year ended on March 31,			
	2017		2016	
	INR - LAKHS	% to Total	INR - LAKHS	% to Total
Value of Raw Materials Consumed:				
Imported	22,782.89	53.52	18,784.38	48.93
Indigenous	19,783.62	46.48	19,602.04	51.07
Total	<u>42,566.51</u>	<u>100.00</u>	<u>38,386.42</u>	<u>100.00</u>
Value of Spare parts Consumed:				
Imported	61.80	2.73	107.79	5.85
Indigenous	2,200.91	97.27	1,734.45	94.15
Total	<u>2,262.71</u>	<u>100.00</u>	<u>1,842.24</u>	<u>100.00</u>

NOTE: 33-SEGMENT INFORMATION:

As the Company has identified manufacture of steel products as its sole primary business segment, the disclosure requirements of Accounting Standard 17 – “Segment Reporting”, issued by the Institute of Chartered Accountants of India are not applicable.

SECONDARY BUSINESS SEGMENT BY GEOGRAPHICAL MARKET

	<u>Within India</u>	<u>INR-LAKHS</u> <u>Outside India</u>
i Sales Revenue		
Current Year	18519.10	33734.02
Previous Year	21522.54	28106.55
(Sale revenue is net of excise duty)		
ii Carrying amount of segment assets		
Current Year	21662.06	10020.78
Previous Year	20471.65	6794.69
(Assets outside India include Export receivables)		
iii Additions to fixed assets		
Current Year	10.71	0.00
Previous Year	69.04	0.00

NOTE: 34-RELATED PARTY TRANSACTIONS:

A Name of the Related Party and Nature of the Related Party Relationship:

a Holding Company:

Spica Business Corp., Panama	The Holding Company of Spica Investments Limited
Spica Investments Limited, Mauritius	Holding Company

b Subsidiary Company:

Steelco Colour Coating Limited	Fellow Subsidiary Company
Gujarat Nippon Enterprises Pvt. Ltd.	Fellow Subsidiary Company
Gujarat Nippon International Pvt. Ltd.	Fellow Subsidiary Company

c Directors and their relatives:

Shri Rashmi Chandaria	Non-Executive Director
Shri Vimal Chandaria	Non-Executive Director
Shri Mahendra Lodha	Non-Executive Independent Director
Shri Jatinder Mehra	Non-Executive Independent Director
Dr. R. S. Mamak	Non-Executive Vice Chairman (Executive Vice Chairman upto 13.08.2015)
Shri S. S. Ranjan	Non-Executive Independent Director
Shri Jiban Goswami	Nominee Director
Smt. Ameeta Trehan	Non-Executive Independent Director (w.e.f. 16.05.2015)
Shri Mitesh H. Shah	Managing Director (w.e.f. 14.11.2014)
Smt. Tejal M Shah	Wife of Shri Mitesh H. Shah (Managing Director)

d Key Managerial Persons:

Shri Abhishek Jajoo	Chief Financial Officer (w.e.f. 6th November, 2015)
Shri Achal Thakkar	Company Secretary (w.e.f. 29th August, 2015)
Shri Sunil Singhvi	Chief Finance Officer (upto 23rd October, 2015)
Shri Arvind Tambi	Financial Controller & Company Secretary (upto 28th August, 2015)

e Enterprises significantly influenced by Directors and/or their relatives:

Grip Strapping Technologies Pvt. Ltd. (Influence of relative of Dr. R. S. Mamak)
--

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business :

a Details relating to parties referred to in items 34 - A

Nature of Transactions	Value of the Transactions [INR in LAKHS]					
	Holding/ Subsidiary Company		Directors & their Relatives		Enterprises significantly influenced by Directors and/or their relatives	
	2017	2016	2017	2016	2017	2016
	Figures for the year ended on March 31,					
Purchases:						
Grip Strapping Technologies Pvt. Ltd.						12.33
Purchase of Fixed Assets						
Gujarat Nippon International Pvt. Ltd.	717.17					
Sales:						
Grip Strapping Technologies Pvt. Ltd.						339.46
Jobwork						
Grip Strapping Technologies Pvt. Ltd.						31.10
Reimbursement						
Grip Strapping Technologies Pvt. Ltd.						2.31
Services:						
Grip Strapping Technologies Pvt. Ltd.						6.74
Remuneration to Directors						
Shri Mitesh H. Shah (*)			155.70	110.11		
Dr. R. S. Mamak				11.19		
Remuneration to KMPs						
Shri Sunil Singhvi				16.31		
Shri Arvind Tambi				12.65		
Shri Abhishek Jajoo			30.22	15.86		
Shri Achal Thakkar			8.26	5.37		
Sitting Fees						
Shri Rashmi Chandaria				0.60		
Shri Vimal Chandaria				0.60		
Shri Mahendra Lodha			4.20	6.90		
Shri Jatinder Mehra			4.16	7.43		
Dr. R. S. Mamak			0.80	2.80		
Shri S. S. Ranjan			4.16	8.03		
Shri Jiban Goswami			4.00	7.00		
Smt. Ameeta Trehan			4.10	3.20		
Transport Services received from Relative of Director						
Smt. Tejal M. Shah			4.00	4.80		
House Rent to Company						
Gujarat Nippon International Pvt Ltd	3.42					
Sale of Property :						
Sale of Land						
Steelco Colour Coating Limited		1,500.00				
Finance:						
Guarantees Availed						
Spica Business Corp. - Panama	25,372.00	25,372.00				
Unsecured Loan taken						
Spica Business Corp. - Panama	769.20	133.35				
Loan given						
Shri Mitesh H. Shah			9.44			
Shri Abhishek Jajoo			0.19			
Outstanding :						
Receivables						
Grip Strapping Technologies P Ltd					28.39	76.48
Steelco Colour Coating Limited	981.00	981.00				
Shri Mitesh H. Shah			9.44	21.06		
Shri Abhishek Jajoo			0.19			

(*) Due to inadequacy of profits, the Company had filed an application for approval of Managerial Remuneration as approved by the Company Shareholders vide special resolution dated 11th May, 2015. The said application is under approval and has yet not been granted by the Central Government. Pending approval of Central Government, the remuneration paid and expensed in the financial results of financial year 2016-17 is in excess of the applicable limits of Schedule V of the Companies Act 2013 by ₹ 43.16 lacs.

NOTE: 35 - GOING CONCERN ASSUMPTION

The financial statement of the company have been prepared on "Going Concern Basis" considering the following facts:

The Company is implementing various long-term measures to improve its cash flow and revival of the operations of the Company. The Company is exploring multiple options of financial restructuring and is in discussions with strategic investor to infuse long term required finance for its critical capex plan and also for revival of its operations. The Company is also in discussion with lenders on its detailed Debt Resolution Plan envisaging proposed critical capex on colour coating line and Alu Zinc lines. On positive outcome of efforts in above direction, the Company and its management is hopeful to make optimum utilization of its resources, renegotiate its contracts and complete the on-going projects to generate future cash flows, meet its financial obligations towards lenders and creditors. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows. The promoters also continue to be committed to providing the required operational support to Company in the foreseeable future. In view of the foregoing, the Company's financial statements have been prepared on a going concern assumption inspite of the Company having incurred Net Loss of ₹ 3,074.21 lacs during the year ended March 31, 2017 and the net worth being negative as at 31st March, 2017 and interest remained unserved and having continuously utilised overdrawn working capital limits in excess of the sanctioned limits by consortium of banks as at 31st March, 2017. The appropriateness of the said basis is wholly dependent upon the company's ability to raise requisite long term finance and/or generate sufficient cash flows and lenders' continuous support in future to meet its commitment of future revival plans and for continuing operations.

NOTE: 36

Exceptional item appearing for previous year relate to write back of an unclaimed long outstanding dues which is written back as decided by the managements after its review as no longer payable.

Note: 37

Confirmation letters have not been obtained from some of the Trade Receivables, Trade Payables and Loans & Advances. Hence the, balances of these accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note: 38

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications/ disclosure.

Note: 39

Discloser of transaction in SBN (Specified Bank Notes) :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	132,500	98,334	230,834
(+) Permitted receipts	-	-	-
(+) Receipts for non-Permitted transactions	-	-	-
(+) Amount received against imprest with employees	12,500	109,826	122,326
(+) Withdrawal from Bank accounts	-	339,000	339,000
(-) Exchange Specified bank note to new notes	-	13,000	13,000
(+) Exchange Specified bank note to new notes	13,000	-	13,000
(-) Advance to employee	-	52,000	52,000
(-) Permitted payments	-	-	-
(-) Payments for non-permitted transactions	-	380,832	380,832
(-) Amount deposited in Banks	132,000	-	132,000
Closing cash in hand as on 30.12.2016	-	127,328	127,328

Specified Bank Notes (SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Permitted receipt and permitted payment are not specifically defined in the notification. However these would include transactions of receipt and payment of Specified Banking Notes as permitted by Reserve Bank of India from time to time. These would include payment for the medical treatment (hospitalisation in Government hospitals, medicine etc.) purchase at consumer cooperative stores operated under authorisation of Central or State Government, purchase of bus tickets at government bus stands, train tickets at railway station, air tickets at airport, toll charges at National Highway, utility bills purchase of LPG/gas cylinder, school fees, payment to the Central or State Government including Municipal and local bodies and fuel purchase etc.

Signatures to Significant Accounting Policies and Notes 1 to 39 to the Financial Statements

As per our report of even date
Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Mukesh M. Shah
Partner
Membership No: 30190

Place : Mumbai
Date : 24th May, 2017

For and on behalf of the Board

Mahendra Lodha
Director

Abhishek Jajoo
Chief Financial Officer

Place : Mumbai
Date : 24th May, 2017

Mitesh H. Shah
Managing Director

Achal Thakkar
Company Secretary

STEELCO GUJARAT LIMITED

Regd. Office: Plot No. 2, G.I.D.C. Estate, National Highway No. 8, Palej - 392 220, Dist. Bharuch, Gujarat.
 Tel No 02642-277 479 / 480 / 481, Fax : 277 307 E-mail : sgl@steelcogujarat.com Website : www.steelcogujarat.com
 CIN: L27110GJ1989PLC011748

PROXY FORM

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

I/We, being the member (s) of shares of the Steelco Gujarat Limited, hereby appoint:

1. Name : Address :
 Email Id : Signature :
2. Name : Address :
 Email Id : Signature :
3. Name : Address :
 Email Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Friday, 29th September, 2017 at 2:30 P.M. and at any adjournment thereof in respect of resolutions are indicated below:

Reso. No.	Description	Optional	
		For	Against
ORDINARY BUSINESS:			
1	To consider & adopt Audited Financial Statements of the Company for the financial year ended 31 st March, 2017 together with Report of Board and the Auditors thereon		
2	To appoint a Director in place of Shri Vimal Chandaria, who retires by rotation and being eligible, offers himself for reappointment		
3	To appoint a Director in place of Shri Mitesh H. Shah, who retires by rotation and being eligible, offers himself for reappointment		
4	To appoint M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration		
SPECIAL BUSINESS:			
5	To consider and approve the appointment of Shri Amish H. Mehta as a Director of the Company.		
6	To consider and approve reappointment & fixation of remuneration of Cost Auditor for the financial year ending 31 st March, 2018		
7	To consider and approve reappointment of Shri Mitesh H. Shah as a Managing Director of the Company for a period of 3 years w.e.f. 14th November, 2017 to 13th November, 2020		

Signed this on ___ day of _____, 2017

Signature of Shareholder :



Note: This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

STEELCO GUJARAT LIMITED

Regd. Office: Plot No. 2, G.I.D.C. Estate, National Highway No. 8, Palej - 392 220, Dist. Bharuch, Gujarat.
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 CIN: L27110GJ1989PLC011748

ATTENDANCE SLIP

Folio No./DP Id - Client Id : _____ No. of Shares held : _____

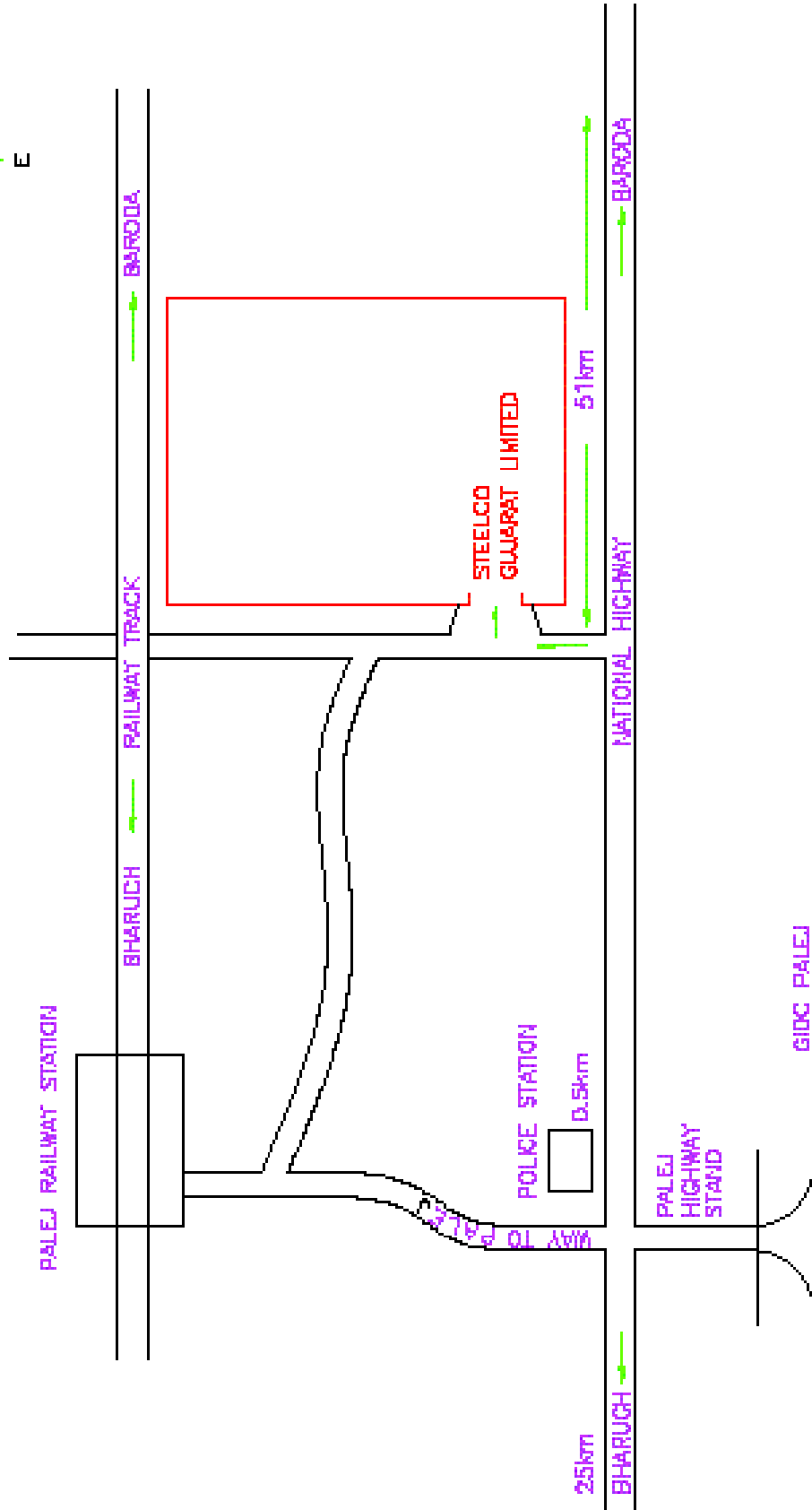
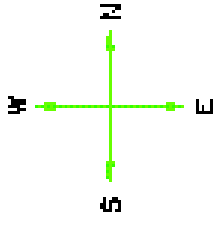
I/We hereby record my/our presence at the 27th Annual General Meeting of Members of the Company being held at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat, on Friday, 29th September, 2017 at 2:30 P.M.

Member's / Proxy's Name (in Block Letters) _____

Member's / Proxy's Signature _____

Note : A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at entrance of meeting hall.

ROUTE MAP TO STEELCO GUJARAT LTD.





Women's Day - Celebration on 08.03.17



Blood Donation Camp on Blood Donor's Day, 14.06.17



Monthly Activities - Birthday Celebrations, Cappuccino with MD & Star Employee of the month

Shri Mitesh Shah as a Chief Guest & Key note Speaker at various events



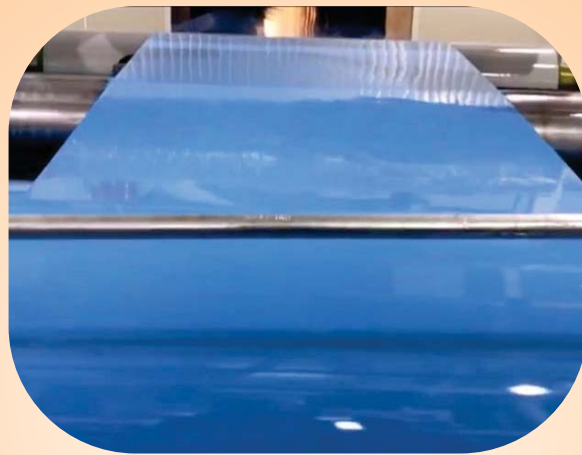
Seminar on CSR organized by Baroda Management Association



National Seminar - Themed on "Make in India"

Top Importer and Exporters Award from Adani Hazira Port, received by Shri Mitesh Shah, MD & Shri Rajesh Raval, Head-Purchase - given by Adani CEO in presence of Dr. Manoj Kumar Rajak - Addl. Commissioner, Hazira Customs, Mr. Ajay Sharma - CEO Surat SEZ & Mr. Rajiv Thakkar - Past President Exim Club Vadodara





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