



REGD. OFFICE & WORKS: Plot No. 2, G.I.D.C. Estate, Palej, Dist. Bharuch – 392 220, Gujarat, India.
Phone: (02642) 277479 / 277480 / 277481 / 277317 / 277326 / 277332, Fax: 277307.
Visit us on: www.steelcogujarat.com E-mail: sgl@steelcogujarat.com CIN: L27110GJ1989PLC011748

SGL/PLI/CS/2019-20/66
3rd August, 2019

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 29th Annual Report for the financial year 2018-19.**

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), please find attached herewith 29th Annual Report for the year ended 31st March, 2019 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:

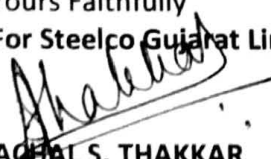
1. Notice of 29th Annual General Meeting with Attendance Slip, Proxy Form and Road map;
2. Board's Report with annexures thereof (including Management Discussion & Analysis Report); and
3. Audited Financial Statements i.e. Balance Sheet, Statement of Profit & Loss, Cash Flow Statement with notes, accounting policies and Report of Auditors thereon.

We would like to add that this 29th Annual Report for financial year 2018-19, 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


AJAL S. THAKKAR
Company Secretary &
Compliance Officer

Corporate Office:

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

29th ANNUAL REPORT 2018-19



COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Mitesh H. Shah	Managing Director
Shri Amish H. Mehta	Non-Executive Director (w.e.f. 24 th May, 2017)
Smt. Ameeta Trehan	Independent Director
Shri Praful Chandaria	Non-Executive Director (w.e.f. 7 th March, 2018 & upto 30 th March, 2019. Reappointed w.e.f. 15 th May, 2019)
Shri Ajay Pratapray Shanghvi	Independent Director (w.e.f. 4 th August, 2018)
Shri Lakshminarayanan Venkataraman	Independent Director (w.e.f. 28 th March, 2018 and upto 5 th July, 2018)

CHIEF FINANCIAL OFFICER (CFO)

Shri Hament Kumar Nandawat

COMPANY SECRETARY

Shri Achal S. Thakkar

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@steelcogujarat.com
Website : www.steelcogujarat.com

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, 49186000 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

BANKERS

State Bank of India (SBI)
State Bank of Mysore (merged with SBI)
State Bank of Travancore (merged with SBI)
State Bank of Hyderabad (merged with SBI)
Bank of India
Canara Bank
The Federal Bank Limited

STATUTORY AUDITORS

M/s. Kedia & Kedia Associates
Chartered Accountants, Ahmedabad

INTERNAL AUDITORS

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

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NOTICE

Notice is hereby given that 29th Annual General Meeting of the Members of Steelco Gujarat Limited will be held on Monday, 26th August, 2019 at 10:30 A.M. at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat to transact the following business:

ORDINARY BUSINESS :

Item No. 1 – To consider and adopt of Audited Financial Statements.

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – To consider and approve re-appointment of a retiring Director.

To appoint a Director in the place of Shri Amish H. Mehta (DIN: 07068022), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 3 – To consider and approve fixation of remuneration of Cost Auditors of the Company for year ending 31st March, 2020.

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 appointment of M/s. Y. S. Thakar & Co., Cost and Management Accountants in practice, be and is hereby approved to conduct the audit of cost accounting records of the company for the financial year 2019-20 on a remuneration (plus applicable GST and out of pocket expenses) as set out in statement annexed to the notice convening this meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors and / or the Company Secretary of the Company be and are, hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution/s.”

Item No. 4 - To consider and approve waiver of recovery of excess managerial remuneration to Shri Mitesh H. Shah, Managing Director

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], the consent of the Company be and is hereby accorded to the waiver of recover of excess remuneration paid / payable / recovered from Shri Mitesh H. Shah (DIN : 07013137) as a Managing Director upto ` 241.87 Lakhs, as set out in the explanatory statement.”

“**RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer and Company Secretary be and are hereby severally authorised to do all the acts and deeds necessary and expedient for the purpose including to sign and file necessary forms, documents, deeds, etc. as may be required.”

Item No. 5 To consider and approve variation / modification in terms of appointment and remuneration of Shri Mitesh H. Shah, Managing Director.

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(s) thereof for the time being in force] and in modification of the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors at their respective meetings held on 30th August, 2017 and the approval of the shareholders at their Annual General Meeting held on 29th September, 2017, in respect of the terms of appointment and remuneration of Shri Mitesh H. Shah, as a Managing Director, for a period of three years from 14th November, 2017 to 13th November, 2020 inter alia with a liberty to the Board of Directors to alter and/or to vary the terms and conditions of his appointment, including the terms of remuneration, approval, be and is hereby granted, pursuant to recommendation of the Nomination & Remuneration Committee at its meeting held on 19th July, 2019, to make necessary modification, by way of ratification in respect of the tenure completed and for residual tenure, by substitution of existing clause by new clause as follows :

I. PERQUISITIES AND ALLOWANCES

PART B

- i. Contribution to provident fund as per the company's rules, superannuation fund or annuity fund @ 15% of the basic pay

“**RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer and Company Secretary be and are hereby severally authorised to do all the acts and deeds necessary and expedient for the purpose including to sign and file necessary e-Forms, etc. with the office of Registrar of Companies, Gujarat, pursuant to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.”

Item No. 6 – To consider re-appointment of Smt. Ameeta Trehan as an Independent Director.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or reenactment(s) thereof for the time being in force], and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), Smt. Ameeta Trehan (DIN: 07087510) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment/re-appointment, and in respect of whom the Company has received requisite notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is, hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) years, with effect from 16th May, 2020 to 15th May, 2025.”

“**RESOLVED FURTHER THAT** any of the Directors and Company Secretary of the Company, be and are, hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution/s.”

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

**Place : Mumbai
Date : 19th July, 2019
CIN : L27110GJ1989PLC011748**

**ACHAL S. THAKKAR
Company Secretary**

NOTES :

THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF THE BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING (AGM), AS SETTING OUT THE MATERIAL FACTS AND THE RELEVANT DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT UNDER ITEM NO. 2 ABOVE AS REQUIRED UNDER REGULATION 26(4) & 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“THE LISTING REGULATIONS”) AND AS REQUIRED UNDER SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA IS ANNEXED HERETO.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxy in the prescribed Form No. MGT - 11 as enclosed herewith, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 (Forty Eight) hours before the time of holding this Annual General Meeting (“AGM”).

Pursuant to Section 113 of the Companies Act, 2013 (the “Act”) and rules framed there under, the corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution or Power of Attorney, if any, authorizing their representative(s) to attend and vote, on their behalf, at the AGM.

Members desiring any information as regards the 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 17th August, 2019 to 26th August, 2019 (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.

The Register of Directors and Key Managerial Personnel(s) and their shareholding maintained under Section 170 of the Act along with other Statutory Registers as required under the provisions of Act, and 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 excluding Saturdays, Sundays and all public holidays 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. 3 to 6 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 Obligations and 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 EGM venue (‘remote e-voting’) will be provided to the members by Link Intime India Private Limited (LIPL).

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 23rd August, 2019 (9:00 a.m.) and ends on 25th August, 2019 (5:00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th August, 2019, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting after 25th August, 2019 (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 16th August, 2019, may obtain the login ID and password by following instructions given at notice which is uploaded at <https://instavote.linkintime.co.in> or sending request at enotices@linkintime.co.in.

PROCEDURE FOR E- VOTING

Instructions for shareholders to vote electronically:

- Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company.
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> - Members who have not updated their PAN with depository participant or in the company record, are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN field.
DOB/ DOI	<p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> - Please enter the DOB / DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and / or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically:

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View Event No. "190140" of the Company, you choose to vote.

- On the voting page, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour / Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under Favour / Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour / Against'.

- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the print out of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event"

- Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

Shri Devesh A. Pathak, Practicing Company Secretary (Membership No. FCS 4559), Vadodara has been appointed as a 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 forty eight hours 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.steelcogujarat.com and on the website of LIPL <https://instavote.linkintime.co.in> immediately after result is declared and shall be communicated to the stock exchanges, where the shares of the Company are listed.

Details of the Directors seeking appointment / reappointment at the forthcoming Annual General Meeting under regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 read with the provisions of Secretarial Standards – 2.

Name of Director	Shri Amish H. Mehta	Smt. Ameeta Trehan
DIN	07068022	07087510
Date of Birth	14.11.1959	10.12.1962
Date on which first appointed on the Board	24.05.2017	16.05.2015
Expertise in specific functional area	Total experience of more than 3 decades in the field of corporate finance, accountancy and corporate laws across various organizations globally.	Total experience of 39 years, out of which 22 years with Corporation Bank as a banker specializing in Corporate Finance. Having specialization in stressed asset resolution which comes from work experience with Premier ARC, Asset Reconstruction Company (India) Ltd. and newly established ARC, CFM Asset Reconstruction Private Ltd. with whom she was associated in key Managerial position (President) responsible for establishment of ARC, Business Development, Corporate Governance and Compliance.
Qualification	Chartered Accountant Company Secretary	Master's Degree in Commerce from University of Mumbai. Certified associate of Indian Institute of Bankers Done Leadership program with Wharton University, Pennsylvania
List of public companies / listed companies in which outside directorship held as on 31 st March, 2019	NIL	3
Membership / Chairmanship of Committees on other Company's Boards / other listed Company's Boards	NIL	Galada Power & Telecommunication Ltd. – Listed company Audit Comm – Member/Chairperson Nomination & Remuneration Comm – Member Stakeholders' Grievance Comm – Chairperson
No. of Shares held	NIL	NIL
Terms and conditions of reappointment	Reappointment as Non-Executive Director, liable to retire by rotation	Reappointment as an Independent Director
Details of remuneration sought to be paid and remuneration last drawn	As detailed in the Corporate Governance Report	As detailed in the Corporate Governance Report
Relationship with other Directors, Manager and other Key Managerial Personnel	Not related.	Not related.
Number of Meetings attended during the year	As detailed in the Corporate Governance Report	As detailed in the Corporate Governance Report
Performance evaluation report of Independent Director / summary thereof	Not Applicable	The Board has found satisfaction on evaluation process with valuable contribution provided, esp. on commercial and banking aspects towards resolution plan and revival of the Company.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 – To consider and approve fixation of remuneration of Cost Auditors of the Company for year ending 31st March, 2020.

The Board, on the recommendation of the Audit Committee, has approved the appointment, M/s. Y. S. Thakar & Co., Cost & Management Accountants in Practice, (FRN 000318) 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, 2020 at a remuneration of ₹ 1,00,000 (Rupees One Lakh Only) plus GST 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 shall be determined by the shareholders of the Company.

Accordingly, your Directors recommend and seek your approval to the resolution as set out in item no.3 of the accompanying notice by way of Ordinary Resolution.

Neither any of the Directors /Key Managerial Personnel of the company nor any of their relative(s) shall be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the notice.

Item No. 4 - To consider and approve waiver of recovery of excess managerial remuneration to Shri Mitesh H. Shah, Managing Director

The Board, on the recommendation of Nomination and Remuneration Committee, recommended for further approval of the shareholders, the waiver of recovery of excess managerial remuneration to Shri Mitesh H. Shah, Managing Director.

An application was made once again for re consideration of remuneration paid to Shri Mitesh H. Shah, Managing Director; to Ministry of Corporate Affairs for the FY 2016-17 (earlier approval received for ` 84 Lakhs against which application for reconsideration / waiver of excess payment was made). However, with new amendment effective from 12th September, 2018, the application for approval of MCA has been abated by MCA as per their communication dated 5th October, 2018 and therefore, the approval of ` 84 Lakhs for the FY 2016-17 shall only survive and therefore, the payment in excess of the said limit of ` 84 Lakhs, i.e. ` 43.16 Lakhs has been identified excess remuneration and is recoverable from Shri Mitesh H. Shah, Managing Director for FY 2016-17.

The lenders at their joint lenders meeting held on 8th May, 2019 minutes of which was received on 4th July, 2019, have re-affirmed their approval of ` 60 Lakhs per annum for financial year 2017-18 and financial year 2018-19, even though request made by the Company in view of the detailed justification given in the explanatory statements to the notice of 27th Annual General Meeting and the nature, size and complexity of the business with existing stressed situation. In view of this, the excess remuneration identified for the FY 2017-18 is ` 91.59 Lakhs (` 151.60 Lakhs total remuneration less approved amount of ` 60 Lakhs) and for the FY 2018-19, (` 167.12 Lakhs total remuneration less approved amount of ` 60 Lakhs). Further, for FY 2018-19, in view of financial situation, the remuneration paid was only to the tune of ` 102.86 Lakhs and hence, the excess remuneration paid as identified in view of the actual remuneration paid, comes to ` 42.86 Lakhs in the books of accounts and the balance was provided for / reversed in the books of accounts.

The excess remuneration as mentioned for FY 2016-17 above was identified as excess, on 5th October, 2018 (i.e. the date of receipt of communication from MCA) and the excess remuneration as mentioned for FY 2017-18 and 2018-19 was identified as excess, on 4th July, 2019 (i.e. date of receipt of minutes JLM). The aforesaid amounts of excess remuneration amount recovered / to be recovered, are held in trust in view of seeking approval from the shareholders for waiver of recovery of such remuneration. Pursuant to provisions of Section 149 of the Companies Act, 2013, based on the recommendation of Nomination Remuneration Committee at their meeting held on 19th July, 2019, your Directors seek waiver of recovery of excess remuneration aggregating to ` 241.87 Lakhs through Special Resolution, which is within two years timeline from the date when the sum became refundable.

Accordingly, your Directors recommend and seek your approval to the resolution as set out in item no.4 of the accompanying notice by way of Special Resolution.

Neither any of the Directors /Key Managerial Personnel of the Company nor any of their relative(s), except Shri Mitesh H. Shah, shall be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at item no. 4 of the notice.

Item No. 5 – To consider and approve variation / modification in terms of appointment and remuneration of Shri Mitesh H. Shah, Managing Director

Shri Mitesh H. Shah was re-appointed as a Managing Director of the Company for a period of three (3) years from 14th November, 2017 to 13th November, 2020 on the terms and conditions as recommended by the Nomination & Remuneration Committee, the Board of Directors and as approved by the Shareholders of the Company at their Annual General Meeting held on 29th September, 2017 and as per the terms of appointment including remuneration as per the resolution passed by them.

With respect to the prerequisites under (i) Part B of the Terms of remuneration, regarding Contribution to provident fund, superannuation fund or annuity fund, for better simplicity and clear interpretation, it is proposed to ratify the payment made under Part B, point (i) and further amend the same for further period of his appointment. Based on the

recommendation of Nomination Remuneration Committee at its meeting held on 19th July, 2019, your Directors seek your approval on variation in terms of appointment and remuneration of the Managing Director through Special Resolution.

Accordingly, your Directors recommend and seek your approval to the resolution as set out in item no.5 of the accompanying notice by way of Special Resolution.

Neither any of the Directors /Key Managerial Personnel of the company nor any of their relative(s), except Shri Mitesh H. Shah shall be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at item no. 5 of the notice.

Item No. 6 - To consider reappointment of Smt. Ameeta Trehan as an Independent Director.

Smt. Ameeta Trehan was appointed as an Independent Director, w.e.f. 16th May, 2015 for a period of five (5) years and hence, her tenure expires on 15th May, 2020. In view of the said expiry of tenure, her willingness to be re-appointed for a further period of five (5) years and in view of valuable contribution made by her during her tenure as an Independent Director to the Board of the Company, the Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 19th July, 2019, have recommended her re-appointment for a period of five (5) years from 16th May, 2020 to 15th May, 2025.

The Company has received from Smt. Ameeta Trehan (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) an intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2), (iii) Certificate of Independence under Section 149(6) of Companies Act, 2013 and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The profile and specific areas of expertise of Smt. Ameeta Trehan are provided in the Corporate Governance Report.

In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as a Non-Executive Independent Director of the Company and is independent of the management. The copy of the draft letter for her appointment as a Non-Executive Independent Director would be available for inspection by the members at the Registered Office of the Company on any working day of the company, excluding Saturdays, Sundays and Public Holidays between 3:00 p.m. to 5:00 p.m. upto the date of the Annual General Meeting.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to avail her services as a Non-Executive Independent Director. The Company has received the proposal for her reappointment as a Director as per applicable rules and regulations.

Smt. Ameeta Trehan does not hold any Equity Shares of the Company. Her brief profile is available in Corporate Governance Report / this notice of Annual General Meeting.

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

Neither any of the Directors /Key Managerial Personnel of the Company nor any of their relative(s), except Smt. Ameeta Trehan shall be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at item no. 6 of the notice.

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

**Place : Mumbai
Date : 19th July, 2019
CIN : L27110GJ1989PLC011748**

**ACHAL S. THAKKAR
Company Secretary**

BOARD'S REPORT

To
The Members,

Your Directors are pleased to present the 29th Annual Report of your Company together with the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS

(` in Lakhs)

Particulars	Current Year	Previous Year
	Ended 31.03.19	Ended 31.03.18
Sales / Other Income (Net of Excise Duty)	7,401.96	47,571.81
Profit / (Loss) before Depreciation & Interest	(5,421.26)	(2,432.17)
Less : Depreciation	614.44	717.78
Profit / (Loss) before interest & financial charges	(6,035.70)	(3,149.95)
Less : Interest & financial charges	2646.01	2,264.45
Profit / (Loss) after interest & financial charges	(8,681.71)	(5,414.40)
Less: Exceptional & extraordinary items	(1059.63)	(291.82)
Profit / (Loss) after exceptional & extraordinary items	(9,741.34)	(5,706.22)
Net profit / (loss) before tax	(9,741.34)	(5,706.22)
Less : Tax	0.00	0.00
Net profit / (loss) after tax	(9,741.34)	(5,706.22)
Less : Items that will not be reclassified to profit / (loss) (net of tax)	(32.07)	(19.00)
Items that will be reclassified to profit / (loss) (net of tax)	0.00	0.00
Total Other Comprehensive Income / (Loss) (net of tax)	(9,773.41)	(5,725.22)
Less: Carried Forward Losses	(23,617.29)	(17,892.07)
Balance carried to Balance Sheet	(33,390.70)	(23,617.29)

2. CHANGE IN THE NATURE OF BUSINESS

There was no material change in the nature of business of the Company during the year. However, due to working capital non-availability, the Company has carried out the business / operations mainly on job work basis.

3. CHANGE IN SHARE CAPITAL

There was no change in the capital structure of the Company during the financial year under review. The equity paid up capital as on 31st March, 2019 was ` 42,56,18,220.

4. AMOUNT TRANSFERRED TO RESERVES:

In view of the losses, your Directors do not recommend to transfer any amount to the reserves.

5. DIVIDEND

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

6. DEPOSITS

The Company has not accepted / renewed any deposit within the meaning of the Companies (Acceptance of Deposits) Rules, 2014.

7. LOANS, GUARANTEES OR INVESTMENTS

The Company, as such, has not given any guarantees or securities covered under the provisions of Section 186 of the Companies Act, 2013 ('the Act'). The aggregate of Investments, Loans, Guarantees and Securities is within the limit of Section 186 of the Companies Act, 2013.

8. REVIEW OF OPERATIONS & PERFORMANCE

The overall sales in revenue including other income during FY 2018-19 stood at ` 74.02 crores and net loss of ` 97.73 crores. This is against the revenue of FY 2017-18 of ` 475.52 crores and a net loss of ` 57.06 crores in the previous year. The decrease was a result of the company focusing on job work in the current year.

The other reasons for reduction in the revenue as well as the profits, was lower production volumes with the own production of only around 4900 MT during the year due to paucity of working capital. The Company had to move to job work operations in view of lack of adequate working capital facilities due to stoppage of utilization of working capital facilities by the lenders, since the account became NPA with all the lenders, which were beyond the control of the Company. The lower volumes also significantly increased cost of production, mainly the power cost, which increased by around ` 2.40 per unit with additional cost of ` 2.50 crores, adding to losses.

The debt restructuring proposal, viz. One Time Settlement Proposal when concluded will improve the operations in volumes as well as in margins. It is the endeavor of the Board of Directors of your Company to strengthen the financial structure of the Company. The Company has already submitted the OTS proposal and subsequent to Balance Sheet date, on the receipt of the funds for initial deposit from the Ultimate Holding Company, M/s. Spica Business Corp., Panama, under the Loan Facility Agreement, the Company had also deposited the initial deposit of 5% with the lenders for their consideration of OTS proposal. The same is at the advanced stage and the Company is hopeful for OTS approval and revival of operations shortly. The Board of Directors is cautiously optimistic of a turnaround in the performance with better outlook of the Company in long run.

For detailed performance review and industry outlook, please refer Management Discussion & Analysis Report, forming part of the Board's Report.

9. INFORMATION ABOUT SUBSIDIARY COMPANY / JOINT VENTURE / ASSOCIATE COMPANY

Neither the Company has any Subsidiary, Joint Venture or Associate Company nor has any other Company become or ceased to be Subsidiary / Joint Venture / Associate Company.

10. BOARD OF DIRECTORS

Shri Lakshminarayanan Venkataraman, who was appointed as an Additional Director (Independent Director) of the Company, w.e.f. 28th March, 2018, not liable to retire by rotation, to hold office up to next Annual General Meeting, ceased to be Director of the Company w.e.f. 6th July, 2018 due to his resignation. Shri Ajay Pratapray Shanghavi has been appointed as an Independent Director of the Company, w.e.f. 4th August, 2018, for a period of five years, not liable to retire by rotation.

During the year, for better compliance of newly amended SEBI Listing Regulations, Shri Praful Chandaria, resigned as a Non-Executive Director effective from 30th March, 2019. However, he has been appointed as a Non-Executive Director, by the Shareholders of the Company at their 1st Extra Ordinary General Meeting held on 15th May, 2019, by way of Special Resolution in compliance with the amended Listing Regulations.

Shri Amish H. Mehta, Non-Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Smt. Ameeta Trehan, Independent Director is proposed to be reappointed for tenure of five (5) years from 16th May, 2020 to 15th May, 2025.

The Company has also received a certificate of non-disqualification of Directors from M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara.

11. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed amount, required to be transferred to Investor Education & Protection Fund (IEPF) during the year under review, no amount was transferred to IEPF.

12. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year to which this financial statement relates and the date of this report and hence not reported.

13. KEY MANAGERIAL PERSONNEL

The details of Key Managerial Personnel (KMP) including change in the KMPs during the years under review are as under:

Sr. No	Name of person	Designation
1	Shri Mitesh H. Shah	Managing Director
2	Shri Abhishek Jajoo	Chief Financial Officer (upto 6 th July, 2018)
3	Shri Saurabh Jog	Chief Financial Officer (from 7 th July, 2018 to 15 th September, 2018)
4	Shri Hament Kumar Nandawat	Chief Financial Officer (from 17 th September, 2018)
5.	Shri Achal S. Thakkar	Company Secretary

14. INDEPENDENT DIRECTORS

As on 31st March, 2019 the Independent Directors on the Board of the Company were, viz. Smt. Ameeta Trehan (Woman Director) and Shri Ajay Pratapray Shanghavi. The Company has received confirmation / declarations from both the Independent Directors of the Company to the effect that they are compliant of attributes under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

15. 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, governance, etc. Respective member of the Board did not participate in the discussion of his / her evaluation. The separate meeting of Independent Directors was held on 14th February, 2018 and also on 14th June, 2019 and the Board of Directors expressed their satisfaction with the evaluation process.

16. 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. Five meetings (including one adjourned meetings) of the Board of Directors of the Company were held during the year under review on 05.07.2018, 08.08.2018, 17.09.2018 (adjourned), 12.12.2018 & 14.02.2019.

17. 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 there under and Regulation 22 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 at www.steelcogujarat.com.

18. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Pursuant to amended SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors of the Company approved the updated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Policy has been posted on website of the Company at www.steelcogujarat.com.

19. 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 at www.steelcogujarat.com.

20. CORPORATE GOVERNANCE

Your Company is substantially compliant of all mandatory requirements pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance as stipulated by Regulation 34(3) read with Para C of Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, along with the required certificate from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by para E of LODR is given in Annexure - 3.

21. MANAGEMENT DISCUSSION AND ANALYSIS

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

22. RELATED PARTY TRANSACTIONS

The transactions entered into with related parties during the year under review, if any, were on arm's length basis and in ordinary course of business and hence 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.

23. 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, 2019, 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, 2019 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.

24. APPOINTMENT OF STATUTORY AUDITORS

Your Directors at their meeting held on 8th August, 2018, on the recommendation of the Audit Committee, approved appointment of M/s. Kedia & Kedia Associates, Chartered Accountants (Firm Registration No. 104954W), as Statutory Auditors to fill up the casual vacancy caused by the resignation of M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/500013). The said appointment has been approved by the shareholders at the 28th Annual General Meeting held on 28th September, 2018.

Shareholders of the Company at their 28th Annual General Meeting held on 28th September, 2018 appointed M/s. Kedia & Kedia Associates, Firm Registration No. 104954W as the Statutory Auditors of the Company, to hold the office for a period of 5 years i.e. from the conclusion of ensuing 28th Annual General Meeting to the conclusion of 33rd Annual General Meeting to be held in 2023. Pursuant to amended section 139(1) of the Companies Act, 2013, the requirement of ratification of appointment of Auditors at every Annual General Meeting is done away with. Accordingly, no resolution for ratification of appointment of auditors is proposed.

25. COST AUDITORS & COST RECORDS MAINTENANCE

The maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained.

Your Directors have appointed M/s. Y. S. Thakar & Co., Cost & Management Accountants, as Cost Auditors in compliance with the Companies (Cost Accounting Records) Rules, 2011.

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 appointment of M/s. Y. S. Thakar & Co., Cost & Management Accountants, 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, 2020. The Company has received a letter from M/s. Y. S. Thakar & Co., Cost & Management Accountants 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.

The Cost Auditors have filed the Cost Audit Report for the financial year ended 31st March, 2018 within the due date.

26. SECRETARIAL AUDITORS

The Company has received consent and requisite certificate from M/s. Devesh Pathak & Associates, 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 Pathak & Associates has been re-appointed to act as Secretarial Auditors of the Company for the FY 2019-20.

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

The observations of the auditors, viz. Statutory Auditors and Secretarial Auditors, when read together with the relevant notes to the financial statements, are self-explanatory and do not call for any further comment.

28. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed M/s. Devesh Pathak & Associates, Practicing Company Secretaries, Vadodara to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is included as Annexure -5 and forms an integral part of this report.

29. COMPLIANCE WITH SECRETARIAL STANDARDS

The Secretarial Standards issued and notified by the Institute of Company Secretaries of India has been generally complied with by the Company during the Financial Year 2018-19 under review.

30. 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 forms an integral part of this report as Annexure - 6. The said information is also available on the website of the Company at www.steelcogujarat.com.

31. INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to section 134(5)(e) of the Act. For the year ended on 31st March, 2019, the Board is of the opinion that the Company has in all material respects sound Internal Financial Control system in place, commensurate with the size, scale and complexity of its business operations, however, they are required to be strengthened further and its operative effectiveness requires improvement. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such gaps would have a material effect on the Company's operations.

32. 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.

33. 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 as well as the constituted Internal Complaints Committee on prevention of sexual harassment at workplace with a mechanism of lodging complaints, under the Sexual Harassment of Women under Workplace (Prevention Prohibition and Redressal) Act, 2013. 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.

34. 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) are in place for management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior learning & organizational development.

35. 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.

36. 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.

37. CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall in any of the criteria as set out in Section 135 (1) of the Act and accordingly, the company is not required to comply with the same in respect of Corporate Social Responsibility.

38. 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.

39. NO SIGNIFICANT OR MATERIAL ORDER PASSED

There were no significant and material orders passed by any Regulator or Court or Tribunal impacting the going concern status and Company's Operations in future during the year under review.

40. 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:

- Details relating to deposits covered under Chapter V of the Act.
- Details of remained, unpaid or unclaimed dividend at the end of year.
- Issue of equity shares with differential right as to dividend, voting or otherwise.
- Issue of shares (including Sweat Equity Shares) to employees of the Company under any scheme.
- Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material order, is passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

41. 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.

42. 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
Date : 19th July, 2019**

**Amish H. Mehta Mitesh H. Shah
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:

- a) The Company has entered into a long term agreement with private party for purchase of power, effective from March 2018, which started giving saving in power cost significantly. However, this year, the Company could not have saving in cost due to lower consumption.

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. Further, due to severe financial situation, the Company could not implement the other measures towards energy conservation.

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 31.03.2019	Previous Year ended 31.03.2018
1 ELECTRICITY		
(a) Purchased (Units in '000 KWH)	10,299.38	23,627.57
Total Amount (₹ in Lakhs)	1,032.64	1797.93
Rate/Unit (₹)	10.03	7.61
(b) Own generation (through Diesel Generator)		
Units (KWH)	-	-
Units per Ltr. of Fuel	-	-
Cost/Unit (₹)	-	-
2 LIGHT DIESEL OIL / HIGH SPEED DIESEL		
Quantity (Ltrs.)	5,345.00	23,891.00
Total Cost (₹ in Lakhs)	3.41	13.57
Rate / Unit per Ltr (₹)	63.75	56.80
3 CNG		
Quantity (SCM)	1,386,735.57	2,394,403.00
Total (₹ in Lakhs)	477.98	704.94
Rate / Unit (₹)	34.47	29.44

B. Consumption per Unit of Production –

PRODUCT	Current Year ended 31.03.2019	Previous Year ended 31.03.2018
Cold Rolled (Steel) Coils / Sheets & GP/GC Coils / Sheets		
ELECTRICITY (Units/PMT)		
CR Coils / Sheets	218.53	204.29
GP / GC Coils / Sheets	30.74	33.26
Pre-painted Coils / Sheets	29.90	24.96
Total (CNG) (SCM/PMT)		
CR Coils / Sheets	4.40	2.08
GP / GC Coils / Sheets	39.01	28.05
Pre-painted Coils / Sheets	24.76	26.18

II TECHNOLOGY ABSORPTION

Research & Development:

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

Technology absorption, adaptation and innovation:

Due to severe financial situation, the Company could not implement material measures towards Technology absorption, adaptation and innovation.

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 31.03.2019	Previous Year ended 31.03.2018
a. Earnings	1,275.74	18,189.13
b. Expenditure	97.37	20,198.88

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

Place : Mumbai
Date : 19th July, 2019

Amish H. Mehta 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, 2019 was as under:

Category of Directors	No. of Directors
➤ Executive Director	1
➤ Promoters, Non-Executive	0
➤ Non-Promoter Non-Executive	1
➤ Non-Executive Independent	2
➤ Nominee Director	-

➤ **Meetings and Attendance:**

During the year from 1st April, 2018 to 31st March, 2019, the Board met 5 (Five) times, i.e. on 05.07.2018, 08.08.2018, 17.09.2018 (adjourned), 12.12.2018 & 14.02.2019. Attendance of Directors at the Meeting of the Board of Directors (BOD) held during the financial year 2018-19 and Annual General Meeting (AGM) held on 28th September, 2018 are as follows:

Category	Name of Directors	No. of Board Meetings attended	Whether attended AGM held on 28.09.2018	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 Praful Chandaria*	3	No	-	-	-	-
Non Promoter Executive/ Non-Executive Director(s):							
- Non-Executive Chairman	Shri Amish H. Mehta	5	No	-	-	-	-
- Managing Director	Shri Mitesh H. Shah	5	Yes	-	1	-	-
Non-Executive Independent Director	Smt. Ameeta Trehan	5	No	-	3	-	1
	Shri Lakshminarayanan**	1	No	-	-	-	-
	Shri Ajay Pratapray Shanghavi***	4	No	-	-	-	-

* Shri Praful Chandaria, Director (Non-Executive) resigned from Directorship w.e.f. 30th March, 2019; Appointed as a Non-Executive Director, w.e.f. 15th May, 2019.

** Shri Lakshminarayanan Venkataraman, Additional Director (Independent Director) resigned from Directorship w.e.f. 6th July, 2018.

*** Shri Ajay Pratapray Shanghavi – Appointed as an Independent Director w.e.f. 4th August, 2019.

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

Represents Membership / Chairmanship 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 read with Part C of Schedule II to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“LODR”) and Section 177 of the Companies Act, 2013 (“the Act”).

➤ **Composition and Attendance :**

As on 31st March, 2019, the Audit Committee consists of Three Non-Executive Directors as under:

Name of Director	Composition as on 31 st March, 2019	No. of Meetings held	No. of Meetings attended
Shri Lakshminarayanan Venkataraman	Chairman (w.e.f. 30 th March, 2018 and up to 6 th July, 2018)	1	1
Shri Amish H. Mehta	Member	5	5
Smt. Ameeta Trehan	Member	5	5
Shri Ajay Pratapray Shanghavi	Chairman (w.e.f. 8 th August, 2018)	4	4

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 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 Act and the rules made there under and Regulation 19 read with Paragraph A of Part D of Schedule II to LODR. The terms includes mainly formulation of the criteria for determining qualifications, positive attributes and independence of 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, 2019, Nomination & Remuneration Committee consists of three Non-Executive Directors, as under:

Name of Director	Composition as on 31 st March, 2019	No. of Meetings held	No. of Meetings attended
Shri Lakshminarayanan Venkataraman	Chairman (w.e.f. 30 th March, 2018 & up to 6 th July, 2018)	1	1
Shri Amish H. Mehta	Member	5	5
Smt. Ameeta Trehan	Member	5	5
Shri Ajay Pratapray Shanghavi	Chairman (w.e.f. 8 th August, 2018)	4	4

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 especially the Independent 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 2018-19 was ` 10.45 Lakhs. The 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 Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, approved by the Board of Directors and Shareholders of the Company and approval of Central Government, and the lenders, wherever required. The remuneration package of 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. In view of the amended Companies Act, 2013, application was made to the lenders for their approval for remuneration paid to Managing Director for the Financial Year 2018-19. However, in view of deteriorating financial situation, the lenders have given their approval to ` 60 Lakhs per annum. Accordingly, the excess remuneration is identified and is accounted in the books of account.

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 2018-19

(a) NON-EXECUTIVE DIRECTORS

(` in Lakhs)

Name of the Non-Executive Directors	Sitting Fees	Remuneration
Shri Praful Chandaria*	-	-
Smt. Ameeta Trehan	5.20	-
Shri Amish H. Mehta*	-	-
Shri Lakshminarayanan Venkataraman	1.14	-
Shri Ajay Pratapray Shanghavi	4.20	-
Total	10.54	-

* Sitting Fees waived off voluntarily by the Directors.

(b) EXECUTIVE DIRECTORS

Remuneration to Executive Directors (paid amount)

(` in Lakhs)

Particulars	Shri Mitesh H. Shah (Managing Director)
Salary	59.42
Retiral Benefits	26.19
Other Benefits & Allowances	30.38

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, 2019	No. of Meetings held	No. of Meetings attended
Smt. Ameeta Trehan	Chairperson (w.e.f. 30 th March, 2018)	1	1
Shri Mitesh H. Shah	Member	1	1
Shri Amish H. Mehta	Member (w.e.f. 24 th May, 2017)	1	1

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

Terms of Reference :

The role and terms of reference covers the matters specified for the Committee under Regulation 20 read with Paragraph B of Part D of Schedule II to LODR.

The Company has authorized its Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, for taking necessary actions 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 and for various types of complaints from all stakeholders and all statutory authorities (including complaints received through SEBI SCORES).

The Committee is looking after the Shareholders' Relationship and Redressal of investors' / shareholders' major complaints, if required through with the help of Registrar and Share Transfer Agent.

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 Committee meeting are circulated to the Committee and to the Board and noted by the Board of Directors of the Company at the next 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, 2019 and reported under regulation 13 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under:

Total 22 numbers of complaints received and addressed to the shareholders during the year ended on 31st March, 2019. There was no Complaint outstanding as on 31st March, 2019. The number of pending share transfer and pending requests for dematerialization as on 31st March, 2019 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, 2019.

VII. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had separately met during the year on 14th February, 2018 and 19th July, 2019 *inter alia* 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 and the Board of Directors has expressed their satisfaction with the evaluation process.

VIII. SUBSIDIARY COMPANY

There is no subsidiary Company of the Company.

IX. MEANS OF COMMUNICATION

- 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.
- The financial results, other compliances, regulatory 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.
- Management Discussion and Analysis forms part of the Annual Report.

X. GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETINGS / EXTRA ORDINARY GENERAL MEETINGS

The last three Annual General Meetings (AGMs) / Extra Ordinary General Meetings (EGMs) 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
2015 - 2016	30 th September, 2016	Friday	3:30 P.M	2
2016 - 2017	29 th September, 2017	Friday	2:30 P.M	1
2017 - 2018	28 th September, 2018	Friday	2:30 P.M	2
1 st EGM	15 th May, 2019	Wednesday	11:00 A.M	1
2 nd EGM	11 th June, 2019	Tuesday	11:00 A.M	1

The Company has been listed on BSE Limited and Annual Listing Fees for financial year 2019-20 has been paid to them.

The Company has also paid Annual Custodian Fees to respective depositories i.e. NDSL, CDSL.

Tentative Calendar for Financial year ending on 31st March, 2020

Audited Annual Results for the year ended 31 st March, 2019.	By 19 th July, 2019
Unaudited First Quarter Results	By 14 th August, 2019
Unaudited Second Quarter Results	By 14 th November, 2019
Unaudited Third Quarter Results	By 14 th February, 2020
Audited Annual Results	By 30 th May, 2020

BSE Stock code:

Scrip code: 500399 & Scrip – STEELCO

Dematerialisation of Shares & Liquidity

95.86% of the equity shares of the Company have been dematerialized (NSDL – 87.11% and CDSL- 8.75%) as on 31st March, 2019. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), whereby 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 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

Kindly refer to Notice of 29th Annual General Meeting for the above details.

➤ Registrar and Share Transfer Agent :

Share Transfer and all other Investors'/Shareholders' 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 - 390 020
Tel No: 0265-2356573, 2356794, Fax: 2356791
E-mail ID: vadodara@linkintime.co.in
Website : www.linkintime.co.in

➤ DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

No. of Equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 - 500	128,458	98.52	2,675,367	6.29
501 - 1000	807	0.62	701,554	1.65
1001 - 2000	467	0.36	752,091	1.77
2001 - 3000	180	0.14	472,899	1.11
3001 - 4000	85	0.06	305,541	0.72
4001 - 5000	111	0.09	528,491	1.24
5001 - 10000	157	0.12	1,173,549	2.76
10001 & Above	123	0.09	35,952,330	84.47
Total	130,388	100.00	42,561,822	100.00

➤ Category of shareholders as on 31st March, 2019

Category of Shareholders	Total Holding	Percentage (%)
Promoter (SPICA INVESTMENTS LTD.)	31,921,366	75.00
Institutional Investors		
a. Mutual Funds	19,290	0.05
b. Banks, FI's, Insurance Companies	7,072	0.02
Private Corporate Bodies	345,704	0.81
NRIs / OCBs (other than Promoter Group)	65,306	0.15
Indian Public	10,203,084	23.97
Total	42,561,822	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 - 18	8.01	5.42	35,213	32,973
May - 18	8.50	5.60	35,994	34,303
Jun-18	7.99	4.00	35,877	34,785
Jul-18	5.29	3.75	37,645	35,107
Aug-18	5.87	4.62	38,990	37,129
Sep-18	5.27	3.86	38,934	35,986
Oct-18	4.09	3.12	36,617	33,292
Nov-18	3.90	2.47	36,389	34,303
Dec-18	3.19	2.47	36,555	34,426
Jan-19	3.02	2.40	36,701	35,376
Feb-19	3.04	2.00	37,172	35,287
Mar-19	3.83	2.00	38,749	35,927

COMPLIANCE

In compliance with LODR 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 Pathak & Associates, Practicing Company Secretaries, Vadodara, which appears as a part of the Annual Report of the Company.

Shareholders' 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@steelcojaguarat.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 in to with the related parties as defined under the Act and Regulation 23 of LODR during the financial year were in the ordinary course of business and on arm's length basis and hence do not attract the provisions of Section 188 (1) of the Act. There were no materially significant transactions with related parties during the financial year. Related Party Transactions have been disclosed under the note 39 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 are periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under regulation 23 of LODR, 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 LODR 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.

During the year, the company was inflicted penalty for delayed compliance of Regulation 33 of LODR for delayed approval of Audited Financial Results for the year ended March, 2018, Unaudited Financial Results for the quarter ended June 2018 and Unaudited Financial Results for the quarter ended September, 2018. The Company has requested BSE Limited to take lenient view on penalties keeping in view genuine circumstances and their response is awaited.

Whistle Blower Policy/Vigil Mechanism:

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of LODR, 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 Act. 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 actual), bonus, etc. as mentioned in the respective resolution to the notice convening 27th Annual General Meeting, as may be amended from time to time. 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 nor any severance fees. The required details of remuneration to the Managing Director is mentioned in this report at appropriate places.

Non-mandatory requirements:

Adoption of non-mandatory requirements of LODR 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, 2015:

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, 2019.

XIII. In terms of the Regulations of LODR, 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:

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

XV. ADDRESS FOR CORRESPONDENCE:

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

As per requirement of the Regulation 46(2) (j) of LODR with Stock Exchanges, the Company has created a dedicated email ID secretarial@steelcogujarat.com exclusively for the purpose of registering complaints of the investors and is prominently displayed on the Company's website www.steelcogujarat.com.

XVI. COMPLIANCE OFFICER:

Shri Achal S. 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 : 19th July, 2019

Amish H. Mehta **Mitesh H. Shah**
Director Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Steelco Gujarat Limited,
Palej.

We have examined the compliance of conditions of Corporate Governance of STEELCO GUJARAT LIMITED ("the Company") for the year ended 31st March, 2019, 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 a 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 31st March, 2019 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 Pathak & Associates
Practising Company Secretaries**

**Place : Vadodara
Date : 31st May, 2019**

**CS Devesh A. Pathak
Sole Proprietor
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 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.

Global Economy and Steel Industry

The world economy grew at 3.6% in CY 2018 as compared to CY 2017. The International Monetary Fund (IMF) expects the global economic growth to further slow down to 3.3% in CY 2019 in view of the issues that out-broke in second half of CY 2018 with the US policy stimulus are expected to spill over to CY 2019 first half. The Global steel demand grew by 2.1% in CY 2018, mainly driven by China with some advanced economies. The world crude steel production has increased to around 1808.6 Million Tonnes (MnT) in the CY 2018, an increase by 4.6% from CY 2017. The world apparent steel use per capita reached the mark of 224.5 kilograms. Over the year, the global steel sector has perceived significant growth pattern, with several challenges and headwinds. The global steel expects demand for finished steel to grow by 1.3% in CY 2019 with 1735 MnT.

Indian Economy and Steel Industry

The Indian Economy grew at 6.8% with the world's fastest growing major economy, despite some slowdown in the last quarter of the last financial year. Steel consumption has a strong tie with the economic growth, since steel has become an essential material in almost every aspect of the economy, from infrastructure on roads / rails, transportation, food packaging and consumption. The steel sector contributes to over 2% of the Country's GDP.

India gained second position among the major steel producing countries by achieving 106.5 MnT crude steel production in the CY 2018. The apparent steel use per capita also increased to 73.9 kg for CY 2018. The Steel demand grew at 7.5% to 97.5 MnT; the production grew at the pace of 3.3% to 106.5 MnT, with the consumption growth of 97.54 MnT for FY 2018-19. Total exports during April-December 2018 were 6.36 MnT against the total import of 7.84 MnT.

Based on the growth patterns in the industry over the years, it may be expected that the country would reach to first rank in coming years. Per IMF, India is expected to grow at 7.3% in CY 2019 and 7.5% in CY 2020. With the strong mandate, with the stable government, through structural reforms and Government Policies on development, it is likely to make India a \$ 5 Trillion economy by 2024. Going forward, India's steel producers are likely to rely more on robust domestic demand with better margins, with production of high-end value added steel.

The major initiatives taken by the Ministry of Steel, Government of India for boosting Steel sector are:

- National Steel Policy 2017.
- Policy on Preference to Domestically Manufactured Iron and Steel Products.
- Investment Facilitation Cell to provide information and facilitate investment.
- Anti-Dumping on Steel from various countries like China, Indonesia.
- Some of the Free Trade Agreements with countries like Korea, Puerto Rico, Vietnam, etc.

Certain Key information on outlook are:

- With the National Steel Policy 2017 roll out, forex of ` 5,000 cr was saved since last year while around 24 MnT of crude steel capacity was added during four years. With the said Steel Policy, it shall help the country to become world leader in energy efficiency and sustainability with global standards in industry safety and health and shall also help to domestically meet the entire demand of high grade automotive steel, electrical steel, special steel & alloys.
- With current pace steelmaking capacity is expected to reach 150 MnT mark by 2020 and to reach to 300 MnT by 2030.
- Generation of additional employment for 36 lakh people directly or indirectly, is expected.
- Infrastructure, oil and gas and automotives are expected to drive the growth of the industry.
- Ministry of Steel also plans to set up 'Steel Research and Technology Mission' in India to which shall promote R&D activities in the sector.
- The Industrial environment for the steel industry is becoming favorable with Government initiatives such as 'Make in India' and 'Smart City Mission' and 'ease of doing business'.

OPPORTUNITIES, THREATS, RISKS AND CONCERN

Being net exporter of total finished steel, growth in exports ensures huge access to global markets. The Stable Government at the center with policies in place for development of economy along with steel industry. The Steel consumption and production are expected to grow with pace year-on-year basis

Against the vast opportunities, certain likely threats and risks associated are :

- Demand balance.

- Excess volatility in steel and raw material markets
- Dumping of excess inventory in other countries by countries producing steel in abundance.
- Overcapacity and oversupply in global steel industry.
- Cheaper imports and raw material deficiencies may lead to low capacity utilization despite of the capacity of Indian steel sector to work at full capacity level.
- Competition from substitute materials may lead to change in demand pattern.

The Indian steel industry still writhes with high cost of power, fuel and transportation, which are expected to be addressed by Government by various measures. **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, it shall be the endeavour of your company to continued developing more and more value added specialized products (Niche) and better product mix and geography mix to ensure its own growth.

The volatility of currency contributes to high risk and to minimize the impact of the same a prudent policy of necessary hedging / forward sales may be adopted, as may be required, 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 in revenue including other income during FY 2018-19 stood at ` 74.02 crores and net loss of ` 97.73 crores. This is against the revenue of FY 2017-18 of ` 475.52 crores and a net loss of ` 57.06 crores in the previous year.

The main reasons for reduction in the revenue as well as the profits, was lower production volumes with the own production of only around 4900 MT during the year and production through job work of around 31100 MT with indirect cost of finance incurred to various job work companies of around ` 4.31 crores which severely impacted the profitability of job work assignments. The Company had to move to job work operations in view of lack of adequate working capital facilities due to stoppage of utilization of working capital facilities by the lenders, since the account became NPA with all the lenders. The lower volumes also significantly increased cost of production, mainly the power cost, which increased by around ` 2.40 per unit with additional cost of ` 2.50 crores, adding to losses.

The Company's performance overall has been impacted adversely during the year due to factors, which are briefed hereunder:

- Lack of working capital facilities, which led to operations through job work with lower volumes
- Fluctuation in raw material prices and currency during the year.
- The lower volumes through job work, squeezed the margins further in view of some fixed overheads.
- Increase in power cost due to fixed components in the cost, as well as the Company was not able to get the benefit / saving in power cost through Open Access in view of lower capacity.
- The domestic coated market graduated to 1220 mm and above width (1450 mm) material with rapid growth in the Colour Coated Steel subsector and against that, the Company was not able to participate due to width concern;
- Non-materialization of capex plan & various restructuring proposals, because of various reasons beyond the control of the company; and

There are challenges going forward in FY 2018-19, however, the outlook of the Company is optimistic in view of the following:

- The debt restructuring proposal, viz. One Time Settlement Proposal once materialized, would improve the operations in volumes as well as in margins. The OTS is expected to be materialized which is in view of the the support & commitment of the Ultimate Holding Company towards OTS.
- The Company has already submitted the OTS proposal and subsequent to balance sheet date, on the receipt of the funds for initial deposit from the Ultimate Holding Company, M/s. Spica Business Corp., Panama, under the Loan Facility Agreement, the Company had also deposited the initial deposit of 5% with the lenders for their consideration of OTS proposal. The same is at the advanced stage and the Company is hopeful for OTS approval and revival of operations after OTS. The Board of Directors is cautiously optimistic of a turnaround in the performance with better outlook of the Company in long run.
- With adequate working capital facilities post OTS, overall productivity improvement & capacity enhancement will lead to improvement in margins.
- Long Term availability of Open Access Power would be able to be availed, once the Company operates on reasonable volumes, with significant saving in power cost;
- With upcoming economy with value-add capex of ColourCoated Products, which already has high demand, both domestic & global, volumes and margins are likely to be improved;
- 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;

- Forward Integration by implementation of capex like wider width from 1250-1550 mm Galva lume line adding value added products resulting in higher realization per ton of production;
- With various products, the Company will be in a position to explore and penetrate new markets including domestic markets, which will enable sustained growth; and
- Various measures & initiatives being taken by the Government of India / Ministry of Steel has already started to help grow steel industry as a whole;
- It is the endeavor of the Board of Directors of your Company to strengthen the financial structure & operations of the Company.

The outlook, hence, is quite positive in long run.

INTERNAL CONTROL SYSTEM AND THEIR EFFICACY

The Company has in all material respects sound Internal Financial Control system in place, commensurate with the size, scale and complexity of its business 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 two Independent Directors 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, provisions of the Listing Agreement and 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 31st MARCH, 2019
Form No. MR-3
[Pursuant to section 204(1) of the Companies Act, 2013 and
rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
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, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Presently: The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]
- (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
 - (f) Labour and Other Laws also.

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. ('LODR')]

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) Audited Financial Results for the quarter and year ended 31st March, 2018 as well as Unaudited Financial Results for the quarter ended 30th June, 2018 and 30th September, 2018 were approved on 5th July, 2018, 17th September, 2018 and 12th December, 2018 respectively with delay of about 27 days to 36 days. We have been informed by the Company that they have received notices for respective delays from BSE Limited with amount of penalty imposed. The Company has requested BSE Limited to view it sympathetically in the light of genuine concerns for delay and the response from BSE Limited is awaited.
- (b) The Company has considered the payable amount of managerial remuneration to the Managing Director aggregating to ` 167.12 Lakhs for the year 2018-19 within the limit approved by the Nomination and Remuneration Committee, Board of Directors and Members of the Company. Keeping in view prevailing provisions of the Companies Act, 2013, managerial remuneration to him is subject to prior approval of the Lender Bankers of the Company. The application was made to the lenders for their approval for remuneration paid to Managing Director for the Financial Year 2018-19. However, in view of deteriorating financial situation, the lenders have given their approval to the amount of ` 60 Lakhs p.a.

and accordingly, the excess remuneration identified aggregating to ₹ 107.12 Lakhs has been reversed in the books of accounts. The managerial remuneration paid to the Managing Director during the year was to the tune of ₹ 102.86 Lakhs in view of the receipt of approval of the lenders in between the financial year and hence, ₹ 42.86 Lakhs is recoverable from the Managing Director.

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; [Presently: The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]

were not applicable during the period under review,

(c) In view of the Chairman of the Company being Non Executive Non Promoter Director, at least one-third of the Board of Directors of the Company shall comprise of Independent Directors pursuant to Regulation 17(1)(a) of LODR. However, in view of resignation of Shri Lakshminarayan Venkatraman as on Independent Director with effect from 6th June, 2018 and subsequent appointment of Shri Ajay Sanghavi as an Independent Director with effect from 4th August, 2018, there was vacancy of one Independent Director during the interim period.

Nevertheless, there was no violation since the vacancy was filled up within the prescribed period in compliance with the second proviso to the Rule 4(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Regulation 25(6) of LODR.

(d) The Board of Directors of the Company at its meeting held on 8th August, 2018 appointed M/s. Kedia & Kedia Associates,

Chartered Accountants as Statutory Auditors to fill up the vacancy caused by resignation of M/s. Walker Chandiook & Co. LLP, Chartered Accountants, subject to approval of members of the Company. Subsequently, the members of the Company at their Annual General Meeting held on 28th September, 2018, approved the same.

(e) The members of the Company at their Annual General Meeting held on 28th September, 2018, have approved Special Resolution in respect of authority to the Board of Directors of the Company to sell, lease or otherwise dispose of the properties of the Company pursuant to Section 180(1)(a) of the Act.

(f) The members of the Company at their Annual General Meeting held on 28th September, 2018, have approved Special Resolution in respect of authority to the Board of Directors of the Company for giving any loan to any person or other body corporate and/or acquiring by way of subscription, purchase or otherwise the securities of anybody corporate etc. pursuant to Section 186 of the Act.

(g) The Company has defaulted in repayment of its dues including interest to all of its consortium member banks. All the four member banks [State Bank of India (SBI), Federal Bank, Bank of India and Canara Bank] have issued notices under Section 13(2) of the Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESIA) recalling entire facilities granted to the Company including interest/ penal interest etc. The Notices also state that if the Company does not pay the amount as mentioned in the Notices, the respective bank will exercise all or any of the rights detailed under Section 13(4) and other applicable provisions of the SARFAESIA. Such right includes right to take possession of the Secured Assets etc.

The Company has submitted its replies to the notices under SARFAESIA in response to all the respective banks and in view of the OTS proposal of the entire fund based outstanding liabilities of all the banks, the Company has requested them to keep such notice in abeyance and not to take any further action in the matter. The OTS proposal has been submitted based on the potential investors' interests.

With respect to the One Time Settlement proposal submitted by the Company dated 22nd October, 2018, after various JLMs, State Bank of India (SBI) vide its letter dated 31st December, 2018, inter alia stated the Company to deposit an amount equivalent to 5% of OTS proposal of ₹ 58.25 crores as an initial deposit (for the consortium) which is a base for initiating processing of compromise proposal offer to sanctioning authority for approval. Decision on OTS offer will be taken by the appropriate sanctioning authority of individual banks.

Accordingly, the Company, vide its letter dated 1st June, 2019, has deposited 5% initial deposit amounting to ₹ 2,91,50,000 with the State Bank of India, pursuant to their letter dated 31st December, 2018.

(h) In view of accumulated losses aggregating to ₹ 333.90 crores as at 31st March, 2019, net worth of the Company stands totally eroded.

**For Devesh Pathak & Associates
Practising Company Secretaries**

CS Devesh A. Pathak

Sole Proprietor

FCS No. 4559

C P No: 2306

**Place : Vadodara
Date : 14th June, 2019**

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

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

Ref: Secretarial Audit Report dated 14th June, 2019 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 Pathak & Associates
Practising Company Secretaries**

**CS Devesh A. Pathak
Sole Proprietor
FCS No. 4559
C P No: 2306**

**Place : Vadodara
Date : 14th June, 2019**

ANNEXURE- 6 TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31-03-2019

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

I. REGISTRATION AND OTHER DETAILS:

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 Branch Office - Unit : Steelco Gujarat Limited B102 & 103, Shangrila Complex, HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020. Tel No. 0265 - 2356573, 2356794, Fax: 2356791 Email Id: vadodara@linkintime.co.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:-

SI. 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	24%
2	Manufacturing of Galvanized & Prepainted Coils/ Sheet	7210	76%

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
1	SPICA INVESTMENTS LIMITED, C/O. MULTICONSULT LIMITED, ROGERS HOUSE, 5 PRESIDENT JOHN KENNEDY STREET, PORT KOUIS, MAURITIUS	N.A.	HOLDING	75.00	SECTION 2(87)

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

I) CATEGORY-WISE SHARE HOLDING

A Shareholding of promoters' & Promoter Group

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% 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	0.0000	0	0	0	0.0000	0.0000
b)	Central Govt. / State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Any other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB TOTAL:(A) (1)	0	0	0	0.0000	0	0	0	0.0000	0.0000

(2)	Foreign									
a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
e)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
f)	Bodies Corporate	31921366	0	31921366	75.00	31921366	0	31921366	75.00	0.0000
	SUB TOTAL (A) (2)	31921366	0	31921366	75.00	31921366	0	31921366	75.00	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	31921366	0	31921366	75.00	31921366	0	31921366	75.00	0.0000
	B. Public Shareholding									
(1)	Institutions									
a)	Mutual Funds/ UTI	4980	14310	19290	0.0453	6490	12800	19290	0.0453	0.0000
b)	Venture Capital Fund	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
f)	Financial Institutions / Banks	6782	240	7072	0.0165	6832	240	7072	0.0166	0.0001
g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
h)	Provident Funds / Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
i)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB TOTAL (B)(1):	11762	14550	26312	0.0618	13322	13040	26362	0.0619	0.0001
(2)	Central Government/ State Government(s) / President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(3)	Non Institutions									
a)	Individuals									
i)	Individual shareholders holding nominal share capital upto ` 1 lakhs	2615995	1730598	4346593	10.2124	4439284	1718698	6157982	14.4683	4.2559
ii)	Individuals shareholders holding nominal share capital in excess of ` 1 lakhs	1941090	3698414	5639504	13.2501	3373374	0	3373374	7.9258	-5.3243
b)	NBFCs registered with RBI	0	0	0	0.0000	800	0	800	0.0019	0.0019
c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e)	Any Other (Specify)									
f)	Trusts	3525	0	3525	0.0083	3525	0	3525	0.0083	0.0000
	Hindu Undivided Family	326899	0	326899	0.7681	517779	0	517779	1.2165	0.4484
	Non Resident Indians (Non Repat)	6657	0	6657	0.0156	7843	0	7843	0.0184	0.0028
	Non Resident Indians (Repat)	56913	0	56913	0.1337	57463	0	57463	0.1350	0.0013
	Clearing Member	2670	0	2670	0.0063	149624	0	149624	0.3515	0.3452
	Bodies Corporate	202153	29230	231383	0.5436	316494	29210	345704	0.8122	0.2686
	Sub Total (B)(3)	5155902	5458242	10614144	24.9382	8866186	1747908	10614094	24.9381	-0.0001
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	5167664	5472792	10640456	25.0000	8879508	1760948	10640456	25.0000	0.0000
	Total (A)+(B)	37089030	5472792	42561822	100.0000	40800874	1760948	42561822	100.0000	0.0000
	C. Non Promoter - Non Public									
1)	Custodian / DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	37089030	5472792	42561822	100.0000	40800874	1760948	42561822	100.0000	0.0000

(ii) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in share holding during the year
		No of shares Held	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares Held	% 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
	Total	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

Sr. No.	Particulars	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 - 2018		Transactions during the year		Reason	Cumulative shareholding at the end of the year - 2019		
		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	LUXMI KANT GUPTA	126377	0.2969				126377	0.2969	
				24 Aug 2018	158	Transfer	126535	0.2973	
				21 Sep 2018	8575	Transfer	135110	0.3174	
				29 Sep 2018	13176	Transfer	148286	0.3484	
				02 Nov 2018	965	Transfer	149251	0.3507	
				09 Nov 2018	730	Transfer	149981	0.3524	
				16 Nov 2018	5422	Transfer	155403	0.3651	
				30 Nov 2018	749	Transfer	156152	0.3669	
				25 Jan 2019	1	Transfer	156153	0.3669	
		AT THE END OF THE YEAR						156153	0.3669
	5	GAJRABA B REVAR	1000	0.0023				1000	0.0023
				06 April 2018	133000	Transfer	134000	0.3148	
				27 April 2018	6793	Transfer	140793	0.3308	
				04 May 2018	2526	Transfer	143319	0.3367	
		AT THE END OF THE YEAR						144819	0.3403
6	MAHENDRA GIRDHARILAL	132570	0.3115				132570	0.3115	
				29 Mar 2019	3895	Transfer	136465	0.3206	
	AT THE END OF THE YEAR						136465	0.3206	
7	NEETA JAIN	0	0.0000				0	0.0000	
				06 Apr 2018	130000	Transfer	130000	0.3054	
				04 Jan 2019	1000	Transfer	131000	0.3078	
	AT THE END OF THE YEAR						131000	0.3078	

8	LATA MANGAL	115280	0.2709				115280	0.2709
	AT THE END OF THE YEAR						115280	0.2709
9	NARENDRA R. MALI	102670	0.2412				102670	0.2412
	AT THE END OF THE YEAR						102670	0.2412
10	MANISHKUMAR S. MEHTA	0	0.0000				0	0.0000
				06 Apr 2018	91597	Transfer	91597	0.2152
	AT THE END OF THE YEAR						91597	0.2152
11	BALVANTSINH M. REVAR	48047	0.1129				48047	0.1129
				13 Apr 2018	153	Transfer	48200	0.1132
				30 Jun 2018	5500	Transfer	53700	0.1262
				06 Jul 2018	5000	Transfer	58700	0.1379
				31 Aug 2018	7518	Transfer	66218	0.1556
				11 Jan 2019	2115	Transfer	68333	0.1605
				08 Feb 2019	1700	Transfer	70033	0.1645
				15 Feb 2019	2000	Transfer	72033	0.1692
				22 Feb 2019	2000	Transfer	74033	0.1739
	AT THE END OF THE YEAR						74033	0.1739
12	PUNJABHAI K. JADEJA	60900	0.1431				60900	0.1431
	AT THE END OF THE YEAR						60900	0.1431
13	A K GUPTA	47625	0.1119				47625	0.1119
	AT THE END OF THE YEAR						47625	0.1119

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

Sr. No.	Particulars	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
	For Each of the Directors and KMP				
1	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00

V. **INDEBTEDNESS:**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Lakhs
				Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,616.33	769.20	45.25	11,430.78
ii) Interest due but not paid	1,666.29	48.00	-	1,714.29
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,882.62	817.20	45.25	13,145.07
Change in Indebtedness during the financial year				
• Addition	2,480.31	87.44	1.80	2,569.55
• Reduction	-	-	-	-
Net Change	2,480.31	87.44	1.80	2,569.55
Indebtedness at the end of the financial year				
i) Principal Amount	11,188.74	769.20	47.05	12,004.99
ii) Interest due but not paid	3,574.19	135.44	-	3,709.63
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14,762.93	904.64	47.05	15,714.62

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

₹ Lakhs

Sr. 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	67.36	67.36
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	18.93	18.93
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	86.29	86.29
	Ceiling as per the Act		N.A.

B. Remuneration to other directors:

₹ Lakhs

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ajay P. Shanghavi	Ameeta Trehan	Lakshminarayan Venkataraman	
1.	Independent Directors				
•	Fee for attending Board / Committee meetings	4.20	5.20	1.14	10.54
•	Commission	-	-	-	-
•	Others, please specify - remuneration	-	-	-	-
	Total (1)	4.20	5.20	1.14	10.54
2.	Other Non-Executive Directors				
•	Fee for attending Board / Committee meetings	0	0	0	0
•	Commission	-	-	-	-
•	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	4.20	5.20	1.14	10.54
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				N.A.

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

Lakhs

Sr. 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	9.62	21.27	30.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.32	0.32
	(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	9.62	21.59	31.21
	Ceiling as per Act			-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Nil / None

By order of the Board
For Steelco Gujarat Limited

Place : Mumbai
Date : 19th July, 2019

Amish H. Mehta
Director

Mitesh H. Shah
Managing Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Steelco Gujarat Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

1. We were engaged to audit the accompanying financial statements of Steelco Gujarat Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. We do not express an opinion on the accompanying financial statements of the entity. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

3. As stated in Note 44 to the financial statements, which indicates that the Company has incurred a net loss of ` 9,741.34 Lakhs during the year ended 31st March, 2019, and the accumulated losses aggregating ` 33,390.70 Lakhs have resulted in erosion of its net worth in entirety. Further, as of 31st March, 2019, the Company's current liabilities exceed its current assets by ` 30,404.90 Lakhs.
4. (i) As stated in Note 45(a) to the financial statements, which indicates that the aggregate amount outstanding to all consortium member banks as per the books of accounts of the company (including accrued interest) is ` 14762.93 Lakhs. The Company has defaulted in repayment of dues including interest to all of its consortium member banks, who have issued notices under section 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESIA). These bankers have classified the accounts as NPAs and recalled entire facilities granted to the company including interest/ penal interest, etc. Virtually the entire properties / assets of the companies and the promoters holding are charged / pledged to the bankers for the due repayment of the bankers' dues. Non-compliance of the notice may entitle bankers to take possession of the secured assets, etc. The Company has responded to the notices under SARFAESIA and has submitted OTS proposal of the entire outstanding liabilities of all the banks and has requested them to keep such notice in abeyance and not to take any further action in the matter. SBI, the lead bank, on 31st December 2018 has issued a letter to the company to deposit 5% Initial deposit of OTS offer in No Lien Account of SBI SAM Branch Ahmedabad, so that all lenders bank can send their proposal to competent authority for the consideration of OTS proposal. Subsequent to the balance sheet date, the initial deposit has been deposited with SBI by Spica Business Corp, Panama (the ultimate holding company).
- (ii) As stated in Note 45(b) to the financial statements, which indicates that the CDR package dated 27th June, 2012 stipulates that the lenders have right to reverse waivers amounting to ` 1,273 Lakhs in the event of non-compliance of the terms of CDR package. SBI, one of the lenders, has demanded (vide SARFAESIA notice) repayment of CDR sacrifice of ` 630 Lakhs (included in ` 1,273 Lakhs) and additional interest thereon of ` 548 Lakhs. As the company is negotiating the OTS proposal, the Company has not provided for these liabilities in the books of account but disclosed the same as contingent liabilities.
- (iii) As stated in Note 45(c) to the financial statements, which indicates that the Company has appointed a financial advisor for devising a suitable debt resolution plan for the Company, which will enable the Company to come out of the present stressed liquidity situation.
- (iv) As stated in Note 45(d) to the financial statements, which indicates that due to defaults in repayment of dues to the bankers, restrictions are placed on the operations in current accounts such that specific approval of State Bank of India (Consortium leader) is required for each individual payment to be made from the current accounts.
- (v) As stated in Note 45(e) to the financial statements, which indicates that except in case of Canara Bank, the company has not provided for the penal interest on outstanding due of the bankers, the amount of which is not ascertained.

The above conditions described in paragraph 3 and 4 above, create multiple material uncertainties that lead to a significant doubt on the Company's ability to continue as a going concern. In the absence of necessary and adequate evidence with respect to Company's assessment of going concern, we are unable to comment on the ability of the Company to continue as a going concern.

5. As stated in Note 46 to the financial statements, which indicates that the trade receivables of ` 6,720.96 lakhs include trade receivables of ` 6,372.39 lakhs, which have significant increase in credit risk, in respect of which the Company has not made any assessment for expected credit loss, in accordance with the requirements of 'Ind AS 109: Financial instruments', as the management considers such balances as good and recoverable in future. In the absence of such assessment for expected credit loss by the Management and any other evidence to corroborate the Management's assessment, we are unable to comment on the recoverability of these balances and the consequent impact, if any, on the provision thereon and the loss reported in the financial statements.
6. As stated in Note 47 to the financial statements, which indicates that the Company has not ascertained and capitalized the borrowing costs in accordance with the requirements of 'Ind AS 23: Borrowing Costs' with respect to ERP (Oracle) System shown under capital work in progress. Since the amount required to be capitalized is not ascertained by the Management, we are unable to comment on the consequent impact, if any, on the financial statements.
7. As stated in Note 48 to the financial statements, which indicates that in accordance with 'Ind AS 8: Accounting Policies, Changes In Accounting Estimates And Errors', prior period errors / omissions aggregating ` 1,330.33 lakhs (net) are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position. Further, in view of the material weaknesses identified in the internal financial controls over financial reporting (with reference to financial statements) as at 31st March, 2019, we are unable to comment on the possibility of material misstatement, due to errors and omissions, remaining undetected and its possible impact, if any, on the financial statements.

Emphasis of Matters

8. We draw attention to note 49 and note 50 to the financial statements, regarding the delays in receipt of foreign currency receivables aggregating ₹ 8,326.67 Lakhs and payment of foreign currency payables aggregating ₹ 14,695.93 Lakhs, against the export sales and import of goods and services respectively that are outstanding for a period beyond the timelines stipulated vide FED Master Direction under the Foreign Exchange Management Act, 1999. Management of the Company has represented that the Company is in process of regularizing these defaults and has filed necessary applications with the appropriate authority for condonation of delays in the receipt and payment of foreign currency receivables and payables. The Management is of the view that the possible penalties, etc., which may be levied for this contravention are likely to be condoned by the regulatory authorities.
9. We draw attention to note 51 to the financial statements, regarding recognition of probable estimated liability (net of input tax credit receivable) of ₹ 967.41 Lakhs towards import duty on materials imported under advance license benefit scheme against which export obligation have not been fulfilled before the period stipulated under the license, which is shown as exceptional items.

Our report is not modified in respect of the above matters.

Other Information

10. The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Management Discussion and Analysis Report but does not include the financial statements and our auditor's report thereon.
11. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
12. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

13. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
15. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

16. Our responsibility is to conduct an audit of the financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
17. We are independent of the Company in accordance with the Institute of Chartered Accountants of India's ("ICAI's") Code of Ethics and provisions of the Act that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the ICAI's Code of Ethics and the requirements under the Act in accordance with these requirements and the ICAI's Code of Ethics.

Other Matter

18. The comparative financial information for the year ended 31st March, 2018 included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31st March, 2018 which were audited by the predecessor statutory auditor, whose report dated 5th July, 2018 expressed modified opinion on those financial statements. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

19. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
20. Further to our comments in "Annexure A", as required by Section 143(3) of the Act, based on our audit, we report that:
 - a) As described in the Basis for Disclaimer of Opinion section of our report, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;

- d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our report, we are unable to state whether the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
- e) The matters described in the Basis for Disclaimer of Opinion section of our report may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section of our report;
- h) We have also audited the internal financial controls over financial reporting (with reference to financial statements) of the Company as on 31st March, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 19th July, 2019, as per "Annexure B", expressed adverse opinion;
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements as detailed in Note 41 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
21. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we draw attention to note 52 to the financial statements, regarding excess managerial remuneration paid / provided to the managing director, amounting to ` 43.16 Lakhs, ` 91.59 Lakhs and ` 42.86 Lakhs which were / are recognized as an expense in the financial years 2016-17, 2017-18 and 2018-19 respectively, without obtaining the approvals in accordance with Section 197 of the Act. The excess managerial remuneration has been reversed and is shown as recoverable from the managing director.

For Kedia & Kedia Associates
Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia
Partner
M. No. 042309
UDIN : 19042309AAAAAH7675

Place of Signature: Mumbai
Date: 19th July, 2019

"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF STEELCO GUJARAT LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Referred to in paragraph 19 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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, and to the best of our knowledge and belief, we report that:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - As per the information and explanations provided to us, title deeds of immovable properties (other than self constructed) are in the name of the Company.
- In our opinion, the management has conducted a physical verification of inventory at reasonable intervals, except for stores and spares (including packing material), which have not been verified during the year. No material discrepancies between physical inventory and book records were noticed on physical verification of inventory. However, in respect of inventories which were not physically verified, we are unable to comment on the discrepancies which could have arisen between physical inventory and book records.
- The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable. However the excess managerial remuneration recoverable from Managing Director is ` 177.61 Lakhs, which is also reported at paragraph 11 below.
- In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- In respect of customer advance balances for ` 630.52 lakhs (` 13.81 lakhs from any other company, ` 587.67 lakhs from foreign corporate bodies and ` 29.04 lakhs retained against C form, other target performance, etc.) as at 31st March 2019, the Company has been advised that the same does not fall under the definition of deposit within the meaning of section 73 to 76 of the Act and the rules framed thereunder, hence the Company is not required to make compliance with respect thereto. Save and except this, in our opinion the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

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.

06. According to the information and explanations given to us, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act in respect of the company's product / services. A certificate of the independent cost and management accountants is produced before us stating that the company has made and maintained the cost records for the accounting year 2018-19 and the company is in the process of compiling the same to meet the specific requirements of the Companies Cost Accounting Records Rules, 2014.

07. According to the records of the Company and the information and explanations given to us, in respect of statutory dues:

- (a) Undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in few cases.
- (b) Undisputed amounts payable which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (₹ in lakhs)	Due Date	Date of Payment
Gujarat Stamp Act, 1958	Stamp duty (including interest)	2008-12	71.17	Various	Unpaid

- (c) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income tax Act, 1961	Income tax/ Penalty	253.84	-	A.Y. 2008-09	CIT (Appeal)
The Income tax Act, 1961	Income tax/ Penalty	143.91	-	A.Y. 2009-10	CIT (Appeal)
The Income tax Act, 1961	Income tax/ Penalty	240.49	-	A.Y. 2013-14	CIT (Appeal)
The Income tax Act, 1961	Income tax/ Penalty	148.57	-	A.Y. 2014-15	CIT (Appeal)
The Income tax Act, 1961	Income tax/ Penalty	2.53	-	A.Y. 2015-16	CIT (Appeal)
The Income tax Act, 1961	Income tax/ Penalty	49.01	9.803	AY 2016-17	CIT (Appeal)
Cenvat Credit Rules, 1995	Rebate Claim Adjustment	119.00	-	F.Y. 1995-96	Hon. Supreme court
Cenvat Credit Rules, 2005	Input Credit wrongly availed	107.01	-	F.Y. 2005-06	- do -
Cenvat Credit Rules, 2008	- do -	191.36	-	F.Y. 2008-09	Commissioner , Vadodara-II
Cenvat Credit Rules, 2009	- do -	37.31	1.40	F.Y. 2009-10	Tribunal, Ahmedabad
Cenvat Credit Rules, 2009	- do -	36.97	-	F.Y. 2009-10	Add. Commissioner, Vadodara-II
The Income tax Act , 1961	Income tax / Penalty	253.84	-	AY 2008-09	CIT (Appeal)
Cenvat Credit Rules, 2009	- do -	4.87	4.50	F.Y. 2009-10	Tribunal, West Zonal Bench, Ahmadabad
Cenvat Credit Rules, 2010	- do -	4.19	-	F.Y. 2010-11	Tribunal, West Zonal Bench, Ahmadabad
Cenvat Credit Rules, 2010	- do -	9.74	-	F.Y. 2010-11	Commissioner, Vadodara-II
Cenvat Credit Rules, 2011	- do -	12.46	-	F.Y. 2011-12	Commissioner, Vadodara-II
Cenvat Credit Rules, 2011	- do -	3.95	-	F.Y. 2011-12	Tribunal, West Zonal Bench, Ahmadabad
Cenvat Credit Rules, 2011	- do -	5.78	-	F.Y. 2011-12	Dy. Commissioner Appeal, Bharuch
Cenvat Credit Rules, 2011	- do -	1.18	-	F.Y. 2011-12	Dy. Commissioner Appeal, Bharuch
Cenvat Credit Rules, 2012	- do -	9.04	-	F.Y. 2012-13	Dy. Commissioner Appeal, Bharuch
Cenvat Credit Rules, 2012	- do -	11.13	-	F.Y. 2012-13	Tribunal, West Zonal Bench, Ahmadabad
Cenvat Credit Rules, 2013	- do -	3.42	-	F.Y. 2013-14	Asst. Commissioner, Bharuch
Cenvat Credit Rules, 2013	- do -	6.83	-	F.Y. 2013-14	Dy. Commissioner Appeal, Bharuch
Cenvat Credit Rules, 2013	- do -	13.97	-	F.Y. 2013-14	Tribunal, West Zonal Bench, Ahmadabad
Cenvat Credit Rules, 2015	- do -	8.05	-	F.Y. 2015-16	Tribunal, West Zonal Bench, Ahmadabad
Cenvat Credit Rules, 2016	- do -	25.29	-	F.Y. 2016-17	Tribunal, West Zonal Bench, Ahmadabad
Cenvat Credit Rules, 2016	- do -	12.08	-	F.Y. 2016-17	Dy. Commissioner Appeal, Bharuch
Cenvat Credit Rules, 2017	- do -	6.94	-	F.Y. 2017-18	Tribunal, West Zonal Bench, Ahmadabad

* A.Y. – Assessment Year / F.Y. – Financial Year

08. The Company has defaulted in repayment of borrowings to the following banks during the year, which is detailed below:

Name of the bank	Amount of outstanding as at 31 st March, 2019 (₹ in lakhs)	Classified as NPA since	Remark
State Bank of India	9868.44	June 2016	Total outstanding
Federal Bank	1085.83	December 2016	recalled during the year
Canara Bank	2357.57	July 2018	-
Bank of India	1451.10	November 2018	-

The Company did not have any outstanding debentures during the year.

09. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

10. In our opinion, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

11. As described in paragraph 22 under the Report on Other Legal and Regulatory Requirements section of our report of even date, the Company has provided (and)/paid managerial remuneration, which is not in accordance with the requisite approval mandated by the provisions of Section 197 of the Act, read with Schedule V to the Act. The details of the same are as follows:

S. No	Payment made to	Amount Paid/provided in excess of limits prescribed (₹ in lakhs)	Amount due for Recovery as at 31 st March, 2019 (₹ in lakhs)	Steps taken to secure the recovery of the amount	Remarks (if any)
1.	Managing Director	42.86	42.86	None	-

12. In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

13. In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

15. In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Kedia & Kedia Associates
Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia
Partner
M. No. 042309
UDIN : 19042309AAAAAH7675

Place of Signature: Mumbai
Date: 19th July, 2019

“ANNEXURE B” TO INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF STEELCO GUJARAT LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Referred to in paragraph 20(h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Independent Auditor’s report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our engagement to audit the financial statements of Steelco Gujarat Limited (“the Company”) as at and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting (with reference to financial statements) of the Company as at that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“the ICAI”). 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 the Company’s 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 internal financial controls over financial reporting (with reference to financial statements) of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an internal financial controls over financial reporting (with reference to financial statements). 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 (with reference to financial statements) were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the internal financial controls over financial reporting (with reference to financial statements) of the Company.

Meaning of Internal Financial Controls over Financial Reporting (with reference to financial statements)

A company’s the internal financial controls over financial reporting (with reference to financial statements) 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 controls over financial reporting (with reference to financial statements) include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of the internal financial controls over financial reporting (with reference to financial statements)

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

Adverse opinion

In our opinion, according to the information and explanations given to us and based on audit procedures performed, the following material weaknesses have been identified the internal financial controls over financial reporting (with reference to financial statements) as at 31st March, 2019:

- a) The Company did not have sufficient appropriate supervisory and review controls over financial statement closure process, in accordance with the accounting principles generally accepted in India, which led to multiple modifications in the financial statements during the course of the audit and correction of prior period errors and omissions with retrospective effect in accordance with Ind AS 8.
- b) The Company’s internal control system with respect to assessing the Company’s ability to continue as a going concern, was not operating effectively, which could result in the incorrect fundamental assumption that the Company can continue as a going concern, which could potentially result in a material misstatement in the carrying value and classification of assets and liabilities and consequential impact on earnings, reserves and related disclosures in the financial statements.

- c) The Company's internal control system with respect to assessment of recoverability of trade receivables and consequent provision towards expected credit loss / doubtful debts in accordance with Ind AS 109 "Financial Instruments", was not operating effectively, which could potentially result in a material misstatement in the carrying value of trade receivables and consequential impact on the earnings, reserves and related disclosures in the financial statements.
- d) The Company's internal control system with respect to payment of managerial remuneration in accordance with the provisions of Schedule V to the Act, was not operating effectively, thereby resulting in non-adherence with the relevant provisions of the Act and a potential material misstatement in the employee benefits expense and consequential impact on the earnings, reserves and related disclosures in the financial statements.
- e) The Company did not have an appropriate internal control system with respect to the assessment of settlement of advances received, remittance of payments and receipt of receivables within the time limit stipulated by FEMA, which could result in a material misstatement in the carrying value of the Company's trade receivables, trade payables, other current liabilities and the resultant impact on the earnings, reserves and related disclosures in the financial statements.
- f) The Company did not have effective IT general Controls (ITGC), primarily because of reliance on 'DOS' based legacy accounting/ inventory/ MIS system, which could compromise applications, database, etc which may potentially affects the reliance on management reports, interfaces and the overall data integrity.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting (with reference to financial statements), such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls over financial reporting (with reference to financial statements) and such the internal financial controls over financial reporting (with reference to financial statements) were not operating effectively as of 31st March, 2019, based on the internal financial controls over financial reporting (with reference to financial statements) criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our engagement to audit the financial statements of the Company as at and for the year ended 31st March, 2019, and these material weaknesses have affected our audit report on the financial statements of the Company and we have issued a disclaimer of opinion on the financial statements.

For Kedia & Kedia Associates
Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia
Partner

M. No. 042309

UDIN : 19042309AAAAAH7675

Place of Signature: Mumbai
Date: 19th July, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in lakhs)

Particulars	Note No.	As at 31 st March, 2019	As at 31 st March, 2018*
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,883.99	6,225.98
Capital work-in-progress	4	171.23	623.49
Investment property	5	56.46	57.52
Intangible assets	6	16.10	20.70
Financial assets			
(i) Loans	7	45.80	31.13
(ii) Deferred tax assets	33	-	-
Income tax assets (net)	8	208.15	230.06
Other non current assets	9	360.65	370.14
		6,742.38	7,559.02
Current assets			
Inventories	10	1,571.30	3,170.12
Financial assets			
(i) Trade receivables	11	6,720.96	9,143.69
(ii) Cash and cash equivalents	12	71.33	72.04
(iii) Other bank balances	13	69.81	440.20
(iv) Loan	7	177.61	134.76
(v) Other financial assets	14	37.79	664.82
Other current assets	9	286.50	1,581.47
Assets classified as held for sale	15	350.00	350.00
		9,285.30	15,557.10
TOTAL ASSETS		16,027.68	23,116.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	4,256.18	4,256.18
Other equity	17	(32,616.56)	(22,843.14)
Total equity		(28,360.38)	(18,586.96)
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	4,264.96	4,653.73
(ii) Other financial liabilities	19	3.60	4.41
Provisions	20	429.13	377.20
Other non-current liabilities	21	0.17	0.35
		4,697.86	5,035.69
Current liabilities			
Financial liabilities			
(i) Borrowings	18	8,265.13	7,631.25
(ii) Trade payables	22	15,458.57	16,640.70
(iii) Other financial liabilities	19	12,805.10	10,031.46
Other current liabilities	21	953.64	1,050.19
Provisions	20	1,332.08	351.26
Current tax liabilities (net)	23	-	86.85
Liabilities assigned to assets held for sale	23A	875.68	875.68
		39,690.20	36,667.39
TOTAL EQUITY AND LIABILITIES		16,027.68	23,116.12

*Restated - refer note 42

The accompanying notes 1 to 57 form an integral part of the financial statements

This is the balance sheet referred to in our audit report of even date.

For Kedia & Kedia Associates

Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia

Partner
Membership No. 042309

Place : Mumbai

Date : 19th July, 2019

For and on behalf of the Board of Directors

Amish H. Mehta
Director
DIN: 07068022

Mitesh H. Shah
Managing Director
DIN: 07013137

Hament K. Nandawat
Chief Financial Officer

Achal S. Thakkar
Company Secretary

Place : Mumbai

Date : 19th July, 2019

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

(₹ in lakhs)

Particulars	Note No.	For the year ended	
		31 st March, 2019	31 st March, 2018*
Income			
Revenue from operations	24	7,257.31	47,310.20
Other income	25	144.65	261.61
Total income		7,401.96	47,571.81
Expenses			
Cost of materials consumed	26	3,706.50	37,412.73
Excise duty		-	844.65
Changes in inventories - finished goods and work in progress (including cost incurred on jobwork)	27	1,289.19	2,006.75
Employee benefits expense	28	1,656.10	1,784.53
Finance costs	29	2,646.01	2,264.45
Depreciation and amortisation expense	30	614.44	717.78
Other expenses	31	6,171.43	7,955.32
Total expenses		16,083.67	52,986.21
Loss before exceptional item and tax		(8,681.71)	(5,414.40)
Add: Exceptional item	32	(1,059.63)	(291.82)
Loss before tax		(9,741.34)	(5,706.22)
Tax expense	33		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(9,741.34)	(5,706.22)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		(32.07)	(19.00)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive loss for the year		(32.07)	(19.00)
Total comprehensive loss for the year		(9,773.41)	(5,725.22)
Earnings per equity share			
Number of equity shares (face value of ₹ 10 each)		4,25,61,822	4,25,61,822
Basic and diluted loss per share (₹)	34	(22.89)	(13.41)

*Restated - refer note 42

The accompanying notes 1 to 57 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date.

For Kedia & Kedia Associates

Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia

Partner
Membership No. 042309

Place : Mumbai

Date : 19th July, 2019

For and on behalf of the Board of Directors

Amish H. Mehta
Director
DIN: 07068022

Hament K. Nandawat
Chief Financial Officer

Place : Mumbai

Date : 19th July, 2019

Mitesh H. Shah
Managing Director
DIN: 07013137

Achal S. Thakkar
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in lakhs)

Particulars	For the year ended	
	31 st March, 2019	31 st March, 2018*
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(9,741.34)	(5,706.22)
Adjustments for:		
Depreciation	614.44	717.78
[Profit]/Loss on sale of assets [Net]	(71.35)	4.16
Interest income	(47.06)	(46.05)
Finance costs	2,646.01	2,264.45
Exceptional items	1,059.63	695.85
Provision for doubtful debts	2,141.34	-
Unrealised exchange (gain)/loss	702.08	(105.29)
Provisions for employee benefits	65.34	73.50
Operating profit/(loss) before working capital changes	(2,630.91)	(2,101.82)
Adjustments for changes working capital		
Trade receivables	798.60	1,430.64
Inventories	1,967.58	5,597.05
Other financial assets and other current assets	1,873.97	(117.26)
Trade payables	(2,401.42)	(932.66)
Other financial liabilities and current liabilities	(25.07)	799.78
Provisions	(32.07)	(29.41)
Cash flow from operating activities post working capital changes	(449.32)	4,646.32
Income tax paid (net)	(64.94)	(4.20)
Net cash flow from operating activities (A)	(514.26)	4,642.12
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(294.11)	(1,675.05)
Fixed deposits matured	370.39	(15.73)
Proceeds from sale of property, plant and equipment	89.94	3.00
Interest received	47.06	133.87
Net cash flows from investing activities (B)	213.28	(1,553.91)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of long term / short term borrowings	633.88	-
Repayment of long term / short term borrowings	(61.46)	(2,311.59)
Interest paid	(272.15)	(838.07)
Net cash used in financing activities (C)	300.27	(3,149.66)
Decrease in cash and cash equivalents (A+B+C)	(0.71)	(61.45)
Cash and cash equivalents at the beginning of the year	72.04	133.49
Cash and cash equivalents at the end of the year	71.33	72.04

*Restated - refer note 42

Note 1 - The above statement of cash flows has been prepared under the 'indirect method' as set out in 'Ind AS 7: Statement of cash flows'.

Note 2 - Figures in bracket represents cash outflows.

The accompanying notes 1 to 57 form an integral part of the financial statements

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

For Kedia & Kedia Associates

Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia

Partner
Membership No. 042309

Place : Mumbai

Date : 19th July, 2019

For and on behalf of the Board of Directors

Amish H. Mehta

Director
DIN: 07068022

Mitesh H. Shah

Managing Director
DIN: 07013137

Hament K. Nandawat

Chief Financial Officer

Achal S. Thakkar

Company Secretary

Place : Mumbai

Date : 19th July, 2019

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2019

1. Corporate information

Steelco Gujarat Limited (the “Company”) is a listed public limited company domiciled in India, incorporated under the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE). The Company’s commercial production of cold rolled steel products started in 1994 with cold rolling of steel continuous hot dip galvanising line in 1997 and the Continuous Colour Coating Line in 2017. The Company is engaged in manufacturing of GP/GC coil sheets and CR coils and sheets and the factory and office is located at Palej – 392220, Bharuch, Gujarat. The Company is accredited with ISO9001:2000 and ISO 14001:2004 certification on quality management standards for the manufacturing and supply of CR steel sheet/coils/strips, CR galvanized plain/corrugated sheet/coil/strips and pre painted galvanized sheet/coils.

2. Significant accounting policies

The significant accounting policies applied by the company in the preparation of its financial statements are listed below.

a. Basis of Preparation of financial statements

The Company has prepared the financial statements which comprise the balance sheet as at 31st March, 2019, the statement of profit and loss, the statement of cash flows and the statement of changes in equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as “financial statements”).

These financial statements for the period ended 31st March, 2019 are prepared by the company under Indian Accounting Standards including the rules notified under the relevant provisions of the Companies Act, 2013 (“the Act”).

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – measured using actuarial valuation.

All the assets and liabilities have been classified as current or non-current as per the operating cycle of the Company in accordance with the guidance set out in Schedule III to the Act. The operating cycle for the business activities of the Company is considered to be twelve months.

b. Use of estimates and judgments

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant judgements and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Recognition of deferred tax assets –

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company’s future taxable income against which the deferred tax assets can be utilized.

- Evaluation of indicators for impairment of assets –

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

- Impairment of financial assets –

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

- Provisions, contingent liabilities and contingent assets–

The Company is subject to legal proceedings and tax issues covering certain matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

- **Useful lives of depreciable/amortisable assets –**

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

- **Defined benefit obligation (DBO) –**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

- **Fair value measurements –**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

- **Impairment of assets –**

In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.

c. Revenue recognition

The Company has adopted 'Ind AS 115: Revenue from Contracts with Customers', with effect from 1st April, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1st April, 2018). Accordingly, the comparative information in the Statement of Profit and Loss is not restated. Impact on adoption of Ind AS 115 is not material.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

i. Sale of goods / services (job work)

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the Government.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Revenue from services rendered is recognised based on agreements/arrangements with the customers when the company satisfies the performance obligation at a point in time and there are no unfulfilled obligations and customer obtains control of a promised assets.

The company does not have any contracts in which performance obligations are satisfied over time.

ii. Interest and dividend

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive the payment is established.

iii. Rental income

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

iv. Export benefits

Export benefits / incentives are accounted on accrual basis in accordance with various government schemes in respect thereof when no significant uncertainty as to its determination or realisation exists. These are shown under "Other Operating Revenue".

v. Other income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

d. Foreign currencies and operations

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

ii. Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into the functional currency at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

e. Property, plant and equipment (“PPE”)

i. Initial recognition

PPE are stated at cost less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company, and the benefit shall be availed over a period of more than 1 year. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2016 of its PPE and use that carrying value as the deemed cost of the PPE on the date of transition i.e. 1st April, 2016.

Gains or losses arising on the disposal of PPE are determined as the difference between the disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit and loss within ‘other income’ or ‘other expenses’, respectively.

f. Intangible assets

Intangible assets include computer software which is stated at cost less accumulated amortisation.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2016 of its intangible assets and used that carrying value as the deemed cost of the intangible assets on the date of transition i.e. 1st April, 2016.

g. Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided from the date the assets are ready to be put to use, using straight line method over the estimated useful life of the assets.

Leasehold land is being amortised over the life of the lease. Depreciation on assets under construction commences only when the assets are ready for their intended use.

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. Depreciation on additions to and disposals of the property, plant and equipment and intangible 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. Depreciation on addition or extension to the existing property, plant and equipment which becomes integral part of that asset is provided on pro-rata basis according to the remaining useful life of the existing asset.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

Class of assets	Estimated useful life (in years)
Leasehold land	198
Buildings	0 to 45
Plant and equipment (except as stated at*)	0 to 22
Furniture and fixtures	0 to 10
Vehicles	8
Office equipment	1 to 15
Computer software	3 to 6

*Depreciation on ‘work rolls, intermediate rolls and back up rolls’ are calculated based on their proportionate usage which is technically evaluated by the company management.

Depreciation method, useful life and residual value are reviewed periodically and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

h. Investment property

Investment properties are those that are held for long-term rental yields or for capital appreciation or both. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company in a period exceeding 1 year and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

i. Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

A. The Company as lessee

i. Operating lease –

Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ii. Finance lease –

Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease, using the effective interest rate method.

B. The Company as lessor

iii. Operating lease -

Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished.

iv. Finance lease -

The Company does not have any finance leases as lessor.

j. Financial instruments

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

i. Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss)

The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows under an eligible transaction.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

ii. Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at fair value profit or loss (FVTPL)
- **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (the "EIR") method. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

- **Debt instruments at fair value through other comprehensive income**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

The Company does not have any debt instruments classified in FVOCI category.

- **Debt instruments at fair value through profit or loss**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

The Company does not have any debt instruments classified in FVTPL category.

- **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in the OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from the OCI to the statement of profit and loss, even on sale of the investment. However, the Company may transfer the cumulative gain or loss within categories of equity.

iii. Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the EIR of the instrument. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

iv. Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. The Company does not have any financial liabilities classified at fair value through profit or loss.

- **Financial liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

k. Equity shares

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

l. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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

m. Income taxes

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

- **Current Income Tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- **Deferred Income Tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

n. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

o. Impairment of non-financial assets

If at a balance sheet date, there is an indication of impairment of any non-financial asset, the same is treated as impairment loss and is charged to the statement of profit and loss. After impairment of an asset, the depreciation is provided on the revised carrying amount of the assets over its remaining useful life. 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 previously recognised impairment loss may be reversed.

p. Inventories

Inventories consisting of raw materials, work-in-progress and finished goods are valued at lower of cost and net realizable value. For this purpose, the cost of raw material is determined using monthly moving average cost method (net of input tax credit availed). Cost of finished goods and work-in-progress is determined by taking average material costs (net of input tax credit availed) and other appropriate and relevant manufacturing overheads. 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.

q. Provisions, contingent liabilities and contingent assets

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.

The Company does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent asset is not recognised in the financial statements.

r. Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives are recognised at actual amounts due in the period in which the employee renders the related service.

ii. Post-employment benefits

1. 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. The Company has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

2. Defined benefit plans:

i. Superannuation plan:

The Superannuation scheme is administered through the Life Insurance Corporation of India (LIC). The liability for the defined benefit plans 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.

ii. Gratuity plan:

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. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

3. 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 statement of profit and loss.

s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t. Operating segments

An operating segment is a component of a Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relates to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company has identified manufacture of steel products (including on jobwork basis) as its sole business segment. The operating results of this segment are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) i.e. Managing Director (MD) to make key decision on operations of the segments and assess its performance.

u. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share after considering the income tax effect of all finance costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The Company has not issued any dilutive potential equity shares.

v. Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind AS which the Company has not applied as they are effective for annual period beginning on or after 1st April, 2019.

- i. Ind AS 116 – Leases The Company is required to adopt Ind AS 116, Leases from 1st April, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. The impact of adoption is expected to be insignificant, however, the Company is in the process of evaluating the impact of its adoption.
- ii. In addition to the above, the following amendments to existing standards, applicable to the Company, have been issued, but are not yet effective and are not expected to have a significant impact on the Financial Statements:
 - (a) Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular prepayable financial assets
 - (b) Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits- i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
 - (c) Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions- i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).
 - (d) Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Statement of changes in equity for the year ended 31st March, 2019

A Equity share capital

Particulars	Note No.	Number of shares	(₹ in lakhs) Amount
Balance as on 1 st April, 2017	16	42,561,822	4,256.18
Changes in equity share capital during the year		-	-
Equity shares as at 31 st March, 2018		42,561,822	4,256.18
Changes in equity share capital during the year		-	-
Equity shares as at 31 st March, 2019		42,561,822	4,256.18

B Other equity

Particulars	Share application money pending allotment	Equity component of other financial instruments with shareholder	Reserves and Surplus		Total
			Capital reserve	Retained earnings	
Balance as at 1st April, 2017 *	0.01	284.46	489.68	(17,892.07)	(17,117.92)
Loss for the year	-	-	-	(5,706.22)	(5,706.22)
Other comprehensive loss for the year	-	-	-	(19.00)	(19.00)
Total comprehensive loss for the year	-	-	-	(5,725.22)	(5,725.22)
Movement during the year	-	-	-	-	-
Balance as at 31st March, 2018*	0.01	284.46	489.68	(23,617.29)	(22,843.14)
Loss for the year	-	-	-	(9,741.34)	(9,741.34)
Other comprehensive loss for the year	-	-	-	(32.07)	(32.07)
Total comprehensive loss for the year	-	-	-	(9,773.41)	(9,773.41)
Movement during the year**	(0.01)	-	-	-	(0.01)
Balance as at 31st March, 2019	-	284.46	489.68	(33,390.70)	(32,616.56)

* Restated - Refer note 42

** Balance written back -transferred to statement of profit & loss account ` 682 during year ended 31st March, 2019

The accompanying notes 1 to 57 form an integral part of the financial statements

This is the statement of changes in equity referred to in our audit report of even date.

For Kedia & Kedia Associates
Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia
Partner
Membership No. 042309

Place : Mumbai
Date : 19th July, 2019

For and on behalf of the Board of Directors

Amish H. Mehta
Director
DIN: 07068022

Mitesh H. Shah
Managing Director
DIN: 07013137

Hament K. Nandawat
Chief Financial Officer

Achal S. Thakkar
Company Secretary

Place : Mumbai
Date : 19th July, 2019

Notes to the financial statements for the year ended 31st March, 2019

4. Property, plant and equipment

(₹ in lakhs)

Description	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total (A)	Capital work in progress (B)	Total (A+B)
Gross block									
[Carrying value (at deemed cost)]									
Balances as at 1st April, 2017	23.69	1,481.48	4,522.49	47.28	86.19	36.57	6,197.70	987.86	7,185.56
Additions during the year	-	33.90	1,654.74	0.23	-	8.63	1,697.50	1,246.27	2,943.77
Capitalised during the year	-	-	-	-	-	-	-	(1,260.64)	(1,260.64)
Reclassified from held for sale	13.02	-	-	-	-	-	13.02	-	13.02
Reclassified to held for sale (refer note 15)	-	-	-	-	-	-	-	(350.00)	(350.00)
Disposals during the year	-	-	-	-	(11.84)	-	(11.84)	-	(11.84)
Balance as at 31st March, 2018	36.71	1,515.38	6,177.23	47.51	74.35	45.20	7,896.38	623.49	8,519.87
Additions during the year	-	-	284.89	0.02	-	0.48	285.39	8.76	294.15
Reclassified as capital stores ((refer note 4(iv), note 10)	-	-	-	-	-	-	-	(368.76)	(368.76)
Capitalised during the year	-	-	-	-	-	-	-	(0.04)	(0.04)
Disposals during the year (Refer note 4(iv))	-	-	(703.69)	-	-	-	(703.69)	(92.22)	(795.91)
Balance as at 31st March, 2019	36.71	1,515.38	5,758.43	47.53	74.35	45.68	7,478.08	171.23	7,649.28
Accumulated depreciation									
Balance as at 1st April, 2017	0.13	51.94	882.14	7.03	17.04	6.19	964.47	-	964.47
Depreciation charge for the year	-	52.36	628.34	6.77	16.60	6.40	710.47	-	710.47
Amortisation for the year	0.16	-	-	-	-	-	0.16	-	0.16
Disposals during the year	-	-	-	-	(4.68)	-	(4.68)	-	(4.68)
Balance as at 31st March, 2018	0.29	104.30	1,510.48	13.80	28.96	12.59	1,670.42	-	1,670.42
Depreciation charge for the year	-	52.81	529.83	6.41	14.02	5.60	608.67	-	608.67
Amortisation for the year	0.11	-	-	-	-	-	0.11	-	0.11
Disposals during the year	-	-	(685.11)	-	-	-	(685.11)	-	(685.11)
Balance as at 31st March, 2019	0.40	157.11	1,355.20	20.21	42.98	18.19	1,594.09	-	1,594.09
Net block									
Balance as at 31st March, 2018	36.42	1,411.08	4,666.77	33.71	45.39	32.61	6,225.98	623.49	6,849.47
Balance as at 31st March, 2019	36.31	1,358.27	4,403.23	27.32	31.37	27.49	5,883.99	171.23	6,055.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(i) Assets acquired under finance lease

During the year 1991-92, Company has acquired under a finance lease from G.I.D.C., land situated at plot No.2, G.I.D.C. estate, N.H.No.8, Palej, Dist.Bharuch, Gujarat (India). The lease period is for 99 years which can be extended for another 99 years at option of the Company.

(ii) Contractual obligations

Refer note 41B

(iii) Property, plant and equipment pledged as security

Refer note 18C for details on property, plant and equipment pledged as security.

(iv) Capital work in progress

Decrease in CWIP during the year includes ` 368.76 Lakhs represents the machinery imported for the project of Galvalum Line is now treated as usable capital spares for the existing plant and machinery as the project for Galvalum Line is dropped and ` 92.22 Lakhs represents written off of SAP implementation project which is abandoned. Capital work-in-progress ('CWIP') as at 31st March, 2019 represents payment made for implementation of ERP system/project amounting to ` 171.22 Lakhs. CWIP as at 31st March, 2018 includes payments made for implementation of ERP systems, labour charges, materials used for implementation of plant.

(v) Charges/pledge created in PPE

Refer Note 18 and 41.

5. Investment property

Description	(` in lakhs)		
	Leasehold land	Buildings	Total
Gross block			
Carrying value (at deemed cost)			
Balances as at 1st April, 2017	42.90	16.82	59.72
Additions during the year	-	-	-
Balance as at 31st March, 2018	42.90	16.82	59.72
Additions during the year	-	-	-
Balance as at 31st March, 2019	42.90	16.82	59.72
Accumulated depreciation			
Balance as at 1st April, 2017	0.24	0.81	1.05
Depreciation charge for the year	-	0.81	0.81
Amortisation for the year	0.34	-	0.34
Balance as at 31st March, 2018	0.58	1.62	2.20
Depreciation charge for the year	-	0.81	0.81
Amortisation for the year	0.25	-	0.25
Balance as at 31st March, 2019	0.83	2.43	3.26
Net block			
Balance as at 31st March, 2018	42.32	15.20	57.52
Balance as at 31st March, 2019	42.07	14.39	56.46

(i) Contractual obligations

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

(ii) Amount recognised in profit and loss for investment properties (leased or otherwise)

Particulars	(` in lakhs)	
	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Rental income	9.63	1.05
Depreciation	1.06	1.15
(iii) Profit from leasing of investment properties	8.82	0.24

	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
(iv) Leasing arrangements		
Building under investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payment receivable under non-cancellable leases of investment property are as follows:		
Within one year	9.85	9.41
Later than one year but not later than 5 years	9.19	19.09
Later than 5 years	-	-
	19.04	28.50

(v) Fair value		
Leasehold land**	1,125.67	1,125.67
Buildings**	134.68	134.68

** In the absence of valuation being carried out by the company for the year ended 31st March, 2019, the company has considered the fair value as on 31st March, 2018 as the fair value for 31st March, 2019.

(vi) Estimation of fair value	
The fair values of the investment properties have been carried out by independent valuer. The best evidence of fair value is current prices in an active market for similar properties. The investment properties has been fair valued using sales comparison method in which due weightage has been given to property rates as evident from sales instances of comparable land and building found upon market enquiry, area, location, nearby civic amenities available etc. This is a Level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosures.	

6. Intangible assets

	(₹ in lakhs)	
Description	Computer software	Total
Gross block [Carrying value (at deemed cost)]		
Balance as at 1st April, 2017	15.98	15.98
Additions during the year	15.18	15.18
Balance as at 31st March, 2018	31.16	31.16
Additions during the year	-	-
Balance as at 31st March, 2019	31.16	31.16
Accumulated Amortisation		
Balance as at 1st April, 2017	4.46	4.46
Amortisation for the year	6.00	6.00
Balance as at 31st March, 2018	10.46	10.46
Amortisation for the year	4.60	4.60
Balance as at 31st March, 2019	15.06	15.06
Net block		
Balance as at 31st March, 2018	20.70	20.70
Balance as at 31st March, 2019	16.10	16.10

Particulars	Non-current		Current	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
7. Loans				
(Unsecured, considered good)				
Security deposits	45.80	31.13	-	-
Excess Remuneration recoverable from Managing Director (refer note 52)	-	-	177.61	134.76
Total	45.80	31.13	177.61	134.76
8. Income tax assets (net)				
Advance tax (net of provisions)			208.15	230.06
Total			208.15	230.06

Particulars	(₹ in lakhs)			
	Non-current		Current	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
9. Other assets				
Balance with government authorities	360.64	356.44	-	1,332.86
Prepaid expenses	0.01	0.40	38.93	64.03
Advance to vendors	-	-	185.04	180.15
WIP (Cost incurred on jobwork)	-	-	61.45	-
Other advances	-	13.30	1.08	4.43
Total	360.65	370.14	286.50	1,581.47

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
10. Inventories		
Raw materials	92.10	479.66
Work-in-progress	3.66	476.79
Finished goods	9.38	587.07
Stores and spares	1,029.87	1,259.96
Packing materials	4.75	6.49
Scrap inventory	16.73	316.56
Capital Spares (includes reclassified from CWIP refer note no: 4(iv))	414.81	43.59
Total	1,571.30	3,170.12

- The amount of inventories recognised as an expense is recognised in costs of materials consumed, changes in inventory and consumption of stores and spares
- Except scrap inventories & WIP as at 31st March, 2019 (which are valued at net realisable value), no inventory has been written down to its net realisable value and there was no reversal of written down of inventories of previous years during the years presented.
- The management certifies that the inventory included above belongs to the company and physically verified by them.
- There was no capitalisation of borrowings cost to inventories during the years presented.

Particulars	(₹ in lakhs)	
	Current	
	As at 31 st March, 2019	As at 31 st March, 2018
11. Trade receivables [Unsecured]		
Trade receivables considered good	348.57	2,337.06
Trade receivables which have significant increase in credit risk	6,372.39	6,806.63
Trade receivables - credit impaired	2,421.57	280.23
Less: allowance for expected credit loss	(2,421.57)	(280.23)
Total	6,720.96	9,143.69
The movement in allowance for expected credit loss is as follows		
Balance as at beginning of the year	280.23	280.23
Change in allowance for credit impaired during the year	2,141.34	-
Trade receivable written off during the year	-	-
Balance as at the end of the year	2,421.57	280.23
Trade receivables includes due by directors and its officers of the company - nil (previous year nil)		
Refer note 36 for information about credit risk and market risk of trade receivable .		

12. Cash and cash equivalents		
Cash on hand	1.87	2.68
Balances with banks		
In current accounts	69.46	69.36
Total	71.33	72.04

There are no repatriation restrictions with regard to cash and cash equivalents at the end of the reporting period. Due to defaults in repayment of dues to the bankers, restrictions are placed on the operations in current accounts such that specific approval of State Bank of India (Consortium leader) is required for each individual payment to be made from these current accounts.

Particulars	(₹ in lakhs)	
	Non-Current	
	As at 31 st March, 2019	As at 31 st March, 2018
13. Other bank balances		
In fixed deposit accounts with original maturity 12 months or less	69.81	440.20
Total	69.81	440.20
Fixed deposits on which lien is marked in favour of bankers for issuance of guarantee/LC- ₹ 69.81 Lakhs (previous year ₹ 394.95 Lakhs).		
14. Other financial assets		
Insurance claim receivable	-	35.81
Export incentives receivable	22.35	485.15
Interest receivable	-	18.22
Other receivables	15.44	125.64
Total	37.79	664.82
15. Assets classified as held for sale		
Plant and machinery at port	350.00	350.00
Total	350.00	350.00

- (i) Plant and Machinery at port ₹ 350 Lakhs represents, an imported plant and machinery lying at custom port. The company has relinquished its title in favour of the Customs authorities u/s 23(2) of the Customs Act 1962. The custom authorities can auction the asset and adjust sales proceeds towards the custom/port dues. In absence of relevant information, status quo is maintained as regards the asset treated as held for sale. Necessary adjustment will be made on receipt of further information.

(ii) Non recurring fair value measurements

The imported plant & machinery was written down to its net realisable value of ₹ 350 Lakhs and impairment loss of ₹ 695.85 lakhs was recognised in the statement of profit & loss as at 31st March, 2018. The valuation was carried out as of 31st March, 2018 by an independent chartered engineer using 'accumulated depreciation value' method. This is a level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosures.

Particulars	Number of shares		Amount (₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
	16. Equity share capital			
Authorised capital				
Equity shares of ₹ in 10 each	75,000,000	75,000,000	7,500.00	7,500.00
Total	75,000,000	75,000,000	7,500.00	7,500.00
Issued and subscribed and fully paid-up capital				
Equity shares of ₹ in 10 each	42,561,822	42,561,822	4,256.18	4,256.18
Total	42,561,822	42,561,822	4,256.18	4,256.18

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Number of shares	Amount (₹ in lakhs)
Equity shares as at 1st April, 2017	42,561,822	4,256.18
Add: Issued during the year	-	-
Equity shares as at 31st March, 2018	42,561,822	4,256.18
Add: Issued during the year	-	-
Equity shares as at 31st March, 2019	42,561,822	4,256.18

- (ii) All shares rank equally with regard to the repayment of capital in the event of liquidation of the Company.
- (iii) Details of shareholders holding more than 5% shares in the Company

Particulars	% holding		Number of shares	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
	Spica Investments Limited (Holding Company), Mauritius which is a subsidiary of Spica Business Corp., Panama.	75%	75%	31,921,366

- (iv) The Company has neither issued bonus shares nor has bought back any shares during last 5 years.

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
17. Other equity		
Capital reserve		
Opening balance	489.68	489.68
Changes during the year	-	-
Closing balance (a)	489.68	489.68
Retained earnings		
Opening balance (restated refer note 42)	(23,617.29)	(17,892.07)
Net profit (loss) for the year	(9,741.34)	(5,706.22)
Other comprehensive income (loss)	(32.07)	(19.00)
Closing balance (b) (restated refer note 42)	(33,390.70)	(23,617.29)
Share application money pending allotments		
Opening balance	0.01	0.01
Changes during the year*	(0.01)	-
Closing balance (c)	-	0.01
Equity component of other financial instruments with shareholder		
Opening balance	284.46	284.46
Changes during the year	-	-
Closing balance (d)	284.46	284.46
Total other equity (a+b+c+d)	(32,616.56)	(22,843.14)

*Balance written back - transferred to statement of profit & loss ₹ 682 during year ended 31st March, 2019.

Particulars	(₹ in lakhs)		
	As at 31 st March, 2019	As at 31 st March, 2018	As at 1 st April, 2017
Summary of balance of other equity			
Capital reserve	489.68	489.68	489.68
Retained earnings	(33,390.70)	(23,617.29)	(17,892.07)
Share application money pending allotments	-	0.01	0.01
Equity component of other financial instruments with shareholder	284.46	284.46	284.46
Total	(32,616.56)	(22,843.14)	(17,117.92)

Nature and purpose of other reserves

Capital reserve

Capital reserve is created out of the profit earned from some specific transactions of capital nature. Capital reserve is not available for distribution to the shareholders.

Retained earnings

Retained earnings represents the accumulated profits / losses made by the company over the years.

Equity component of other financial instruments with shareholder

This includes equity component of two classes of cumulative redeemable non-convertible preference shares and interest free loan from shareholder. On transition to Ind AS, these instruments have been fair valued and the difference between the carrying amount and the fair value has been shown as equity contribution from the shareholder.

18. Borrowings
(A) Non-current

(` in lakhs)					
Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at 31 st March, 2019	As at 31 st March, 2018
Secured					
Term loans from consortium of banks, secured (inclusive of unpaid interest) (see note (i) below)	31 st March, 2021	30 Quarterly repayments starting from 31 st December 2013- 31 st March 2021	SBI PLR Rate + 1 %	3,318.69	3,210.36
Unsecured					
(a) Loans from ultimate holding company	1 st Tranche- 3 rd December, 2020 2 nd tranche- 26 th December, 2021 3 rd tranche-14 th February, 2022	Single repayment at the time of maturity	0%	739.99	652.55
(b) Liability component of compound financial instruments					
(i) 328.20 lakhs 12.50% cumulative redeemable non-convertible preference shares held by holding company	29 th September, 2026	Single repayment at the time of maturity	12.50%	3,282.00	3,282.00
(ii) 34.86 lakhs 7.00% cumulative redeemable non-convertible preference shares held by holding company	21 st February, 2029	Single repayment at the time of maturity	7%	242.97	237.73
(iii) Accrued dividend on preference shares stated at (i) and (ii) above				4,435.13	3,997.94
Total non-current borrowings				12,018.78	11,380.58
Less : Interest accrued and due on term loan (refer note 19)				(395.08)	(225.29)
Less : Recalled term loan (refer note 19)				(2,923.61)	-
Less : current maturities of long term debt (refer note 19)				-	(2,503.62)
Less : Accrued dividend on preference shares (refer note 19)				(4,435.13)	(3,997.94)
Non-current borrowings as per balance sheet				4,264.96	4,653.73

(i) Rupee Term loan

Default in repayment of monthly interest and term loan instalments: The respective term loans have been classified as non performing assets by consortium banks viz (a) State Bank of India since June 2016, (b) Federal Bank Ltd since December 2016, (c) Canara Bank since July 2018 and (d) Bank of India since November 2018. Further the consortium banks have recalled the entire credit facilities granted and demanded immediate repayment of the outstanding dues inclusive of interest etc. The default in respect of principal outstanding and interest outstanding as at 31st March, 2019 is ` 2923.61 Lakhs (previous year ` 1694.97 Lakhs) and ` 395.08 Lakhs (previous year ` 225.29 Lakhs) respectively. Also refer note 45.

(ii) Unsecured loan from ultimate holding company: Unsecured, long term borrowings from the ultimate holding company, Spica Business Corp. Panama, is interest free and is repayable at the end of five years from the date of loan.

(` in lakhs)					
Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at 31 st March, 2019	As at 31 st March, 2018
(B) Current					
Secured					
Working capital loans from banks, secured	Payable on demand	Payable on demand	SBI PLR Rate + 1 % (see note below)	8,265.13	7,631.25
Total				8,265.13	7,631.25

(i) Working Capital Loans from Banks- Secured

Working capital loans from banks comprises of cash credit (CC), export packing facility (EPC), demand loan (DL) and packing credit foreign currency (PCFC). Interest for borrowing in Indian currency through CC, EPC, DL presently ranging between 10.30 % p.a. to 17.60 % p.a. and for borrowing in foreign currency through PCFC is in the range of Libor + 2.61 % p.a. to Libor + 2.64 % p.a.

(ii) Default in Working Capital Loans from Banks

The respective working capital loans have been classified as non performing assets by consortium banks viz (a) State Bank of India since June 2016, (b) Federal Bank Ltd since December 2016, (c) Canara Bank since July 2018 and (d) Bank of India since November 2018. Further the consortium banks have recalled the entire credit facilities granted and demanded immediate repayment of the outstanding dues inclusive of interest etc. The default in respect of principal outstanding and interest outstanding as at 31st March, 2019 is ₹ 8265.13 Lakhs (previous year ₹ Nil) and ₹ 3179.11 Lakhs (previous year ₹ Nil) respectively. Also refer note 45.

(C) Security details

The term loans and short term credit facilities (working capital loans) from consortium banks are 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 movable 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 borrowings are further secured by way of pledge in favour of the consortium bankers of equity shares of face value of ₹ 3192.14 Lakhs of the Company held by Spica Investments Ltd., Mauritius (holding company) and corporate guarantee of Spica Business Corp., Panama (the ultimate holding company). The Gujarat Electricity Board also holds pari passu charge on these assets alongwith bankers for Electricity Duty Deferment Loan from GEB disclosed at note 41A(ii)(d) as contingent liability.

Particulars	₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
The carrying amounts of assets pledged as security for current and non-current borrowings are as under:		
Current		
Inventories and trade receivables (to the extent pledged)	8,292.27	12,313.81
Non Current		
Property, plant & Equipment (see note 4) (immoveable assets)	1,394.58	1,447.50
Property, plant & Equipment (see note 4) (moveable assets)	4,489.41	4,778.48
Capital Work in Progress (see note 4)	171.23	623.49
Investment Properties (see note 5) (leasehold land)	42.07	42.32
Intangible assets (see note 6)	16.10	20.70
Total	14,405.66	19,226.30

(D) Net Debt reconciliation

This section sets out analysis of net debt

Cash and cash equivalents	(71.33)	(72.04)
Liquid investments	(69.81)	(440.20)
Non current borrowings	4,264.96	4,653.73
Current borrowings	8,265.13	7,631.25
Other financial liabilities (Related to borrowings)	10,932.93	8,287.32
Net debt	23,321.87	20,060.06

Particulars	₹ in lakhs)			
	Non-current		Current	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
19. Others financial liabilities				
Security deposits from customers/vendors	3.60	4.41	-	-
Accrued dividend on preference shares	-	-	4,435.13	3,997.94
Current maturities of long term debt *	-	-	-	2,503.62
Recalled term loan*	-	-	2,923.61	-
Interest accrued and due on term loans*	-	-	395.08	225.29
Interest accrued and due on short term borrowings*	-	-	3,179.11	1,560.47
Other expenses payable	-	-	467.33	445.04
Payable for capital goods	-	-	1,357.79	1,253.85
Amount repayable to holding company against Offer For Sale (OFS)	-	-	47.05	45.25
Total	3.60	4.41	12,805.10	10,031.46

* refer note 18A and 18B

Particulars	(₹ in lakhs)			
	Non-current		Current	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
20. Provisions				
Provision for Employee Benefits*	429.13	377.20	24.74	11.33
Provision for import duty (net of ITC)**	-	-	1,307.34	339.93
Total	429.13	377.20	1,332.08	351.26

* For detailed disclosures on employee benefit plans, refer note 40

** The company has recognised probable estimated liability (net of ITC) towards import duty on materials imported under advance licence benefit scheme against which export obligation have not been fulfilled before the period stipulated under the Licence. The expected timing of the outflows is uncertain. The movement in provision for import duty is as follows:

Carrying amount at the beginning of the period			339.93	339.93
Add: additional provision made			967.41	-
Less: amount used / reversed			-	-
Carrying amount at the end of the period			1,307.34	339.93

21. Other liabilities				
Deferred rental income	0.17	0.35	0.19	0.19
Advances from customers	-	-	630.52	832.77
Statutory dues	-	-	322.93	217.23
Total	0.17	0.35	953.64	1,050.19

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
22. Trade payables		
Total outstanding dues of micro enterprises and small enterprises *	3.21	0.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	-	2,595.47
Others	15,455.36	14,045.17
Total	15,458.57	16,640.70

* Refer note no 34 A for disclosure under MSMED Act

23. Current tax liabilities		
Provision for Income tax	-	86.85
Total	-	86.85

Particulars	(₹ in lakhs)			
	Non-current		Current	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
23A Liabilities directly associated with assets classified as "held for sale"				
Liabilities towards custom duty/ clearing & forwarding associated with assets held for sale*	-	-	875.68	875.68
Total	-	-	875.68	875.68

* refer note 15

(in lakhs)		
Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
24. Revenue from operations		
Sale of manufactured goods	4,627.69	46,880.30
Job work revenue	2,625.56	120.89
Other operating revenue	4.06	309.01
Total	7,257.31	47,310.20
25. Other income		
Interest income	47.06	46.05
Net gain on foreign currency transactions and translation	-	153.95
Insurance claim received	3.53	48.43
Net gain on sale of property, plant & equipments	71.35	-
Rental income	9.63	1.05
Others	13.08	12.13
Total	144.65	261.61
26. Cost of materials consumed		
Raw materials:		
Opening stock	479.66	5,248.29
Add: Purchases	3,309.61	32,627.78
	3,789.27	37,876.07
Less: Closing stock	92.10	(479.66)
	3,697.17	37,396.41
Packing materials consumed	9.33	16.32
Total	3,706.50	37,412.73
27. Changes in inventories - Finished goods , Work in progress (including cost incurred on jobwork)		
Closing stock:		
Work-in-progress	3.66	476.78
Finished Goods	9.38	587.07
Scrap inventories	16.73	316.56
Work-in-progress (Cost incurred on jobwork)	61.45	-
	91.22	1,380.41
Opening stock		
Work-in-progress	476.78	1,407.96
Finished goods	587.07	366.30
Scrap inventories	316.56	405.44
Work-in-progress (Cost incurred on jobwork)	-	-
	1,380.41	2,179.70
Stock movement (a)	1,289.19	799.29
Cost of goods produced and sold - Trial run (b)	-	1,207.46
Total	1,289.19	2,006.75
28. Employee benefits expense		
Salaries and wages	1,354.17	1,328.51
Contribution to provident and other funds	118.60	120.13
Staff welfare expenses	183.33	335.89
Total	1,656.10	1,784.53
29. Finance costs		
Interest expense - borrowings	2,060.58	1,589.46
Interest expenses - others	33.62	40.37
Dividend on redeemable preference shares	434.65	434.65
Exchange difference regarded as an adjustment to borrowing costs	54.15	-
Bank commission & charges	63.01	199.97
Total	2,646.01	2,264.45

Particulars	(₹ in lakhs)	
	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
30. Depreciation and amortisation		
Depreciation on property, plant and equipment	608.67	710.47
Amortisation of Leasehold Land	0.11	0.16
Amortisation of intangible assets	4.60	6.00
Amortisation of and depreciation on investment property	1.06	1.15
Total	614.44	717.78
31. Other expenses		
Consumption of stores and spares	504.59	1,438.90
Packing charges	169.88	574.02
Other manufacturing expenses	198.21	322.40
Power and fuel	1,592.94	2,434.12
Rent	9.04	19.15
Repairs to buildings	4.26	30.08
Repairs to plant and machinery	108.74	188.09
Repairs to others	1.69	5.71
Insurance	76.46	65.36
Rates and taxes	19.14	5.79
Conveyance and traveling expenses	61.37	86.14
Professional fees	82.34	133.18
Legal and Licenses fees	136.58	38.89
Commission on sales	8.62	127.91
Freight and forwarding on sales	102.66	1,447.31
Other marketing expenses	19.89	49.49
Amount written off (net)	-	17.43
Provision for doubtful debts	2,141.34	-
Audit fees	21.00	34.00
Directors' sitting fees	10.54	17.44
Net loss on sale of property, plant and equipment	-	4.16
Donations	0.15	1.25
Net Loss on foreign currency transactions and translation	702.89	-
Miscellaneous expenses	199.10	914.51
Total	6,171.43	7,955.32
(i) Payments to auditors (includes related to predecessor auditor)		
As auditor		
Audit fees	21.00	34.00
Reimbursement of expenses	0.64	0.53
(ii) CSR expenses		
Since the Company is continually making losses since past few years, it is not required to incur any CSR expenses for both the years presented.		
32. Exceptional items		
Forfeiture of advance money on sale of land*	-	519.00
Loss due to fire	-	(114.97)
Impairment of plant and machinery held for sale	-	(695.85)
Cost of SAP implementation project written off as its implementation is abandoned (see note 4)	(92.22)	-
Provision for import duty (net of ITC)**	(967.41)	-
Total	(1,059.63)	(291.82)

*During the previous year ended 31st March, 2018, Company has forfeited ₹ 519 lakhs received as advance money from Steelco Colour Coating Limited (SCCL). This amount was received at the time of entering into an agreement for sale of portion of leasehold land at Palej. Due to non-payment of the balance consideration by SCCL, Company cancelled the contract and forfeited the entire amount received as advance.

** The company had recognised probable estimated liability (net of ITC) towards import duty on raw materials imported under advance licence benefit scheme against which export obligation have not been fulfilled before the period stipulated under the Licence.

33. Income tax expense / Deferred tax

(₹ in lakhs)					
Deferred Tax Liabilities	WDV		Difference	Tax Rate in %	DTL
	As per Income tax	As per Books			
Depreciation	2738.08	6049.40	3311.32	34.944	1,157.11
DTL					1,157.11
Deferred Tax Assets	Closing balance		Tax Rate in %		DTA
43-B Disallowances	6,026.97		34.944		2,106.06
Bad Debts Provisions	2,421.57		34.944		846.19
Unabsorbed Business losses	7,998.01		34.944		2,794.83
Unabsorbed Depreciation	14,010.77		34.944		4,895.92
DTA					10,643.01
NET DTA/DTL (see note below)					-

DTA is not recognised since the company does not have any reasonable certainty that sufficient future taxable income would be available against which such deferred tax assets can be realised.

34. Earnings per share

Basic earnings per share is calculated by dividing the net profit/ (loss) for the year available for equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit/ (loss) for the year available for equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(₹ in lakhs)		
Particulars	For the	For the
	year ended 31 st March, 2019	year ended 31 st March, 2018
Loss as per the statement of profit and loss available for equity shareholders (₹ in lakhs)	(9,741.34)	(5,706.22)
Weighted average number of equity shares for EPS computation	42,561,822	42,561,822
Basic and diluted earnings/(loss) per share (₹)	(22.89)	(13.41)

34A. Disclosure under the Micro, small and medium enterprises development Act, 2006 ("MSMED Act") are provided as under, to the extent the company has received intimation from the "suppliers" regarding their status under the act

(₹ in lakhs)		
Particulars	For the	For the
	year ended 31 st March, 2019	year ended 31 st March, 2018
(i) Principal amount & the interest due there on remaining unpaid to each supplier as at the year end of each accounting year .	3.21	0.06
Principal amount due to micro & small enterprise (within due date as per MSMED Act)	-	-
Principal amount due to micro & small enterprise (other than above)	2.99	-
Interest due on above	0.22	0.06
(ii) Interest paid by the company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the period.	7.64	-
(iii) Interest due & payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting Year.	0.22	0.06
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.22	0.06

Note : Details and dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This is has been relied upon by the auditors.

35. Financial instruments

(A) Accounting Classification and Fair values:

(` in lakhs)

As at 31 st March, 2019	Non-Current/Current	FVTPL	FVTOCI	Carrying Amount		Fair value				
				Cost/Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Financial Assets:										
Unquoted Equity instrument	Non-current	-	-	-	-	-	-	-	-	-
Loans	Non-current	-	-	45.80	45.80	-	-	-	-	-
Loans	Current	-	-	177.61	177.61	-	-	-	-	-
Trade receivables	Current	-	-	6,720.96	6,720.96	-	-	-	-	-
Cash and cash equivalents	Current	-	-	71.33	71.33	-	-	-	-	-
Other bank balances	Current	-	-	69.81	69.81	-	-	-	-	-
Other financial assets	Current	-	-	37.79	37.79	-	-	-	-	-
Total Financial Assets		-	-	7,123.30	7,123.30	-	-	-	-	-
Financial Liabilities:										
Borrowings	Non-current	-	-	4,264.96	4,264.96	-	-	-	-	-
Others financial liabilities	Non-current	-	-	3.60	3.60	-	-	-	-	-
Borrowings [including current maturities and interest]	Current	-	-	19,198.06	19,198.06	-	-	-	-	-
Trade payables	Current	-	-	15,458.57	15,458.57	-	-	-	-	-
Other financial liabilities	Current	-	-	1,872.17	1,872.17	-	-	-	-	-
Total Financial Liabilities		-	-	40,797.36	40,797.36	-	-	-	-	-
As at 31st March, 2018										
Financial Assets:										
Unquoted Equity instrument	Non-current	-	-	-	-	-	-	-	-	-
Loans	Non-current	-	-	31.13	31.13	-	-	-	-	-
Loans	Current	-	-	134.76	134.76	-	-	-	-	-
Trade receivables	Current	-	-	9,143.69	9,143.69	-	-	-	-	-
Cash and cash equivalents	Current	-	-	72.04	72.04	-	-	-	-	-
Other bank balances	Current	-	-	440.20	440.20	-	-	-	-	-
Other financial assets	Current	-	-	664.82	664.82	-	-	-	-	-
Total Financial Assets		-	-	10,486.64	10,486.64	-	-	-	-	-
Financial Liabilities:										
Borrowings	Non-current	-	-	4,653.73	4,653.73	-	-	-	-	-
Others financial liabilities	Non-current	-	-	4.41	4.41	-	-	-	-	-
Borrowings [including current maturities and interest]	Current	-	-	15,918.57	15,918.57	-	-	-	-	-
Trade payables	Current	-	-	16,640.70	16,640.70	-	-	-	-	-
Other financial liabilities	Current	-	-	1,744.14	1,744.14	-	-	-	-	-
Total Financial Liabilities		-	-	38,961.55	38,961.55	-	-	-	-	-

The only financial instrument measured at FVTOCI using Level 3 inputs is the unquoted equity instrument, the fair value of which was ascertained to be Nil as of 1st April, 2016 and subsequently at all the reporting dates presented. Hence, reconciliation of fair value changes for the same is not presented. Except as mentioned above, the company does not have any assets or liability measured at fair value either as FVTPL or FVTOCI, hence disclosure in respect of valuation at fair value and basis/ techniques used to determine fair value are not given.

(B) Fair value of the assets measured at amortised cost:

Financial assets and financial liabilities measured at amortised cost for which fair valued are disclosed:

Financial Assets:

The carrying value of trade receivables, loans and advances and other financial assets, cash and cash equivalents, other bank balance etc. are considered to be approximately equal to the fair values.

Financial Liabilities:

Fair values of Loans from banks and others, other financial liabilities, trade payables etc. are considered to be approximately equal to the carrying values.

36. Financial risk management

Risk Management framework

The Company is exposed to various risk in relation to financial instruments. The Company's financial asset and liabilities are summarised by category in note 35. The main types of risks to which the Company is exposed are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

A) Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial assets such as trade receivables, security deposits, other receivables etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types financial assets.

- Trade receivables
- Fixed deposits with banks
- Cash and cash equivalents
- Other financial assets measured at amortised cost

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this 'information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with credit worthy counterparties.

a) Credit risk management

Cash and cash equivalent and fixed deposits with banks

Credit risk related to cash and cash equivalents is managed by selecting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

In case of export sales, credit risk related to trade receivables are mitigated by taking letter of credit from the overseas customers or making sales against advances where credit risk is high. The Company closely monitors the credit-worthiness of the customers and only sells goods to credit-worthy parties.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes security deposits, export incentives receivables and others. The Company does not see any credit risks from export incentives receivables since the counter party involved is government authorities. Credit risk related to other financial assets is managed by 'monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Company provides expected credit losses based on the following

Trade receivables

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss relevant to each category of trade receivables:

(` in lakhs)							
Ageing (As at 31 st March, 2019)	0 - 30 days	30 - 60 days	60 - 90 days	90 - 180 days	180 - 365 days	More than one year	Total
Gross carrying amount	302.02	10.12	7.70	24.47	4.26	8,793.96	9,142.53
Expected credit loss provision	-	-	-	-	-	2,421.57	2,421.57
Carrying amount of trade receivables (Net of impairment)	302.02	10.12	7.70	24.47	4.26	6,372.39	6,720.96
Ageing (As at 31st March, 2018)							
Gross carrying amount	1,049.26	559.36	10.08	2.61	787.14	7,015.47	9,423.92
Expected credit loss provision	-	-	-	-	-	280.23	280.23
Carrying amount of trade receivables (Net of impairment)	1,049.26	559.36	10.08	2.61	787.14	6,735.24	9,143.69

Reconciliation of Expected credit loss provision

Particulars	(` in lakhs)
As at 1 st April, 2017	280.23
Changes in provision	-
As at 31st March, 2018	280.23
Changes in provision	2,141.34
As at 31st March 2019	2,421.57

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities and the amounts disclosed in the table are the contractual undiscounted cash flows.

	(₹ in lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Contractual maturities of financial liabilities as at 31st March, 2019					
Borrowings*	19,198.06	123.33	616.66	3,524.97	23,463.02
Trade payable	15,458.57	-	-	-	15,458.57
Other payables	1,875.77	-	-	-	1,875.77
Total	36,532.40	123.33	616.66	3,524.97	40,797.36
Contractual maturities of financial liabilities as at 31st March, 2018					
Borrowings*	7,778.01	331.86	433.50	12,028.93	20,572.30
Trade payable	16,640.70	-	-	-	16,640.70
Other payables	1,744.14	-	2.34	2.07	1,748.55
Total	26,162.85	331.86	435.84	12,031.00	38,961.55

* In case of defaulted term loans from banks included in borrowings, contractual maturities are beyond 12 months period, however same has become repayable on demand due to default event occurring during the year ended 31st March, 2019

C) Market Risk

a) Foreign currency risk

Most of the Company's transactions are carried out in ₹. Exposures to currency exchange rates arise from the Company's loan from holding company, trade receivables in case of export sales and trade payables denominated in Euro and USD. To mitigate the Company's exposure to foreign currency risk, non-₹ cash flows are monitored in accordance with the Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency risk exposure:

The Company's significant exposures to foreign currency risk at the end of the reporting period expressed in ₹ in lakhs are as follows

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	8,298.02	28.65	8,534.53	29.41
Net exposure to foreign currency risk (assets)	8,298.02	28.65	8,534.53	29.41
Financial liabilities				
Borrowings	739.99	-	652.55	-
Trade payables	14,695.93	-	13,570.99	-
Payable for Capital Goods	1,357.79	-	1,254.73	-
Advance from Customers	587.67	-	604.86	-
Net exposure to foreign currency risk (liabilities)	17,381.38	-	16,083.13	-

Sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Company's financial assets and financial liabilities. For the year ended 31st March, 2019, the company assumes 6.86% (31st March, 2018: 4.16%) change of the ₹/USD exchange rate and 2.26% (31st March, 2018: 7.68%) change for ₹/EUR exchange rate. Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date:

Particulars	₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
USD sensitivity		
6.86% (4.16%) appreciation	623.12	314.02
6.86% (4.16%) depreciation	(623.12)	(314.02)
Euro sensitivity		
2.26% (7.68%) appreciation	-	2.26
2.26% (7.68%) depreciation	-	(2.26)

b) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31st March, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings i.e. loan from holding company and redeemable preference shares are at fixed interest rates. The Company does not have any investments in bond or money markets and hence it is not exposed to any interest rate changes in financial assets. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31st March, 2019 (31st March, 2018: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Particulars	₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
i) Liabilities		
Interest rate risk exposure		
Below is the overall exposure of the Company to interest rate risk:		
Variable rate borrowing	19,198.06	20,572.30
Fixed rate borrowing	-	-
Total	19,198.06	20,572.30

Sensitivity analysis

Below is the sensitivity of profit or loss and equity changes in interest rates. Increase in interest rates will have negative impact on profit and loss and equity. Conversely, decrease in interest rates will have positive impact on profit and loss and equity.

Interest sensitivity

Interest rates – increase by 100 basis points	(191.98)	(205.72)
Interest rates – decrease by 100 basis points	191.98	205.72

ii) Assets

The company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the financial assets:

Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	115.61	471.33
Total	115.61	471.33

37. Capital management

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Net debts	23,322	20,060
Total equity	(28,360)	(18,587)
Net debt to equity ratio	-	-
Dividends		
(i) Dividend on Equity shares	Nil	Nil
(ii) Dividends not recognised at the end of the reporting period	Nil	Nil

38. Operating segment information

a) The Company has identified manufacture of steel products (including on jobwork basis) as its sole business segment. Hence the segment wise information and reconciliation to the items in the financial statements has not been presented separately.

b) Geographical information

The Company has its operations in India with customers spread across India and outside India as well.

The geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets has been based on location of assets.

(i) Revenue from external customers

Particulars	(₹ in lakhs)	
	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
India	5,932.55	24,073.18
Outside India	1,324.76	23,237.02
Total revenue as per statement of profit or loss	7,257.31	47,310.20

ii) Non-current assets

Non-current operating assets*	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
India	6,696.58	7,527.89
Outside India	-	-
Total Non-current assets	6,696.58	7,527.89

*The total of non current assets other than financial assets and deferred tax assets.

Party name	For the year ended 31 st March, 2019
c) Major customers	
Genesis Steel Corporation	1,101.75
Jsn Trading	847.40
Saraf Real Infra Pvt. Ltd.	619.74
G J B Trading Co. (LLC)	503.95
Abhay Ispat (India) Pvt. Ltd.	472.08
Pramila Impex	458.52
M P Udyog	418.35
Krishna Coil Cutter Pvt. Ltd.	363.37
Lily Impex	224.46
Deepak Commercial Brokerage	181.58
Total	5,191.20
Party name	For the year ended 31 st March, 2018
Aluzinc Asia Pte. Ltd.	5396.93
Krishna Coil Cutter Pvt. Ltd.	4163.80
G J B Trading Co. (LLC)	1746.00
Marubeni-Itochu Steel Pte. Ltd.	1359.69
Yomaxx Enterprise	1175.01
Qubico Bvba	1051.70
Peter Cremer GMBH	938.84
Deepak Commercial Brokerage	932.63
Toyota Tsusho Corporation	865.11
Qubis Bvba	833.83
Total	18,463.54

39. Related parties disclosures

In accordance with the requirements of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

a) Ultimate holding company	Spica Business Corp., Panama
b) Holding company	Spica Investment Limited, Mauritius
c) Fellow subsidiaries	Steelco Colour Coating Limited Gujarat Nippon Enterprises Private Limited Gujarat Nippon International Private Limited
d) Key management personnel (KMP)	
Name of person	Nature of relationship
Shri Praful Chandaria	Non-Executive Director (w.e.f. 07.03.2018 up to 30.03.2019, appointed again w.e.f. 15.05.2019)
Shri Vimal Chandaria	Non-Executive Director (up to 05.03.2018)
Shri Rashmi Chandaria	Non-Executive Director (up to 29.07.2017)
Shri Amish H. Mehta	Non-Executive Director (w.e.f. 24.05.2017)
Shri Lakshminarayanan Venkataraman	Non-Executive Independent Director (w.e.f. 28.03.2018 up to 05.07.2018)
Shri Mahendra Lodha	Non-Executive Independent Director (up to 26.02.2018)
Shri Jatinder Mehra	Non-Executive Independent Director (up to 02.02.2018)
Shri S. S. Ranjan	Non-Executive Independent Director (up to 24.05.2017)
Smt. Ameeta Trehan	Non-Executive Independent Director
Shri Ajay P. Shanghvi	Non-Executive Independent Director (w.e.f. 04.08.2018)
Shri Jiban Goswami	Nominee Director (up to 29.03.2018)
Shri Mitesh H. Shah	Managing Director
Shri Hament K. Nandawat	Chief Financial Officer (w.e.f. 17.09.2018)
Shri Saurabh Jog	Chief Financial Officer (w.e.f. 07.07.2018 up to 15.09.2018)
Shri Abhishek Jajoo	Chief Financial Officer (up to 06.07.2018)
Shri Achal S. Thakkar	Company Secretary
e) Relative of KMP	No transaction with relatives
f) Enterprises significantly influenced by Directors and/or their relatives	-

g) Transactions with related parties

(` in lakhs)

Sr. No.	Nature of transaction	Year	Holding/ Subsidiary companies	Fellow subsidiary companies	Enterprise significantly influenced by group of individuals or their relatives who have significant influence over the Company	KMPs and relative of KMP	Total
Transactions during the year							
1	Purchase of property, plant and equipment						
	Gujarat Nippon International Private Limited	2018-2019	-	-	-	-	-
		2017-2018	-	(41.47)	-	-	(41.47)
2	Purchase of spares						
	Gujarat Nippon International Private Limited	2018-2019	-	4.60	-	-	4.60
		2017-2018	-	-	-	-	-
3	Rent Expense						
	Gujarat Nippon International Private Limited	2018-2019	-	1.25	-	-	1.25
		2017-2018	-	(3.69)	-	-	(3.69)
4	Advance money forfeited						
	Steelco Colour Coating Limited	2018-2019	-	-	-	-	-
		2017-2018	-	(519.00)	-	-	(519.00)
5	Finance Cost						
	Spica Business Corp., Panama	2018-2019	87.44	-	-	-	87.44
		2017-2018	(31.35)	-	-	-	(31.35)
	Spica Investment Limited, Mauritius	2018-2019	5.24	-	-	-	5.24
		2017-2018	(4.72)	-	-	-	(4.72)
6	Preference dividend accrued during the year						
	Spica Investment Limited, Mauritius	2018-2019	434.65	-	-	-	434.65
		2017-2018	(434.65)	-	-	-	(434.65)
7	Excess remuneration paid, accounted as recoverable						
	Shri Mitesh H. Shah	2018-2019	-	-	-	42.86	42.86
		2017-2018	-	-	-	(134.75)	(134.75)
Balances at the balance sheet							
1	Receivables						
	Shri Mitesh H. Shah	31.03.2019	-	-	-	177.61	177.61
		31.03.2018	-	-	-	(134.75)	(134.75)
2	Payables						
	Unsecured loan from Spica Business Corp., Panama (foot note c)	31.03.2019	739.99	-	-	-	739.99
		31.03.2018	(652.55)	-	-	-	(652.55)
	Liability component of preference shares issued to Spica Investment Limited, Mauritius (foot note d)	31.03.2019	3,524.97	-	-	-	3,524.97
		31.03.2018	(3,519.73)	-	-	-	(3,519.73)
	Accrued dividend on preference shares issued to Spica Investment Limited, Mauritius (foot note e)	31.03.2019	4,435.13	-	-	-	4,435.13
		31.03.2018	(3,997.44)	-	-	-	(3,997.44)
	Payable towards amount received towards OFS to Spica Investment Limited, Mauritius (foot note f)	31.03.2019	47.05	-	-	-	47.05
		31.03.2018	(45.25)	-	-	-	(45.25)
	Trade payable -Gujarat Nippon International Private Limited	31.03.2019	-	103.89	-	-	103.89
		31.03.2018	-	(111.09)	-	-	(111.09)
3	Guarantees						
	Guarantees given in favour of bankers by Spica Business Corp., Panama	2018-2019	25,373.00	-	-	-	25,373.00
		2017-2018	(25,372.00)	-	-	-	(25,372.00)
4	Pledge of shares						
	Aggregate face value of equity shares pledged in favour of bankers by Spica Investment Limited, Mauritius	2018-2019	3,192.14	-	-	-	3,192.14
		2017-2018	3,192.14	-	-	-	3,192.14

Foot notes to transactions with related parties:

- Previous year figures are given in brackets.
- Above all transactions are excluding Goods & Service Tax/ Service Tax
- Represents the amount shown under the heading non current borrowings. It will be settled at USD 12.00 lakhs. For terms and condition see note 18.
- Represents the amount shown under the heading non current borrowings. It will be settled at ` 3630.62 lakhs. For terms and condition see note 18.
- Represents the amount shown under the heading non current borrowings. For terms and condition see note 18.
- Represents the amount shown under the heading other financial liabilities. See note 19.
- Except as stated otherwise above, the amount outstanding are unsecured and will be settled in cash or kind. No expense has been recognised in current year or prior years for bad or doubtful debts in respect of the amounts owned by related parties.

(g) Remuneration to KMP

The details of remuneration to key managerial personnel recognised during the year is as below:

Particulars	(` in lakhs)	
	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Short term employee benefit	155.82	189.78
Post employment benefit	13.81	12.15
Other long term employee benefit	0.74	2.25
Total	170.37	204.18

40. Employee benefit obligations

(A) Defined contribution plan

Provident fund

The Company contributes to a statutory provident fund. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards provident fund is ` 89.85 lakhs (31st March, 2018: ` 91.05 lakhs).

(B) Defined benefit plans

(a) Sick leaves (non-funded)

The employees of the Company are entitled to sick leave as per the leave policy of the Company which shall be encashed by the employees during the tenure of their services to a maximum limit of 30 sick leaves beyond which the leaves are lapsed. The provision as on 31st March, 2019 includes ` 4.53 lakhs (classified as current ` 0.60 Lakhs and as non current ` 3.92 Lakhs). [31st March, 2018 ` 6.57 Lakhs (classified as current ` 0.65 Lakhs and as non current ` 5.94 Lakhs)] for sick leaves.

(b) Gratuity (non-funded)

Particulars	(` in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Gratuity		
I Changes in present value of obligations (PVO)		
PVO at beginning of year	294.22	255.09
Interest cost (net)	21.42	18.95
Current service cost	20.61	20.75
Past service cost	-	1.61
Benefit payments from employer	(17.18)	(21.18)
Remeasurements - Due to financial assumptions	(3.72)	7.66
Remeasurements - Due to experience adjustments	29.05	11.34
PVO at end of year	344.40	294.22
II Amounts to be recognised in balance sheet		
Funded status	-	-
Non-funded status	344.40	294.22
Net asset/(liability) recognised in the balance sheet	344.40	294.22
III Expenses recognised in the statement of profit and loss		
Current service costs	20.61	20.75
Past service cost	-	1.61
Net interest	21.42	18.95
Expenses recognised in the statement of profit and loss	42.03	41.31
IV Actuarial gains/loss recognised in other comprehensive income		
Remeasurements - Due to financial assumptions	(3.72)	7.66
Remeasurements - Due to experience adjustments	29.05	11.34
Actuarial (gains)/losses recognised for the period	25.33	19.00

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
V Movements in liability recognised in balance sheet		
Opening net liability	294.22	255.09
Defined Benefit Cost included in Profit and loss account	42.03	41.31
Total Remeasurements included in OCI	25.33	19.00
Employer Direct Benefit Payments	(17.18)	(21.18)
Closing net liability	344.40	294.22
VI Classification in the balance sheet		
Current liability	17.16	6.15
Non-current liability	327.24	288.07
		(₹ in lakhs)
Assumption as at	As at 31 st March, 2019	As at 31 st March, 2018
VII Assumptions used in actuarial valuations		
Financial assumptions		
- Discount Rate	7.63%	7.50%
- Salary Escalation	4.00%	4.00%
Demographic assumption		
- Mortality Rate	100%	100%
- Disability Rate	0%	0%
- Withdrawal Rate	1%	1%
- Normal Retirement Age	58 Years	58 Years
- Adjusted Average Future Service	15.97	15
		(₹ in lakhs)
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
(c) Leave encashment (non-funded)		
I Changes in present value of obligations (PVO)		
PVO at beginning of year	87.73	84.26
Interest cost (net)	6.14	6.21
Current service cost	12.75	9.22
Past service cost	-	-
Benefit payments from employer	(11.67)	(8.24)
Remeasurements - Due to financial assumptions	(1.00)	2.07
Remeasurements - Due to experience adjustments	10.99	(5.80)
PVO at end of year	104.94	87.73
II Amounts to be recognised in balance sheet		
Funded status	-	-
Non-funded status	104.94	87.73
Net asset/(liability) recognised in the balance sheet	104.94	87.73
III Expenses recognised in the statement of profit and loss		
Current service costs	12.75	9.22
Net interest	6.14	6.21
Expenses recognised in the statement of profit and loss	18.89	15.43
IV Actuarial gains/loss recognised in other comprehensive income		
Remeasurements - Due to financial assumptions	(1.00)	2.07
Remeasurements - Due to experience adjustments	10.99	(5.80)
Actuarial (gains)/losses recognised for the period	9.99	(3.73)
V Movements in liability recognised in balance sheet		
Opening net liability	87.73	84.26
Defined benefit cost included in profit and loss account	18.89	15.43
Total remeasurements included in OCI	9.99	(3.73)
Employer direct benefit payments	(11.67)	(8.24)
Closing net liability	104.94	87.73
VI Classification in the balance sheet		
Current liability	6.98	4.53
Non-current liability	97.96	83.19

(` in lakhs)

Assumption as at	As at 31 st March, 2019	As at 31 st March, 2018
VII Assumptions used in actuarial valuations		
Financial assumptions		
- Interest/discount rate	7.63%	7.50%
- Rate of increase in compensation	4.00%	4.00%
Demographic assumption		
Mortality	100%	100%
- Disability Rate	0%	0%
- Attrition Rate	1%	1%
- Normal Retirement Age	58 Years	58 Years
- Leave ailment Rate	2%	2%
- Leave Encashment Rate during employment	0%	0%

(C) Risk exposures

(i) Salary risk:

Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

(ii) Discount rate risk:

Reduction in discount rate in subsequent valuations can increase the plan's liability.

(iii) Mortality and disability risk:

Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(iv) Withdrawals risk:

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(D) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity (non-funded)		31st March, 2019					
Assumptions	Discount rate		Salary escalation rate		Withdrawal Rate		
Sensitivity level	1%	-1%	1%	-1%	1%	-1%	
(` in lakhs)							
Impact on defined benefit obligation	(26.64)	30.11	32.02	(28.63)	7.17	(7.90)	
Gratuity (non-funded)		31st March, 2018					
Assumptions	Discount rate		Salary escalation rate		Withdrawal Rate		
Sensitivity level	1%	-1%	1%	-1%	1%	-1%	
(` in lakhs)							
Impact on defined benefit obligation	(28.91)	33.93	35.84	(30.96)	11.27	(12.97)	
Leave Encashment		31st March, 2019					
Assumptions	Discount rate		Salary escalation rate		Withdrawal Rate		
Sensitivity level	1%	-1%	1%	-1%	1%	-1%	
(` in lakhs)							
Impact on defined benefit obligation	(7.19)	8.06	11.26	(5.84)	2.04	(2.23)	
Leave Encashment (non-funded)		31st March, 2018					
Assumptions	Discount rate		Salary escalation rate		Withdrawal Rate		
Sensitivity level	1%	-1%	1%	-1%	1%	-1%	
(` in lakhs)							
Impact on defined benefit obligation	(7.82)	9.21	11.02	(7.59)	3.16	(3.61)	

(E) Weighted average duration of the defined benefit plan obligation:

	31st March, 2019	31st March, 2018
Gratuity	11.71 Years	16.57 Years
Leave Encashment	10.53 Years	16.55 Years

(F) Expected employer's contribution in future years for gratuity and leave encashment are as follows:

	(₹ in lakhs)				
	Less than a year	Between 1-2 years	Between 2-5 years	Beyond 5 Years	Total
As at 31st March, 2019					
Gratuity	17.16	21.76	60.53	214.89	314.34
Leave encashment	6.98	7.61	23.19	77.03	114.81
Total	24.14	29.37	83.72	291.92	429.15
As at 31st March, 2018					
Gratuity	6.15	9.71	56.85	133.90	206.61
Leave encashment	4.53	5.16	20.27	39.13	69.08
Total	10.68	14.87	77.12	173.03	275.69

		(₹ in lakhs)	
Particulars		As at 31 st March, 2019	As at 31 st March, 2018
41. Contingent liabilities and commitment			
A) Contingent liabilities			
i) In respect of guarantees given by Banks and/or counter guarantees given by the Company		313.99	307.00
ii) Other money for which the company is contingent liable:			
(a) In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority		630.57	403.42
(b) In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/Courts.		838.35	646.19
(c) Letters of credit		-	131.66
(d) Interest on electricity duty deferment loan (for charge created in favour of Collector of Electricity Gandhinagar refer note 18(c)). The matter is pending before Hon. Gujarat High Court		39.80	39.80
(e) Labour matters		40.80	-
(f) 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 licenses / formalities are yet not completed. (net of amount provided for)		2,704.00	2,072.54
(g) Interest and penalty on matters disclosed at (f) above and in respect of amount already provided for.		Not Ascertained	Not Ascertained
(h) Interest waived under CDR package, payable under recompense clause (refer note - iv below)		1,272.90	1,272.90
(i) Penal interest and other dues in respect of borrowing facilities classified as NPA by bankers (except Canara Bank)		Not Ascertained	Not Ascertained
Total		5,840.41	4,873.51
iii) Central Board of excise & customs ("CBEC") vide its office memorandum dated 22 nd February, 2011 has clarified that where the central credit is availed in respect of goods exported under the duty free import authorisation ("DFIA"), if the said credit without being utilised is reversed or paid back along with interest after the goods are cleared for export, it will be treated as if such credit is availed by the assessee. Being aggrieved by issue of such memorandum in respect of benefits claimed by the Company on DFIA, the Company has filed a write petition in Hon. Bombay High Court challenging the memorandum issued by CBEC, which is decided in favour of 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 Hon. Supreme Court challenging the above decision of the Hon. Bombay High court, which has been admitted by Hon. Supreme court. The company has been advised by its legal adviser that the stands of excise department is not tenable, hence there would not be any financial liabilities arising on the company.			
iv) The company and the CDR lenders executed a CDR Restructuring Package ('CDR Package') during the financial year ending 31 st March, 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. SBI, one of the lenders, has demanded (vide SARFAESIA notice) repayment of CDR sacrifice of ₹ 630 Lakhs (included in ₹ 1,272.90 Lakhs) and additional interest thereon of ₹ 548 Lakhs. As the company is negotiating the OTS proposal, the Company has not provided for these liabilities in the books of account but disclosed the same as contingent liabilities by way of note as the recompense amount payable including further interest demanded by the lenders from the company is contingent upon the exit / acceptance of its OTS proposal, the outcome of which currently is materially uncertain.			

		(₹ in lakhs)	
Particulars		As at 31 st March, 2019	As at 31 st March, 2018
B) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		-	65.52
Total		-	65.52

42. Prior period errors/ omissions corrected retrospectively in accordance with Ind AS 8

During the year ended 31st March, 2019, the management has identified prior period errors and omissions in the nature of excess recognition of income / expenditure and non recognition of income/ expenditure. In accordance with 'Ind AS 8: Accounting Policies, Changes In Accounting Estimates And Errors', prior period errors / omissions aggregating ` 1330.33 lakhs (net) are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position. Details are as under.

Particulars	(` in lakhs)
(a) Previously reported Retained earnings as at 1st April, 2017	(17,007.16)
<u>Reversal of Income</u>	
Other Income - Interest receivable	(130.03)
Other operating Revenue Export benefits	(143.44)
<u>Reversal of expenses / provision</u>	
Wealth Tax Provision	0.13
Salaries and wages - Managing director remuneration reversed	43.17
Income tax provision	20.40
<u>Expenses / provisions relating to period before 1st April, 2017</u>	
Excise and Custom deposit written off	(257.58)
Conveyance & traveling expense	(1.06)
Salaries and wages	(0.23)
Provision for import duty	(339.93)
Legal and License fees	(0.17)
Professional fees	(0.35)
Preference dividend for 7% pref. shares	(75.82)
Restated Retained earnings as at 1st April, 2017	<u>(17,892.07)</u>
(b) Previously reported Loss for FY: 2017-18	(5260.80)
<u>Reversal of Income</u>	
Other operating Revenue Export benefits	(350.64)
<u>Reversal of expenses / provision</u>	
Salaries and wages	91.60
Interest expense on borrowings	2.99
Power and fuel	97.52
Rent	0.09
Professional fees	0.41
Directors' sitting fees	0.31
<u>Income recognised relating to FY: 2017-18</u>	
Net gain on foreign currency transaction and translation	0.87
<u>Expenses / provisions relating to FY: 2017-18</u>	
Interest expense on borrowings	(143.87)
Conveyance & traveling expense	(0.16)
Salaries and wages	(50.53)
Depreciation on PPE	(1.54)
Power and fuel	(15.20)
Rent	(0.42)
Repairs to Building	(0.11)
Repairs to Plant and machinery	(1.81)
Legal and License fees	(14.81)
Freight and forwarding on sales	(28.80)
Other marketing expense	(2.09)
Misc. Expenses	(29.23)
Restated Loss for FY: 2017-18	<u>(5,706.22)</u>

(c) Consequential effect of matters disclosed at (a) and (b) above on previously reported balance sheet items as at 31st March, 2018

	Note No	Debit adjustments (` in lakhs)	Credit adjustments (` in lakhs)
Retained earning as at 31 st March, 2018	SOCIE/17	1,330.33	-
Plant & Equipment - Gross Block	4	29.17	-
Capital Work in Progress - Gross Block	4	-	(29.17)
Accumulated depreciation PE	4	-	(1.54)
Excess Remuneration recoverable from Managing Director	7	134.76	-
Advance tax (net of provisions)	8	20.53	-
Balance with Govt Authorities - Current	9	-	(6.02)
Balance with Govt Authorities - Non Current	9	-	(257.58)
Prepaid expenses - Current	9	0.54	-
Other advances - Current	9	-	(1.20)
Trade Receivables	11	-	(29.37)
Export incentive receivables	14	-	(416.60)
Interest Receivable	14	-	(130.03)
Accrued dividend on preference shares	18	2.46	(100.22)
Reduced from Non Current Borrowing -Accrued Dividend	18	100.22	(2.46)
Accrued dividend on preference shares	19	2.46	(100.22)
Interest accrued and due on short term borrowings	19	-	(119.46)
Other expenses payable	19	-	(50.76)
Payable for capital goods	19	0.88	-
Provision for import duty (net of ITC)	20	-	(339.93)
Statutory dues	21	-	(99.60)
Trade Payable - Others	22	83.04	(20.23)

(d) Effect on affected balance sheet line items for the prior periods

Particulars	As at 31 st March, 2018			As at 1 st April, 2017		
	As previously reported	Effect of correction of error	As Restated (refer foot note 1 below)	As previously reported	Effect of correction of error	As Restated (refer foot note 1 below)
Non Current Assets						
Property, plant and equipment	6,198.33	27.63	6,225.96			
Capital work-in-progress	652.66	(29.17)	623.49			
Income tax assets (net)	209.49	20.53	230.02	205.29	20.53	225.82
Other non current assets	627.72	(257.58)	370.14	1,062.58	(257.58)	805.00
Total Non-current assets	7,796.96	(238.59)	7,558.37	7,571.65	(237.05)	7,334.60
Current Assets						
Trade receivables	9,173.07	(29.37)	9,143.70			
Financial assets - Loan	-	134.76	134.76	-	43.17	43.17
Other financial assets	1,211.45	(546.63)	664.82	1,045.30	(273.46)	771.84
Other current assets	1,588.16	(6.68)	1,581.48			
Total current assets	16,005.04	(447.92)	15,557.12	22,574.35	(230.29)	22,344.06
Total assets	23,802.00	(686.51)	23,115.49	30,146.00	(467.34)	29,678.66
Other equity	(21,512.81)	(1,330.33)	(22,843.14)	(16,233.01)	(884.91)	(17,117.92)
Total equity	(17,256.63)	(1,330.33)	(18,586.96)	(11,976.83)	(884.91)	(12,861.74)
Non Current Liabilities						
Total non current liabilities	5,035.13	-	5,035.13	5,226.86	-	5,226.86
Current Liabilities						
Trade payables	16,703.50	(62.81)	16,640.69	17,722.04	1.57	17,723.61
Others financial liabilities	10,640.02	267.10	10,907.12	7,517.98	76.07	7,594.05
Provisions	11.30	339.93	351.23	48.92	339.93	388.85
Other current liabilities	950.58	99.60	1,050.18			
Total current liabilities	36,023.50	643.82	36,667.32	36,895.97	417.57	37,313.54
Total equity and liabilities	23,802.00	(686.51)	23,115.49	30,146.00	(467.34)	29,678.66

(e) Effect on affected statement of profit and loss line items for the year ended on 31st March, 2018

(₹ in lakhs)			
Particulars	As previously reported	Effect of correction of error	As Restated (refer foot note 1 below)
Revenue from operations	47,660.85	(350.64)	47,310.21
Other income	260.74	0.87	261.61
Total income	47,921.59	(349.77)	47,571.82
Employee benefits expense	1,825.60	(41.07)	1,784.53
Finance costs	2,123.59	140.88	2,264.47
Depreciation and amortisation expense	716.24	1.54	717.78
Other expenses	7,386.99	(5.70)	7,381.29
Total expenses	52,890.57	95.65	52,986.22
Loss before exceptional item and tax	(4,968.98)	(445.42)	(5,414.40)
Loss before tax	(5,260.80)	(445.42)	(5,706.22)
Loss for the year	(5,260.80)	(445.42)	(5,706.22)
Total comprehensive loss for the year	(5,279.80)	(445.42)	(5,725.22)

Note:

1. Effect of regrouping / reclassification is not included above.
 2. Basic and diluted earning per share for the FY 2017-18 has also been restated. The amount of correction for both basic and diluted earning per share was a decrease of ₹ 4.63 per share.
 3. The correction in error had no impact on previously reported cash flows from operating, investing and financing activities.
43. The manufacturing operations of the plant were adversely affected during the year ended 31st March, 2019 due to constrained working capital funds position of the Company. During the current year, the business operations mainly comprised of manufacturing on the jobwork basis as against own manufacturing and sale of manufactured goods.
44. The Company has incurred a net loss of ₹ 9,741.34 Lakhs during the year ended 31st March, 2019, and the accumulated losses aggregating ₹ 33,390.70 Lakhs have resulted in erosion of its net worth in entirety. Further, as of 31st March, 2019, the Company's current liabilities exceed its current assets by ₹ 30,404.90 Lakhs. The financial statements of the Company have been prepared on a going concern basis in view of the management's efforts of recovery and the revival of the operations of the Company. The appropriateness of the said basis is inter-alia further dependent upon the acceptance of the company's OTS proposal pending with the bankers, Company's ability to raise requisite long term finance and/ or generate sufficient cash flows in future to meet its commitment of future revival plans and for continuing operations as well as on financial support by the holding/ ultimate holding company. The matter is disclosed under basis of disclaimer of opinion in the independent auditor's audit report.
45. (a) The aggregate amount outstanding to all member banks as per the books of accounts of the company (including accrued interest) is ₹ 14,762.93 Lakhs. The Company has defaulted in repayment of dues including interest to all of its consortium member banks, who have issued notices under section 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESIA). These bankers have classified the accounts as NPAs and recalled entire facilities granted to the company including interest/ penal interest, etc. As disclosed at note 18, virtually the entire properties/assets of the companies and the promoters holding are charged /pledged to the bankers for the due repayment of the bankers dues. Non-compliance of the notice may entitle bankers to take possession of the secured assets, etc. The Company has responded to the notices under SARFAESIA and has submitted OTS proposal of the entire outstanding liabilities of all the banks and has requested them to keep such notice in abeyance and not to take any further action in the matter. SBI, the lead bank, on 31st December, 2018 has issued a letter to the company to deposit 5% Initial deposit of OTS offer in No Lien Account of SBI SAM Branch Ahmedabad, so that all lenders bank can send their proposal to competent authority for the consideration of OTS proposal. Subsequent to the balance sheet date, the initial deposit has been deposited with SBI by Spica Business Corp., Panama (the ultimate holding company).
- (b) CDR package dated 27th June, 2012 stipulates that the lenders have right to reverse waivers amounting to ₹ 1,273 Lakhs in the event of non-compliance of the terms of CDR package. SBI, one of the lenders, has demanded (vide SARFAESIA notice) repayment of CDR sacrifice of ₹ 630 Lakhs (included in ₹ 1,273 Lakhs) and additional interest thereon of ₹ 548 Lakhs. As the company is negotiating the OTS proposal, the Company has not provided for these liabilities in the books of account but disclosed the same as contingent liabilities by way of note.
- (c) The Company has appointed a financial advisor for devising a suitable debt resolution plan for the Company, which will enable the Company to come out of the present stressed liquidity situation.
- (d) Due to defaults in repayment of dues to the bankers, restrictions are placed on the operations in current accounts such that specific approval by State Bank of India (Consortium leader) is required for each individual payment to be made from the current accounts.
- (e) Except in case of Canara Bank, the company has not provided for the penal interest on outstanding due of the bankers, the amount of which is not ascertained.
- The above matters are disclosed under basis of disclaimer of opinion in the independent auditor's audit report.
46. The trade receivables of ₹ 6720.96 lakhs include trade receivables of ₹ 6,372.39 lakhs, which have significant increase in credit risk, in respect of which the Company has not made any assessment for expected credit loss, in accordance with the requirements of 'Ind AS 109: Financial instruments', as the management considers such balances as good and recoverable in future. The matter is disclosed under basis of disclaimer of opinion in the independent auditor's audit report.

47. The Company has not ascertained and capitalized the borrowing costs in accordance with the requirements of 'Ind AS 23: Borrowing Costs' with respect to ERP (Oracle) System shown under capital work in progress. The matter is disclosed under basis of disclaimer of opinion in the independent auditor's audit report.
48. In accordance with 'Ind AS 8: Accounting Policies, Changes In Accounting Estimates And Errors', prior period errors / omissions aggregating ` 1,330.33 lakhs (net) are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position. Details are given at note 42. The matter is disclosed under basis of disclaimer of opinion in the independent auditor's audit report.
49. The trade receivables include balances aggregating ` 8,326.67 lakhs in foreign currency, which are pending for settlement and have resulted in delays in receipt beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 under the Foreign Management Act, 1999. Further, there are balances payable to the same parties and aggregating ` 5,193.35 lakhs. The Company has filed necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the possible penalties etc. which may be levied for such irregularities are likely to be condoned by the regulatory authorities. The matter is emphasized in the independent auditor's audit report.
50. The trade payables include balances aggregating ` 14,695.93 lakhs in foreign currency which are pending for settlement and have resulted in delays in payment beyond the timeline stipulated by the FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The Company has filed necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the possible penalties etc. which may be levied for such irregularities are likely to be condoned by the regulatory authorities. The matter is emphasized in the independent auditor's audit report.
51. The company has recognised probable estimated liability (net of input tax credit receivable) of ` 967.41 lakhs towards import duty on materials imported under advance licence benefit scheme against which export obligation have not been fulfilled before the period stipulated under the Licence, which is shown as exceptional items. This has been emphasized in the independent auditor's audit report.
52. The Company has paid / provided for excess remuneration to the managing director during FY: 2016-17, 2017-18 and 2018-19 without obtaining the approvals in accordance with Section 197 of the Act. The detail is given below.

Financial Year	Managerial Remuneration Paid / Provided in the books (` in Lakhs)	As per limit prescribed u/s 197 of the Act (` in Lakhs)	Excess Remuneration (` in Lakhs)	Remarks
2016-17	127.16	84.00	43.16	Reversed in accordance with Ind AS 8 retrospectively
2017-18	151.59	60.00	91.59	Reversed in accordance with Ind AS 8 retrospectively
2018-19	102.86	60.00	42.86	Reversed to Statement of Profit & Loss
TOTAL			177.61	

The excess remuneration reversed is shown as recoverable from the Managing Director. The matter is disclosed under report on other legal and regulatory requirements section of independent auditor's audit report.

53. Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.
54. Confirmation letters have not been obtained from all the parties in respect of Trade Payable. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.
55. Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses for the period of three months (1st April, 2017 to 30th June, 2017). Post implementation of Goods and Service Tax (GST) effective 1st July, 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.
56. Previous period / year figures have been re-grouped/re-classified wherever necessary.
57. Authorisation of financial statements

The financial statements for the year ended 31st March, 2019 were approved by the Board of Directors on 19th July, 2019.

Signature to Notes 1 to 57

This is the statement of changes in equity referred to in our audit report of even date.

For Kedia & Kedia Associates
Chartered Accountants
Firm Registration No. 104954W

Pramod Kedia
Partner
Membership No. 042309

Place : Mumbai
Date : 19th July, 2019

For and on behalf of the Board of Directors

Amish H. Mehta
Director
DIN: 07068022

Mitesh H. Shah
Managing Director
DIN: 07013137

Hament K. Nandawat
Chief Financial Officer

Achal S. Thakkar
Company Secretary

Place : Mumbai
Date : 19th July, 2019

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

FORM NO. MGT-11 PROXY FORM

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

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 :

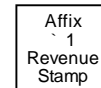
as my/our proxy to attend and vote (on a poll) for me / us on my / our behalf at the Extraordinary General Meeting of the Company to be held on 26th August, 2019, 10:30 A.M. at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat and at any adjournment thereof in respect of resolutions are indicated below:

Reso. No.	Description	Optional	
		For	Against
	ORDINARY BUSINESS:		
1	To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in the place of Shri Amish H. Mehta (DIN: 07068022), who retires by rotation and being eligible, offers himself for re-appointment.		
	SPECIAL BUSINESS:		
3	To consider and approve fixation of remuneration of Cost Auditors of the Company for year ending 31 st March, 2020.		
4.	To consider and approve waiver of recovery of excess managerial remuneration to Shri Mitesh H. Shah, Managing Director.		
5.	To consider and approve variation / modification in terms of appointment and remuneration of Shri Mitesh H. Shah, Managing Director.		
6.	To consider reappointment of Smt. Ameeta Trehan as an Independent Director.		

Signed this on ___ day of _____, 2019

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.
Tel No 02642-277 479 / 480 / 481, Fax : 277 307 E-mail : sgl@steelcogujarat.com Website : www.steelcogujarat.com
CIN: L27110GJ1989PLC011748

ATTENDANCE SLIP

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

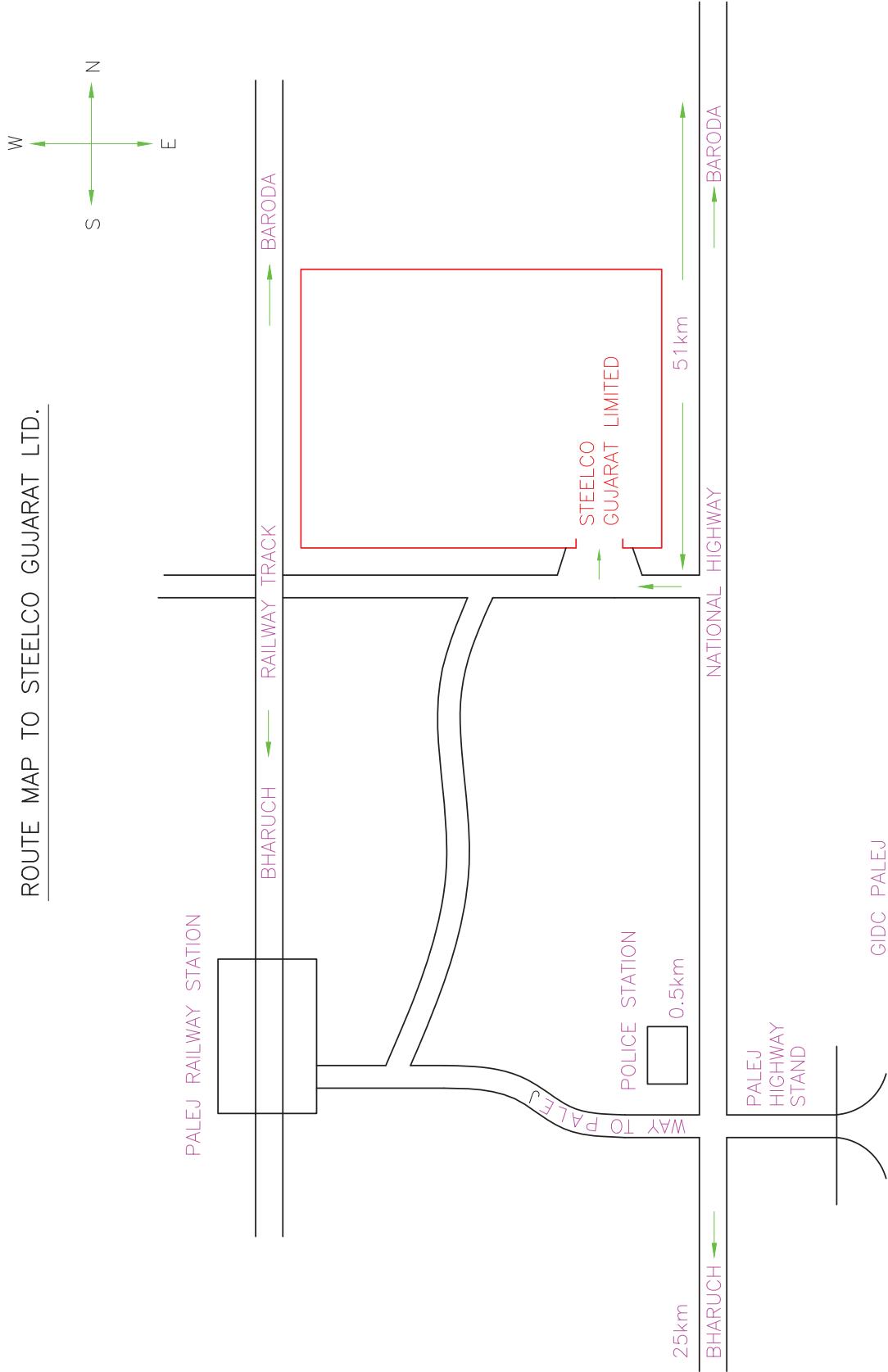
I/we, hereby record my / our presence at the 29th Annual General Meeting of Members of the Company being held at its registered office at Plot No.2, GIDC Estate, Palej – 392220, Dist. Bharuch, Gujarat, on Monday, 26th August, 2019 at 10:30 A.M.

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 the entrance of the meeting hall.

ROUTE MAP TO STEELCO GUJARAT LTD.





We do Great Things together



STEELCO GUJARAT LIMITED

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