



# Steel Exchange India Limited

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

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

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

Vadlapudi (Post), Visakhapatnam-530049, Andhra Pradesh

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




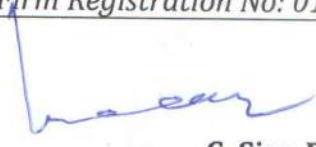
www.seil.co.in

CIN No. : L74100AP1999PLC031191

E-mail : info@seil.co.in

## FORM A

(Pursuant to Clause 31 of the Listing Agreement)

|    |  |  |
|----|--|--|
| 1. | Name of the Company:                           | <b>Steel Exchange India Limited</b>  |
| 2. | Annual financial statements for the year ended | <b>31st March 2015</b>   |
| 3. | Type of Audit observation                      | <b>Un-qualified Audit Report</b>   |
| 4. | Frequency of observation                       | <b>Not Applicable</b>  |
| 5. | Signed by                                      |  |
|    | Managing Director                              | <br><b>B. Satish Kumar</b>   |
|    | CFO  | <br><b>V.S. Rakesh</b>  |
|    | Auditor of the company                         | <br><b>CA. P.A. Ramaiah</b><br>(M.No. F - 203300)<br><b>Pavuluri &amp; Co</b><br>Chartered Accountants<br>Firm Registration No: 012194S |
|    | Audit Committee Chairman                       | <br><b>C. Siva Prasad</b>  |

Date: 28.08.2015

## WORKS

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

# **STEEL EXCHANGE INDIA LIMITED**



**SIXTEENTH ANNUAL REPORT  
2014 - 2015**

## **BOARD OF DIRECTORS**

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

### **CHIEF FINANCIAL OFFICER**

V.S. RAKESH

### **COMPANY SECRETARY**

B. NARAHARI

### **STATUTORY AUDITORS**

M/s PAVULURI & Co.,  
Chartered Accountants,  
# 105, I Floor, I Block, Divya Shakthi Complex,  
Ameerpet, Hyderabad - 500 016

### **COST AUDITORS**

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

### **BANKERS**

#### **Working Capital Lenders**

State Bank of India, Mid Corporate Commercial Branch, Visakhapatnam.  
State Bank of Bikaner & Jaipur, Main Branch, Visakhapatnam  
State Bank of Hyderabad, VSP Steel Township Branch, Visakhapatnam.  
Bank of India, Mid Corporate Banking Branch, Visakhapatnam.  
Syndicate Bank, Mid Corporate Branch, Dabagardens, Visakhapatnam.  
Punjab National Bank, Large Corporate Branch, Banjara Hills, Hyderabad  
The Karur Vysya Bank Limited, Main Branch, Dabagardens, Visakhapatnam.  
The Lakshmi Vilas Bank Ltd, Gajuwaka Branch, Visakhapatnam.  
IDBI Bank Limited, Specialised Corporate Branch, Visakhapatnam.  
Dhanlaxmi Bank Limited, Main Branch, VIP Road, CBM Compound, Visakhapatnam.

**Corporate Loan and Term Loan Lenders:**

State Bank of India, Mid Corporate Commercial Branch, Visakhapatnam.  
State Bank of Bikaner & Jaipur, Main Branch, Visakhapatnam  
State Bank of Bikaner & Jaipur, Somajiguda Branch, Punjagutta, Hyderabad  
State Bank of Hyderabad, VSP Steel Plant Branch, Visakhapatnam  
State Bank of Mysore, Industrial Finance Branch, Hyderabad.  
State Bank of Patiala, Main Branch, Mahalakshmi Complex, Visakhapatnam  
State Bank of Travancore, Main Branch, Dondaparthi, Visakhapatnam  
Punjab National Bank, Large Corporate Branch, Banjara Hills, Hyderabad  
The Karur Vysya Bank Limited, Main Branch, Dabagardens, Visakhapatnam  
The Lakshmi Vilas Bank, Gajuwaka Branch, Visakhapatnam.

**REGISTRARS & SHARE TRANSFER AGENTS**

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

**REGISTERED OFFICE**

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

**CORPORATE OFFICE:**

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

**WORKS**

**Power Plant & Steel Ingot Division:**

Opp: Mandapalli New Bridge, Kothapeta (V & M) - 533 223 East Godavari (Dt).

**Rolling Division:**

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

**Wire Drawing Division (HC Wire Products):**

Plot No.17 & 18, E-Block, IDA, Auto Nagar, Visakhapatnam - 530 012.

**Bobbili Wire Drawing Division (Galvanised Wire Products):**

S. No. 295 to 300, APIIC Growth Centre, Bobbili- 535 558.

**Wire Drawing Division :**

S. No. 88/50 to 88/101, R.G. Peta , L.Kota Mandal, Vizianagaram District - 533 301.

**INTEGRATED STEEL PLANT**

**Sponge Iron Division, Rolling Division, SMS Billet Unit and Simhadri Power Division:**

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

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## SIXTEENTH ANNUAL GENERAL MEETING

Date : 30<sup>th</sup> September, 2015  
Day : Wednesday  
Time : 11.45 A.M.  
Place : The Plaza, # 6-3-870, Tourism Plaza,  
Greenlands, Begumpet,  
Hyderabad - 500 016  
Phone: 040 - 4949 5959



## NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of STEEL EXCHANGE INDIA LIMITED will be held on **Wednesday, the September 30th, 2015 at 11 : 45 AM at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 500 016** to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the audited Balance Sheet as at 31st March, 2015, Statement of Profit and Loss, Cash Flow Statement together with related notes for the year ended 31st March, 2015, the Auditor's Report thereon and the Directors Report thereon be and are hereby received, considered, approved and adopted."

2. To appoint a director in the place of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED That** Mr. Bavineni Suresh (DIN 00181832) be and is hereby re-appointed as a director liable to retire by rotation.

3. To appoint a director in the place of Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution.

"**RESOLVED THAT** Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884) be and is hereby re-appointed as a director liable to retire by rotation.

4. Appointment of Auditors

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

"**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder and pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed in the Annual General Meeting of the Company held on December 31, 2014, the appointment of M/s. Pavuluri & Co, Chartered Accountants (Firm Registration No. 012194S), Hyderabad as Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held for the year 2016 be and is hereby ratified and confirmed AND THAT the Board of Directors of the Company, based on the recommendations of the Audit Committee, be and is hereby authorised to fix the remuneration payable to the Statutory Auditors in addition to reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of the accounts of the Company for the financial year ending March 31, 2016".

### Special Business:

5. **Appointment of Mr. Bandi Ramesh Kumar (DIN 00206293), as Director and Joint Managing Director of the Company.**

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

"**RESOLVED THAT** Mr. Bandi Ramesh Kumar (DIN 00206293), who was appointed as an Additional Director with effect from February 9, 2015 (designated as Joint Managing Director) on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

"**FURTHER RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Sections 196, 197, 198, 203 and the rules made there under read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals as may be necessary, the approval of the members of the Company be and is hereby accorded to the appointment of Mr. Bandi Ramesh Kumar (DIN 00206293), as Joint Managing Director of the Company, for a period of three years with effect



from 9th February, 2015 to 8th February 2018, on the terms and conditions including remuneration and perquisites etc., as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Bandi Ramesh Kumar.

**"FURTHER RESOLVED THAT** the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, be and are hereby authorised to revise the remuneration payable (including the perquisites) by way of annual increments or otherwise to Mr. Bandi Ramesh Kumar, Joint Managing Director as they deem fit from time to time, as per rules of the Company."

**"FURTHER RESOLVED THAT** where during the currency of the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Joint Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits as specified and set out in the Schedule V of the Companies Act, 2013 as Minimum Remuneration."

**FURTHER RESOLVED THAT** the remuneration payable to Mr. Bandi Ramesh Kumar, Joint Managing Director shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**"FURTHER RESOLVED THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

6. **Appointment of Ms. Sujata Chattopadhyay (DIN 02336683) as an Independent Director**

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

**"RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Sujata Chattopadhyay (DIN 02336683), who was appointed as an Additional Director and independent Director with effect from 27th March 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company with effect 30th September 2015 to 29th September 2020."

**FURTHER RESOLVED THAT** Mr. B. Satish Kumar, Chairman & Managing Director, Mr. B. Suresh Kumar, Joint Managing Director of the Company be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

7. **To ratify the remuneration payable to M/s. DZR & Co., the Cost Auditors of the Company for the FY 2015-16.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014, the Company be and hereby ratify and confirm the payment of remuneration of Rs. 4,50,000/- (plus applicable service tax and out of pocket expenses that may be incurred) to M/s. DZR & Co., Cost Accountants, Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of cost records of the company for the financial year ending March 31, 2016."

**FURTHER RESOLVED THAT** Mr. B. Satish Kumar, Chairman & Managing Director, Mr. B. Suresh Kumar, Joint Managing Director of the Company be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

By order of the Board  
For **STEEL EXCHANGE INDIA LIMITED**

Place: Hyderabad  
Date: 28.08.2015

**B.Narahari**  
Company Secretary  
M.No. A16987



**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to the Special Business under Item Nos. 5 to 7 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment/appointment of Directors under Item No. 2, 3, 5 and 6 of the Notice, are given below as **Annexure I**.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 23rd day of September, 2015 to Wednesday, the 30th day of September, 2015 (both days inclusive).
5. Members/Proxies are requested to bring their copies of Annual Report to the meeting. As an austerity measure, copies of Annual Report will not be distributed at the meeting.
6. Members desirous of seeking any information on the accounts or operations of the Company are requested to write to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
7. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of AGM venue. Members who hold shares in dematerialized form are requested to bring their depository account Number (Client Id and DP Id No) for easier identification and recording of the attendance at the meeting
8. Members holding shares in physical form can avail of the nomination facility by filing prescribed form under section 72 of the Companies Act, 2013 with the Company or its Registrar & Share Transfer Agents and in case of shares held in demat form, the nomination has to be lodged with their respective Depository Participants (DPs).
9. Members holding shares in physical form are requested to advise any change of address immediately to the Company's R T A, M/s Venture Capital and Corporate Investments Pvt Limited. Members holding shares in electronic form must send the advice about the change of address to their respective Depository Participants (DPs) and not to the Company. Non-resident Indian shareholders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.
10. In order to service the Members effectively, members are requested to consolidate their holdings if the shares are held in the same name or in the same order of names but in several folios.
11. The equity shares of the Company have been notified for compulsory trading in demat form and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited and the Members are requested to avail this facility and get their shareholding converted into dematerialized form.
12. All Documents referred to in the accompanying notice and the Explanatory Statement is open for inspection at the registered office of the company on all working days between 10.00 A.M. and 12.00 Noon up to the date of the Annual General Meeting. The Register of Directors share holding shall be open for inspection during the period beginning 14 days before the Annual General Meeting and ending 3 days after its conclusion.





13. Pursuant to the provisions of Section 124 of the Companies Act, 2013 (corresponding Section 205A of the Companies Act, 1956), the amount of dividend/deposits/interest on deposits which remains unclaimed for a period of seven years from the date of declaration/due, would be transferred to Investor Education and Protection Fund. The members are therefore requested to check up and send their claims to the Company, if any for the years 2007-08 and 2008-09 before the respective amounts become due for transfer to the Fund (IEPF).

14. The Ministry of Corporate Affairs (MCA) has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies. Your Company has decided to join the MCA in its environment friendly initiative.

Henceforth, the Company proposes to send documents such as notice of General Meetings, Annual Report and other Communication to the members via electronic mode to their registered e-mail addresses. To support this green initiative of the Government in full measure, Members are requested to register/update their e-mail addresses with their Depository Participants (D.P) in respect of the dematerialized holdings and the Members who hold shares in physical form are requested to send the details via e-mail at [cs@seil.co.in](mailto:cs@seil.co.in) or [info@vccilindia.com](mailto:info@vccilindia.com) by quoting their registered folio numbers.

15. Members holding shares in the company and who have not registered their mail id with the company or the depository and wish to avail e voting may write to the registrar or the company quoting their client id/folio no and DP id so as to send the password for e voting and hard copy of the ballot paper will be provided at the venue of the AGM for those members who have not exercised their e-voting.

**16. E-Voting**

Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the listing agreement, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, in respect of all resolutions set forth in this Notice.

The Company is also providing the facility for voting by way of physical ballot at the Annual General Meeting. The Company has appointed M/s B S S & Associates, Company Secretaries, as the to scrutinize the e-voting process as well as the Ballot process at the Annual General Meeting in a fair and transparent manner.

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter the login credentials (i.e., user-id & password) mentioned in the e-mail / covering letter.

**A. In case of Members receiving Notice through mail**

Your folio/DP Client ID will be your User-ID as mentioned below

|           |   |
|-----------|---|
| User - ID | a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID<br>b) For CDSL :- 16 digits beneficiary ID                            |
| Password  | Your Unique password is sent via email forwarded through the electronic notice  |
| Captcha   | Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |

**B. In case of members receiving notice through post/courier:**

The shareholders whose email id is not registered with the company i.e. received notice through post/courier and who intend to exercise their vote through E-voting, may write to the Company Secretary, Steel Exchange India Limited, 303, My Home Laxmi Nivas, Green Lands, Ameerpet, Hyderabad, Phone-040-23403725 and E-Mail [cs@seil.co.in](mailto:cs@seil.co.in), so as to send the user id and password for e voting.



- iii) Please contact their toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online from 27th September 2015 @ 9.00 AM to 29th September 2015 @ 5.00 PM. During this period, shareholders of the company holding shares either in dematerialized or physical form as on the cut-off date viz., 23rd September, 2015, may cast their vote electronically.
- v) After entering these details appropriately, click on "LOGIN".
- vi) In case of first login, Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., '**Steel Exchange India Limited**'.
- ix) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [srikanthpcs99@gmail.com](mailto:srikanthpcs99@gmail.com) with copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image of the Board resolution should be in the naming format "Corporate Name\_ Event no."
- xiv) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of [http:// evoting.karvy.com](http://evoting.karvy.com) or contact Karvy Computershare Pvt Ltd at Tel No. 1800 345 4001 (toll free).
- xv) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xvi) The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website [www.seil.co.in](http://www.seil.co.in) and on the website of Karvy.
- xvii) The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote through e-voting, may vote at the AGM through physical ballot for all the business specified in the accompanying Notice. The Members who have exercised their right to vote by e-voting may attend the AGM but shall not vote at the AGM. If a member casts vote by both modes, then voting done through e-voting shall prevail and the Ballot form shall be treated as invalid.
- xviii) The share holders whose email id is not registered with the company and who intend to exercise their vote, may write to the company at [cs@seil.co](mailto:cs@seil.co), in so as to send the user id and password for e voting.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")****Item No 5**

Pursuant to the recommendation Nomination and Compensation Committee the Board of Directors of the Company in their meeting held on February 09, 2015 approved appointment of Mr. Bandi Ramesh Kumar (DIN 00206293) as Additional Director on the Board of the Company with effect from 09th February, 2015 (designated as Joint Managing Director) in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013 and that Mr Bandi Ramesh Kumar (DIN 00206293) shall hold office up to the date of the Annual General Meeting and shall be eligible for election subject to the approval of the shareholders at this Annual General meeting.

In view of the increase in the complexity of the business consequent to the Amalgamation of Simhadri Power Limited with the Company, the Board of Directors appointed Mr. B. Ramesh Kumar as Joint Managing Director for a period of three years with effect from 09th February 2015 on the terms and conditions set out below and at a remuneration as recommended by Nomination and Compensation Committee, keeping in view of his vast expertise in the field of Steel and software business which will immensely benefit the progress of the Company

The details of remuneration and perquisites etc., payable are as under w.e.f 01.02.2015:

1. Salary : Rs. 5, 00,000/- Per Month

2. Commission : Nil

3. Perquisites/ Allowances :

i) Medical Reimbursement:

Reimbursement of expenses incurred in India and/or abroad for Medical treatment of self and his family, subject to a ceiling one month's salary in a year or three month's salary over a period of three years.

ii) Leave Travel Concession:

Reimbursement of actual travelling expenses for self and his family, once in a year for proceeding on leave in accordance with the rules of the Company.

Explanation:

For (i) and (ii) Family means the spouse, dependent children and the dependent parents.

iii) Motor Car and Telephone:

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Private use of car and personal long distance calls on telephone shall be billed by the Company.

iv) Other Perquisites:

Subject to the overall ceiling on remuneration, the Joint Managing Director may be given any other allowances, benefits and perquisites as the Board of Directors from time to time, decide, whose value together with the perquisites mentioned above, shall not be exceed 10% of the salary per month."

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

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

Except Mr. B. Ramesh Kumar himself, Mr. B. Satish Kumar and Mr. B. Suresh Kumar and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 5.

Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration. The disclosure under Clause 49 of the Listing Agreement is provided at Annexure - I of this Notice.



**Item No.6**

Ms. Sujata Chattopadhyay (DIN 02336683) has been appointed as additional Director and independent Director of the Company with effect from 27th March, 2015 by the Board of Directors vide circular resolution dated 27.03.2015.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, she holds office upto the date of ensuing Annual General Meeting of the Company. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from member proposing the candidature of Ms. Sujata Chattopadhyay for the office of Director.

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Ms. Sujata Chattopadhyay as Independent Directors of the Company for 5 (five) consecutive years w.e.f. 30.09.2015

The Board of Directors believe that the association of the aforementioned Independent Director with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Ms. Sujata Chattopadhyay as Independent Director as set out in Item Nos. 6 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Director fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement and such Independent Director are independent of the management.

Further, the aforesaid Independent Director have given a declaration to the Board of Directors to the effect that she meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item No. 6 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

In compliance of Clause 49 of the Listing Agreement, the particulars of Ms. Sujata Chattopadhyay seeking appointment as independent director are provided at Annexure - I.

**Item No.7**

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

On the recommendation of the Audit Committee, the Board has, considered and approved the appointment of M/s. DZR & Co., Cost Accountants as the cost auditor for the financial year 2015-16 at a remuneration of Rs. 4,50,000/- per annum plus applicable service tax and reimbursement of out of pocket expenses.

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

Certificate dated 07.05.2015 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 10.00 A.M to 12.00 Noon and shall also available at the meeting. The Board recommends this resolution for approval of the Members, None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

By order of the Board  
For **STEEL EXCHANGE INDIA LIMITED**

Place: Hyderabad  
Date: 28.08.2015

**B.Narahari**  
Company Secretary  
M.No. A16987

**Annexure I**

Details of the Directors seeking Re-Appointment/appointment in the ensuing Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

|   |   |   |   |   |
|---|---|---|---|---|
| Name of the Director  | Bavineni Suresh   | Veeramachaneni Venkata Krishna Rao  | B.Ramesh Kumar  | Sujata Chattopadhyay  |
| Date of Birth   | 30.08.1968  | 10.06.1948  | 05.06.1962  | 27.08.1964  |
| Date of appointment   | 28.02.2000  | 24.01.2000  | 09.02.2015  | 27.03.2015  |
| Relationship with Directors   | None  | None  | Brother   | None  |
| Expertise in Specific Functional Area   | Rich Experience of more than 15 years in Finance and Steel Industries   | More than 35 years of Experience in Marketing and Steel industry.   | Rich Experience of more than 25 years in Steel and software Industries. | More than 20 years of Experience in Costing, Corporate Laws and Taxation.   |
| Qualification   | B. Tech. M.B.A  | M.A   | B.E   | B.Com ACS and FCMA  |
| Board Memberships as on March 31, 2015  | 1. Vizag Profiles Pvt Ltd<br>2. VPL Projects Pvt Ltd<br>3. Umashiv Garments Pvt Ltd<br>4. Simhadri Wires Pvt Ltd<br>5. Vizag Profile Constructions India Pvt Ltd<br>6. Satyatej Vyapaar Pvt Ltd | 1. Vizag Profiles Pvt Ltd<br>2. VPL Projects Pvt Ltd<br>3. Vizag Profile Constructions India Pvt Ltd<br>4. VPL Integral CFS PVT LTD | 1. Simhadri Pellets India Limited                                       | 1. Arysta LifeScience India Limited<br>2. Polygenta Technologies Limited<br>3. Vakrangee Limited  |
| Chairman/Member of the committee of the Board of Directors as on March 31, 2015 | Nil   | Nil   | Nil   | 1. Polygenta Technologies Limited Audit Committee- Chairperson & Nomination and Remuneration Committee - Member<br>2. Arysta LifeScience India Limited Audit Committee- Member & Nomination and Remuneration Committee - Member |
| Number of Shares held in the Company as on March 31,2015                        | 1135850   | 643736  | 409122  | Nil   |



**DIRECTORS' REPORT**

**To the Members,**

Your Directors have pleasure in presenting the 16th Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2015.

**FINANCIAL RESULTS:**

The performance for the Financial Year ended March 31, 2015 is as under:

The financial summary

| PARTICULARS  | (₹ in Lakhs)     |                |
|--|------------------|----------------|
|  | 31-Mar-15        | 31-Mar-14      |
| Total Revenue  | <b>157763.26</b> | 126274.71      |
| Profit before finance cost, depreciation and tax expense | <b>18741.20</b>  | 13454.65       |
| Finance cost   | <b>12762.91</b>  | 8043.98        |
| Profit before depreciation and tax expense               | <b>5978.29</b>   | 5410.68        |
| Depreciation   | <b>2501.81</b>   | 1500.98        |
| Profit before tax expense                                | <b>3476.48</b>   | 3909.69        |
| Tax expense  | <b>630.82</b>    | 327.49         |
| <b>Net Profit for the year</b>                           | <b>2845.66</b>   | <b>3582.21</b> |

**State of the Company's Affairs :**

During the year under review, the total revenue of the company was Rs. 1577.63 crores as against previous figure Rs. 1262.75 crores which is 24.94 % more than the last year, and Profit before depreciation and taxes recorded at Rs. 59.78 crores as against previous figure Rs. 54.11 crores.

The manufacturing sales were Rs.755.99 Crores in the current year and Rs.714.97 Crores in the previous year. The trading sales during the year amounted to Rs. 816.83 Crores compared to Rs. 601.93 Crores in the previous year.

The increase in revenue is attributed to the increase in trading activity undertaken by the company and the amalgamation of Simhadri Power Limited with the company. With the merger, the sales of Simhadri Power Limited are also reflected in the turnover.

**Performance and financial position of each of the subsidiaries, associates and joint venture :**

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is prepared and same is enclosed as **Annexure -1** to this Report.

**Number of Meetings of the Board of Directors ;**

During the year ended March 31, 2015, Six Board Meetings were held.

The dates on which the Board meetings were held are May 29, 2014, July 22, 2014, August 12, 2014, November 14, 2014, December 03, 2014 and February 9, 2015.

**Directors Responsibility Statement as required under Section 134 of the Companies Act, 2013**

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

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2015 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the company and that such internal



- financial controls are adequate and were operating effectively; and
- vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

**Particulars of Loans, Guarantees or Investments under Section 186**

The details of Loans, Guarantees, Investments given during the Financial Year ended on March 31, 2015 are NIL and the same is given in the prescribed format in **Annexure - 2** in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

**Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188**

There were no materially significant related party transactions entered by the company during the year with the promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the company and the related party transactions that were entered during the financial year, if any, were in ordinary course of business of the company.

The policy on related party transactions as approved by the board of directors is hosted on the website of the company. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as **Annexure - 3** to this Report.

**Transfer of Amount to Reserves**

The Company doesn't propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2015.

**Dividend**

To conserve the resources for funding the expansion plans, the Board of Directors do not recommend any Dividend for the financial year ended March 31, 2015.

**Share Capital**

During the period under review the Authorised capital of the Company increased from 233,00,00,000 to Rs. 332,00,00,000 consequent to the amalgamation of Simhadri Power Limited with the Company and there is no change in the paid up capital of the Company.

As on 31st March, 2015, the allotment of equity shares to the shareholders of GSAL and Simhadri Power Limited, Rs. 24,03,48,115 continues to be pending awaiting the clearances from statutory bodies and has been shown under Equity Share Capital suspense account in the financial statements. However 59,82,720 Equity Shares were allotted to the Share Holders of GSAL (India) Limited on 9th May, 2015.

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

**Extracts of Annual Return**

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure - 4** to this Report.

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

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as **Annexure - 5** to this Report.

**Risk Management Committee**

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

**Corporate Social Responsibility Committee**

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stakeholders and Society.

The Company has been pursuing CSR activities long before they were made mandatory under the companies act 2013. A Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social



Responsibility Policy) Rules, 2014 is appended to this annual report as **Annexure - 6** and link to the CSR policy is available at the website <http://seil.co.in>.

**Directors**

The following persons were appointed as Additional Director of the Company during the year under report:

| <b>S.No</b> | <b>Name of the Director</b> | <b>Date of Appointment</b> |
|-------------|-----------------------------|----------------------------|
| 1           | Mr. B. Ramesh Kumar         | 09.02.2015                 |
| 2           | Ms. Sujata Chattopadhyay    | 27.03.2015                 |

**Proposed Appointments:**

The following appointments to the Board are proposed:

Approval of the shareholders is being sought for the appointment of Mr. Bavineni Suresh as Director of the Company, who retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment in accordance with the provisions of the Companies Act and pursuant to Articles of Association of the Company. Your Board recommends his re- appointment.

Approval of the shareholders is being sought for the appointment of Mr. Veeramachaneni Venkata Krishna Rao as Director of the Company, who retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment in accordance with the provisions of the Companies Act and pursuant to Articles of Association of the Company. Your Board recommends his re- appointment.

Mr. B. Ramesh Kumar was inducted as Additional Director (designated as Joint Managing Director) on the Board. As per the provisions of Section 161 of the Companies Act, 2013, he holds office only up to the date of the Annual General Meeting of the Company. Approval of the Shareholders is being sought for his appointment as Director and Joint Managing Director in the ensuing Annual General Meeting. Being eligible, the Board recommends his appointment.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, Ms. Sujata Chattopadhyay was appointed as Additional and Independent Directors of your Company up to 5 (five) consecutive years up to on 29.09.2020.

Appropriate resolutions for the appointment/ re-appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their appointment/reappointment as Directors of your Company.

**Mechanism for Evaluation of Board**

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In addition to greater board accountability, evaluation of board members helps in ;

- a. More effective board process
- b. Better collobaration and communication
- c. Greater clarity with regard to members roles and responsibilities
- d. Improved chairman - managing directors and board relations

The evaluation process covers the following aspects

- Self evaluation of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of the committees
- Feedback from the non executive directors to the chairman
- Feedback on management support to the board.

**A) Criteria for evaluation of Board of Directors as a whole**

These include broadly like the frequency of meetings; the length of meetings, the administration of meeting, the number of committees and their roles; the flow of information to board members and between board members; The quality and quantity of information; and the Disclosure of Information to the stakeholders.

**B) Criteria for evaluation of the Individual Directors**

These include broadly like ability to contribute and monitor corporate governance practices, ability to contribute by introducing best practices to address top management issues, participation in long term strategic planning, Commitment to the fulfillment of director obligations and fiduciary responsibilities, Guiding strategy, Monitoring management





performance and development, Statutory compliance & Corporate governance, Attendance and contribution at Board /Committee meetings; Time spent by each of the member; and Core competencies.

**C) Familiarisation Programme for Independent Directors**

On appointment of the Independent Directors, they will be asked to get familiarised about the Company's operations and businesses. An Interaction with the key executives of the Company is also facilitated to make them more familiar with the operations carried by the company. Detailed presentations on the business of the company are also made to the Directors. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarize him/her about the Company/its businesses and the group practices as the case may be.

**Details of Directors or Key Managerial Personnel Who Were Appointed or have resigned during the Year**

The shareholders of the Company have re-appointed Mr. Siva Prasad Chivukula, Mr. Kodali Krishna Rao, Mr. Venkatanarayana Reddy Godi and Mr. Ramineni Ramachandra Rao as Independent Directors for a period of 5 years and appointed with effect from 31st December 2014.

Mr. B. Ramesh Kumar has been appointed as Additional Director (designated as Joint Managing Director and Ms. Sujata Chattopadhyay has been appointed as additional Non Executive Independent Directors of the Company.

Mr. V.S.Rakesh has been designated as Chief Financial Officer of the Company with Effect from 14.11.2014 pursuant to provisions of Section 203 of the Companies Act, 2013.

**Deposits**

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

**Auditors and Auditors Report:**

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

In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the said appointment of M/s. Pavuluri & Co, Chartered Accountants (Firm Registration No. 012194S), Hyderabad, as statutory auditors of the Company is placed for ratification by the Shareholders.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s. Pavuluri & Co, Chartered Accountants, to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under.

The Board of Directors and the Committee thereof, recommend the appointment. Appropriate resolutions form part of the agenda at the ensuing Annual General Meeting.

The Statutory Auditor's Report does not contain any qualifications, reservation or adverse remarks. This report form part of the Annual Report.

**Cost Auditors:**

The Products classified as "Steel and Electricity" manufactured by the Company are subjected to Cost Audit in terms of Sec. 148 of the Companies Act. 2013 read with the rules issued there under by the Central Government on 30th June 2014. Accordingly M/s.DZR & Co., Cost Accountants have been reappointed as the Cost Auditors for the year ending 31st March 2016.

The Cost Audit Report for year ended 31st March 2014 was reviewed by the Audit Committee at its meeting held on 11.08.2014 and has been filed on 27.09.2014.

The Cost Audit Report for Financial year ended 31st March 2015 was under process and will be filed before the due date.

**Internal Auditors**

The Board of Directors of the Company has appointed M/s Bhavani & Co., Chartered Accountants to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2015.

**Corporate Governance**

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

**Management Discussion & Analysis**

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this report

**Whistle Blower Policy/Vigil Mechanism**

Pursuant to the provisions of section 177 of the companies act, 2013 and the rules framed there under and pursuant to the



applicable provision of clause 49 of the listing agreement entered with stock exchanges, the company has established a mechanism through which all stake holders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle blower policy which has been approved by the board of directors of the company has been hosted on the website of the company viz <http://seil.co.in>.

**Secretarial Auditor's Report**

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed BSS & Associates Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the company for the Financial year ended on March 31, 2015.

Secretarial Audit Report issued by Mr. S.Srikanth, Partner of M/s BSS & Associates Company Secretaries in form MR-3 is enclosed as **Annexure - 7** to this Annual Report.

There are no qualifications in Secretarial Audit Report.

**Particulars of Employees**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure -8** to this Report.

A statement containing the name of every employee employed throughout the financial year and in receipt of remuneration of Rs 60 lakh or more, or employed for part of the year and in receipt of Rs 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure -9** to this Report.

**Insurance**

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

**Material changes and commitments**

There are no Material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2015 to the date of signing of the Director's Report.

**Policy on Sexual Harassment**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2015, the Company has not received any Complaints pertaining to Sexual Harassment.

**Industrial Relations**

The company enjoyed cordial relations with its employees during the year under review and the Board appreciates the employees across the cadres for their dedicated service to the Company, and looks forward to their continued support and higher level of productivity for achieving the targets set for the future.

**Acknowledgement**

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

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 28, 2015

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



**FORM NO. AOC -1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of subsidiaries/associate companies/Joint ventures

**Part -A : Subsidiaries**

| S. No | Name of the Subsidiary | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turn-over | Profit/(Loss) before Taxation | Tax Expense/(Benefit) | Profit/(Loss) after Taxation | Proposed Dividend |
|-------|------------------------|---|---------------|--------------------|--------------|-------------------|-------------|-----------|-------------------------------|-----------------------|------------------------------|-------------------|
| NIL   |                        |   |               |                    |              |                   |             |           |                               |                       |                              |                   |

1. Names of subsidiaries which are yet to commence operations

| S. No | Name of the Company and Address |
|-------|---------------------------------|
| NIL   |                                 |

2. Names of subsidiaries which have been liquidated or sold during the year.

| S. No | Name of the Company and Address |
|-------|---------------------------------|
| NIL   |                                 |

**Part B- Associates and Joint Ventures**

| S. No | Name of Associates/ Joint Ventures | Latest audited Balance Sheet Date | Shares of Associate /Joint Ventures held by the company on the year end |   |                     | Description of how there is significant influence | Reason why the associate/ joint venture is not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit / Loss for the year |
|-------|------------------------------------|-----------------------------------|---|---|---------------------|---|---|---|----------------------------|
|       |                                    |                                   | No.   | Amount of Investment in Associates/ Joint Venture | Extend of Holding % |   |   |   |                            |
| NIL   |                                    |                                   |   |   |                     |   |   |   |                            |

1. Names of associates or joint ventures which are yet to commence operations

| S. No | Name of the Company and Address |
|-------|---------------------------------|
| NIL   |                                 |

2. Names of associates or joint ventures which have been liquidated or sold during the year.

| S. No | Name of the Company and Address |
|-------|---------------------------------|
| NIL   |                                 |

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 28, 2015

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

**Annexure - 2****Particulars of Loans, Guarantees or Investments under Section 186**

| Nature of transaction (whether loan/ guarantee/ security/ acquisition) | Date of making loan/acquisition / giving guarantee/ providing security | Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities) | Amount of loan/ security/ acquisition /guarantee | Time period for which it is made/ given | Date of passing Board resolution | For loans        |                  |
|--|--|--|--|---|----------------------------------|------------------|------------------|
|  |  |  |  |   |                                  | Rate of interest | Date of maturity |
| (1)  | (2)  | (3)  | (4)  | (5)                                     | (6)                              | (7)              | (8)              |
| NIL  |  |  |  |   |                                  |                  |                  |

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 28, 2015**B. SATISH KUMAR**  
Chairman & Managing Director  
(DIN: 00163676)**Annexure- 3****Disclosure of Particulars of Contracts/Arrangements entered into by the Company****Form No. AOC-2**

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

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

- There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arms length basis.
- Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arms length basis:

| Sl. No | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: | Justification for entering into contracts |
|--------|---|---|--|---|---|----------------------------------|---|
| NIL    |   |   |  |   |   |                                  |   |

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 28, 2015**B. SATISH KUMAR**  
Chairman & Managing Director  
(DIN: 00163676)

**Form No.MGT-9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March 2015

[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:**

|   |   |   |
|---|---|---|
| CIN   | : | L74100AP1999PLC031191   |
| Registration Date   | : | 24.02.1999  |
| Name of the Company   | : | Steel Exchange India Limited  |
| Category / Sub-Category of the Company                                    | : | Company Limited By Shares/ Indian Non-Government Company  |
| Address of the Registered office and contact details                      | : | 303, My Home Laxmi Nivas, Green Lands, Ameerpet, Hyderabad-500016, Telangana  |
| Whether listed company  | : | Yes   |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | : | M/s Venture Capital And Corporate Investments Private Limited.<br>12-10-167, Bharath Nagar,<br>Hyderabad-500018<br>Ph: +91 040-23818475/23818476/23868023<br>Fax : +91 40 23868024 Email: info@vccilindia.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1       | Rebars (TMT)-Manufacturing                      | 27151/27152                      | 28%                                |
| 2       | Power   | 35102                            | 11%                                |
| 3       | Rebars (TMT)-Trading                            | 51420                            | 48%                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sr. No. | Name and address of the Company | CIN / GLN | Holding / subsidiary / associate | % of shares held | Applicable section |
|---------|---------------------------------|-----------|----------------------------------|------------------|--------------------|
| NIL     |                                 |           |                                  |                  |                    |



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

i. Category-wise Share Holding:

| Category of Shareholders   | No. of Shares held at the beginning of the year |          |                 |                   | No. of Shares held at the end of the year |          |                 |                   | % Change during the year |
|--|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical | Total           | % of Total Shares | Demat                                     | Physical | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |          |                 |                   |   |          |                 |                   |                          |
| (1) Indian   |   |          |                 |                   |   |          |                 |                   |                          |
| a) Individual/HUF  | 9304152   | -        | 9304152         | 17.91             | 9304152                                   | -        | 9304152         |                   | Nil                      |
| b) Central Govt  | -   | -        | -               | -                 | -   | -        | -               |                   | Nil                      |
| c) State Govt(s)   | -   | -        | -               | -                 | -   | -        | -               |                   | Nil                      |
| d) Bodies Corp.  | 19054590  | -        | 19054590        | 36.68             | 19054590                                  | -        | 19054590        |                   | Nil                      |
| e) Banks / F   | -   | -        | -               | -                 | -   | -        | -               |                   | Nil                      |
| f) Any other   | -   | -        | -               | -                 | -   | -        | -               |                   | Nil                      |
| Sub-total(A)(1):   | 28358742  | -        | 28358742        | 54.59             | 28358742                                  | -        | 28358742        |                   | Nil                      |
| (2) Foreign  |   |          |                 |                   |   |          |                 |                   |                          |
| a) NRIs-Individuals  | 211504  | 211504   | 0.41            | 211504            | 211504                                    | 0.41     |                 |                   | Nil                      |
| b) Other-Individuals   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | Nil                      |
| c) Bodies Corp.  | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | Nil                      |
| d) Banks / FI  | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | Nil                      |
| e) Any other   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | Nil                      |
| Sub-total (A)(2):  | 211504  | 211504   | 0.41            | 211504            | 211504                                    | 0.41     |                 |                   | Nil                      |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2)                       | <b>28570246</b>                                 | <b>0</b> | <b>28570246</b> | <b>55.00</b>      | <b>28570246</b>                           | <b>0</b> | <b>28570246</b> | <b>55.00</b>      | <b>Nil</b>               |
| <b>B. Public</b>   |   |          |                 |                   |   |          |                 |                   |                          |
| Shareholding   |   |          |                 |                   |   |          |                 |                   |                          |
| (1) Institutions   |   |          |                 |                   |   |          |                 |                   |                          |
| a) Mutual Funds  | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| b) Banks / FI  | 300000  | 0        | 300000          | 0.58              | 300000                                    | 0        | 300000          | 0.58              | Nil                      |
| c) Central Govt  | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| d) State Govt(s)   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| e) Venture Capital Funds   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| f) Insurance Companies   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| g) FIs   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| h) Foreign Venture Capital Funds   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| i) Others (specify)  | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| Sub-total (B)(1):  | <b>300000</b>                                   | <b>0</b> | <b>300000</b>   | <b>0.58</b>       | <b>300000</b>                             | <b>0</b> | <b>300000</b>   | <b>0.58</b>       | <b>Nil</b>               |
| (2) Non-Institutions   |   |          |                 |                   |   |          |                 |                   |                          |
| a) Bodies Corp.  |   |          |                 |                   |   |          |                 |                   |                          |
| i) Indian  | 8599910   | 0        | 8599910         | 16.55             | 6120666                                   | 0        | 6120666         | 11.78             | -4.77                    |
| ii) Overseas   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| b) Individuals   | 0   | 0        | 0               | 0                 | 0   | 0        | 0               | 0                 | 0                        |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 2406582   | 129928   | 2536510         | 4.88              | 2390496                                   | 128228   | 2518724         | 4.85              | -0.03                    |



| Category of Shareholders   | No. of Shares held at the beginning of the year |               |                 |                   | No. of Shares held at the end of the year |               |                  |                   | % Change during the year |
|--|---|---------------|-----------------|-------------------|---|---------------|------------------|-------------------|--------------------------|
|  | Demat   | Physical      | Total           | % of Total Shares | Demat                                     | Physical      | Total            | % of Total Shares |                          |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 10679537  | 699500        | 11379037        | 21.90             | 13574229                                  | 699500        | 14273729         | 27.48             | +5.58                    |
| c) Others (specify)  | 553097  | 11200         | 564297          | 1.09              | 155435                                    | 11200         | 166635           | 0.32              | -0.77                    |
| Sub-total(B)(2): Total Public Shareholding                                       | 22239126  | 840628        | 23079754        | 44.43             | 22240826                                  | 838928        | 23079754         | 44.43             | Nil                      |
| <b>(B)=(B)(1)+(B)(2)</b>   | <b>22539126</b>                                 | <b>840628</b> | <b>23379754</b> | <b>45.00</b>      | <b>22540826</b>                           | <b>838928</b> | <b>23379754</b>  | <b>45.00</b>      | <b>Nil</b>               |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs(C)</b>                        | 0   | 0             | 0               | 0                 | 0   | 0             | 0                | 0                 | 0                        |
| <b>Grand Total (A+B+C)</b>   | <b>51109372</b>                                 | <b>840628</b> | <b>51950000</b> | <b>100.00</b>     | <b>51111072</b>                           | <b>838928</b> | <b>51950,000</b> | <b>100.00</b>     | <b>Nil</b>               |



**ii. SHAREHOLDING OF PROMOTERS:**

| S. No. | Shareholder's Name                | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the Year |                                  |  | % Change during the year                  |
|--------|-----------------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
|        |                                   | No. of Shares                             | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares                        | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | % change in share holding during the year |
| 1      | UMASHIV GARMENTS PVT LTD          | 15214090                                  | 29.29                            | 1.92   | 15214090                             | 29.29                            | 29.22  | Nil                                       |
| 2      | BRAHMA CHEMICALS LIMITED          | 2030000                                   | 3.91                             | 0.00   | 2030000                              | 3.91                             | 0.00   | Nil                                       |
| 3      | BANDI SURESH KUMAR                | 1545450                                   | 2.97                             | 2.97   | 1545450                              | 2.97                             | 2.97   | Nil                                       |
| 4      | MAA GAYATRI LOHH PRODUCTS LIMITED | 1520000                                   | 2.93                             | 0.00   | 1520000                              | 2.93                             | 0.00   | Nil                                       |
| 5      | BANDI JAYA PADMAVATHI             | 1325596                                   | 2.55                             | 2.55   | 1325596                              | 2.55                             | 2.55   | Nil                                       |
| 6      | BAVINENI SURESH                   | 1135850                                   | 2.19                             | 2.18   | 1135850                              | 2.19                             | 2.18   | Nil                                       |
| 7      | BAVINENI JYOTHI KIRAN             | 1127914                                   | 2.17                             | 2.17   | 1127914                              | 2.17                             | 2.17   | Nil                                       |
| 8      | RAJESH BAVINENI                   | 775286                                    | 1.49                             | 1.49   | 775286                               | 1.49                             | 1.49   | Nil                                       |
| 9      | V VENKATA KRISHNA RAO             | 643736                                    | 1.24                             | 1.24   | 643736                               | 1.24                             | 1.24   | Nil                                       |
| 10     | BANDI SATISH KUMAR                | 552194                                    | 1.06                             | 1.06   | 552194                               | 1.06                             | 1.06   | Nil                                       |
| 11     | BAVINENI LAVANYA                  | 491096                                    | 0.95                             | 0.95   | 491096                               | 0.95                             | 0.95   | Nil                                       |
| 12     | BANDI SUGUNA                      | 433150                                    | 0.83                             | 0.83   | 433150                               | 0.83                             | 0.83   | Nil                                       |
| 14     | BANDI RAMESH KUMAR                | 409122                                    | 0.79                             | 0.79   | 409122                               | 0.79                             | 0.79   | Nil                                       |
| 15     | V RAJYA LAKSHMI                   | 340908                                    | 0.66                             | 0.66   | 340908                               | 0.66                             | 0.66   | Nil                                       |
| 16     | RAVI C. NARAYANAN                 | 211504                                    | 0.41                             | 0.00   | 211504                               | 0.41                             | 0.00   | Nil                                       |
| 17     | K V BHASKAR                       | 186328                                    | 0.36                             | 0.36   | 186328                               | 0.36                             | 0.36   | Nil                                       |
| 18     | SRIJAN BABU V                     | 114886                                    | 0.22                             | 0.22   | 114886                               | 0.22                             | 0.22   | Nil                                       |
| 19     | K JELUSIA                         | 113636                                    | 0.22                             | 0.22   | 113636                               | 0.22                             | 0.22   | Nil                                       |
| 20     | BANDI ARUNAKANTHI                 | 101000                                    | 0.19                             | 0.19   | 101000                               | 0.19                             | 0.19   | Nil                                       |
| 21     | VPL PROJECTS PVT LIMITED          | 290500                                    | 0.56                             | 0.00   | 290500                               | 0.56                             | 0.00   | Nil                                       |



**iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):**

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
|         | At the beginning of the year   | 28570246                                  | 55.00                            | 28570246                                | 55.00                            |
|         | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc) | NA  | NA                               | NA                                      | NA                               |
|         | At the End of the year   | 28570246                                  | 55.00                            | 28570246                                | 55.00                            |

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

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.      | MARIDI RAMA KRISHNA  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
|         | At the beginning of the year   | 1340000                                   | 2.58                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year                       | -   | -                                | -                                       | -                                |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 1340000                                 | 2.58                             |

| Sl. No. | Name of the Share holder   | 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 |
| 2.      | KONEM ANASUYA  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
|         | At the beginning of the year   | 1117210                                   | 2.15                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year                       | -   | -                                | -                                       | -                                |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 1117210                                 | 2.15                             |



| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 3.      | RAPARLA MALLIKHARJUNA RAO  |   |                                  |   |                                  |
|         | At the beginning of the year   | 1059500                                   | 2.04                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year                       | -   | -                                | -                                       | -                                |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 1059500                                 | 2.04                             |

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 4.      | SMARKSECURITES LIMITED   |   |                                  |   |                                  |
|         | At the beginning of the year   | 688815                                    | 1.33                             | -                                       | -                                |
|         | 27.02.2015   | 250000                                    | 0.48                             | 938815                                  | 1.81                             |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 938815                                  | 1.81                             |

| Sl. No. | Name of the Share holder   | 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 |
| 5.      | DUVVURU VIJAY KUMAR REDDY  |   |                                  |   |                                  |
|         | At the beginning of the year   | 856000                                    | 1.65                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year                       | -   | -                                | -                                       | -                                |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 856000                                  | 1.65                             |



| Sl. No. | Name of the Share holder   | 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 |
| 6.      | SRIRAM TEXTILES PVT LTD  |   |                                  |   |                                  |
|         | At the beginning of the year   | 840000                                    | 1.62                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year                       | -   | -                                | -                                       | -                                |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 840000                                  | 1.62                             |

| Sl. No. | Name of the Share holder   | 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 |
| 7.      | TARADEVI RATANLAL BAFNA  |   |                                  |   |                                  |
|         | At the beginning of the year   | 219506                                    | 0.42                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year 31.12.2014            | 492720                                    | 0.94                             | 712226                                  | 1.37                             |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 712226                                  | 1.37                             |

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 8.      | B LODHA SECURITIES LIMITED   |   |                                  |   |                                  |
|         | At the beginning of the year   | 50000                                     | 0.01                             | -                                       | -                                |
|         | 13.06.2014   | (2528)                                    | (0.00)                           | 47472                                   | .09                              |
|         | 04.07.2014   | (19500)                                   | (0.04)                           | 27972                                   | 0.5                              |
|         | 11.07.2014   | (25000)                                   | (0.005)                          | 2972                                    | 0.01                             |
|         | 10.10.2014   | 47728                                     | 0.09                             | 50700                                   | 0.10                             |
|         | 17.10.2014   | (42299)                                   | (.008)                           | 8401                                    | 0.02                             |
|         | 28.11.2014   | 101811                                    | 0.2                              | 110212                                  | 0.21                             |
|         | 05.12.2014   | 217006                                    | 0.42                             | 327218                                  | 0.63                             |
|         | 12.12.2014   | (115500)                                  | (0.22)                           | 211718                                  | 0.41                             |
|         | 19.12.2014   | 166517                                    | 0.32                             | 378235                                  | 0.73                             |
|         | 25.12.2014   | 60200                                     | 0.12                             | 438435                                  | 0.84                             |
|         | 31.12.2014   | 147675                                    | 0.28                             | 586110                                  | 1.13                             |
|         | 13.02.2015   | (50000)                                   | (0.10)                           | 536110                                  | 1.03                             |
|         | 20.02.2015   | (106352)                                  | (0.20)                           | 429758                                  | 0.83                             |
|         | 13.03.2015   | 63177                                     | 0.12                             | 492935                                  | 0.95                             |
|         | 20.03.2015   | 142270                                    | 0.27                             | 635205                                  | 1.22                             |
|         | 27.03.2015   | 48254                                     | 0.09                             | 683450                                  | 1.32                             |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 683450                                  | 1.32                             |



| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 9.      | D REKHA REDDY  |   |                                  |   |                                  |
|         | At the beginning of the year   | 662000                                    | 1.27                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year                       | -   | -                                | -                                       | -                                |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 662000                                  | 1.27                             |

| Sl. No. | Name of the Share holder   | 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 |
| 10.     | BLOOMING REALTY LLP  |   |                                  |   |                                  |
|         | At the beginning of the year   | 650000                                    | 1.25                             | -                                       | -                                |
|         | Date wise Increase / Decrease in Share holding during the year                       | -   | -                                | -                                       | -                                |
|         | At the End of the year ( or on the date of separation, if separated during the year) | -   | -                                | 650000                                  | 1.25                             |

**v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.      | B SATISH KUMAR   |   |                                  |   |                                  |
|         | At the beginning of the year   | 552194                                    | 1.06                             | 552194                                  | 1.06                             |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | 552194                                    | 1.06                             | 552194                                  | 1.06                             |



| Sl. No. | Name of the Share holder   | 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 |
| 2.      | B. SURESH KUMAR  |   |                                  |   |                                  |
|         | At the beginning of the year   | 1545450                                   | 2.97                             | 1545450                                 | 2.97                             |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | 1545450                                   | 2.97                             | 1545450                                 | 2.97                             |

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 3.      | BAVINENI SURESH  |   |                                  |   |                                  |
|         | At the beginning of the year   | 1135850                                   | 2.19                             | 1135850                                 | 2.19                             |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | 1135850                                   | 2.19                             | 1135850                                 | 2.19                             |

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 4.      | V V KRISHNA RAO  |   |                                  |   |                                  |
|         | At the beginning of the year   | 643736                                    | 1.24                             | 643736                                  | 1.24                             |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | 643736                                    | 1.24                             | 643736                                  | 1.24                             |



| Sl. No. | Name of the Share holder   | 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 |
| 5.      | SIVA PRASAD CHIVUKULA  |   |                                  |   |                                  |
|         | At the beginning of the year   | 1000                                      | 0.00                             | 1000                                    | 0.00                             |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | 1000                                      | 0.00                             | 1000                                    | 0.00                             |

| Sl. No. | Name of the Share holder   | 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 |
| 6.      | R RAMACHANDRA RAO  |   |                                  |   |                                  |
|         | At the beginning of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |

| Sl. No. | Name of the Share holder   | 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 |
| 7.      | K KRISHNA RAO  |   |                                  |   |                                  |
|         | At the beginning of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |



| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 8.      | G VENKATA NARAYANA REDDY   |   |                                  |   |                                  |
|         | At the beginning of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 9.      | SUJATA CHATTOPADHYAY   |   |                                  |   |                                  |
|         | At the beginning of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |



**vi. KEY MANAGERIAL PERSONS**

| Sl. No. | Name of the Share holder   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.      | V S RAKESH   |   |                                  |   |                                  |
|         | At the beginning of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |

| Sl. No. | Name of the Share holder   | 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 |
| 2.      | B NARAHARI   |   |                                  |   |                                  |
|         | At the beginning of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year   | Nil                                       | Nil                              | Nil                                     | Nil                              |

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment. Rs. In thousands

|   | Secured Loans excluding deposits | Unsecured Loans  | Deposits    | Total Indebtedness |
|---|----------------------------------|------------------|-------------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                  |             |                    |
| i) Principal Amount                                 | 5895569.81                       | 586107.79        | 0.00        | 6481677.60         |
| ii) Interest due but not paid                       | -                                | -                | -           | -                  |
| iii) Interest accrued but not due                   | -                                | -                | -           | -                  |
| <b>Total (i+ii+iii)</b>                             | <b>5895569.81</b>                | <b>586107.79</b> | <b>0.00</b> | <b>6481677.60</b>  |
| Change in Indebtedness during the financial year    |                                  |                  |             |                    |
| Addition  | 1430000.00                       | 417229.89        | 0.00        | 1847229.89         |
| Reduction   | 742479.69                        | 313509.93        | 0.00        | 1055989.62         |
| Net Change  | 687520.31                        | 103719.96        | 0.00        | 791240.27          |
| Indebtedness at the end of the financial year       |                                  |                  |             |                    |
| i) Principal Amount                                 | 6583090.12                       | 689827.75        | 0.00        | 7272917.87         |
| ii) Interest due but not paid                       | -                                | -                | -           | -                  |
| iii) Interest accrued but not due                   | -                                | -                | -           | -                  |
| <b>Total (i+ii+iii)</b>                             | <b>6583090.12</b>                | <b>689827.75</b> | <b>0.00</b> | <b>7272917.87</b>  |

Note: Indebtedness at the beginning of the year includes the debt of M/s Simhadri Power Limited (merged with the company w.e.f. 01.04.2013)





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

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

| Sl. No. | Particulars of Remuneration   | Name of MD/ WTD/ Manager            |  |  | Total Amount    |
|---------|---|-------------------------------------|--|--|-----------------|
|         |   | B Satish Kumar<br>Managing Director | B Suresh Kumar<br>Joint Managing<br>Director | B Ramesh Kumar<br>Joint Managing<br>Director |                 |
| 1       | Gross salary  | 6600000                             | 6000000                                      | 1000000                                      | 13600000        |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6600000                             | 6000000                                      | 1000000                                      |                 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 41983                               | 0  | 0  | 41983           |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | 0                                   | 0  | 0  | 0               |
| 2       | Stock Option  | 0                                   | 0  | 0  | 0               |
| 3       | Sweat Equity  | 0                                   | 0  | 0  | 0               |
| 4       | Commission  | 0                                   | 0  | 0  | 0               |
|         | - as % of profit  | 0                                   | 0  | 0  | 0               |
|         | - others, specify   | 0                                   | 0  | 0  | 0               |
| 5       | Others, please specify  | 0                                   | 0  | 0  | 0               |
|         | <b>Total (A)</b>  | <b>6641983</b>                      | <b>6000000</b>                               | <b>1000000</b>                               | <b>13641983</b> |
|         | Ceiling as per the Act  | 17176624                            | 17176624                                     | 17176624                                     | 34353248        |



**B. REMUNERATION TO OTHER DIRECTORS :**

(in Rupees)

| Sl. No. | Particulars of Remuneration   | Name of Directors |                   |               |                    |                      | Total Amount    |
|---------|---|-------------------|-------------------|---------------|--------------------|----------------------|-----------------|
|         |   | Ch Siva Prasad    | R Ramachandra Rao | K Krishna Rao | G.V Narayana Reddy | Sujata Chattopadhyay |                 |
| 1       | Independent Directors<br>Fee for attending board / committee meetings | 20,000            | 20,000            | 25,000        | 20,000             | -                    | 85,000          |
|         | Commission  | -                 | --                | -             | -                  | -                    | -               |
|         | Others, please specify  | -                 | -                 | -             | --                 | -                    | -               |
|         | <b>Total (1)</b>  | <b>20,000</b>     | <b>20,000</b>     | <b>25,000</b> | <b>20,000</b>      | <b>-</b>             | <b>85,000</b>   |
| 2       | Other Non-Executive Directors   | B Suresh          | V.V Krishna Rao   |               |                    |                      |                 |
|         | Fee for attending board / committee meetings                          | -                 | -                 | -             |                    |                      |                 |
|         | Commission  | -                 | --                |               |                    |                      | -               |
|         | Others, please specify  | -                 | --                |               |                    |                      | -               |
|         | Total (2)   | -                 | --                |               |                    |                      | -               |
|         | <b>Total (1+2)</b>  | -                 | -                 |               |                    |                      | <b>85,000</b>   |
|         | <b>Total Managerial Remuneration</b>                                  | -                 | -                 |               |                    |                      | <b>13726983</b> |
|         | Ceiling as per the Act  |                   |                   |               |                    |                      | 34353248        |

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

(in Rupees)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                  |                  |
|---------|---|--------------------------|------------------|------------------|
|         |   | Company Secretary        | CFO              | Total            |
| 1       | Gross salary  | 8,44,884                 | 18,00,000        | 26,44,884        |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 8,44,884                 | 18,00,000        | 16,44,884        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0                        | 0                | 0                |
|         | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961              | 0                        | 0                | 0                |
| 2       | Stock Option  | 0                        | 0                | 0                |
| 3       | Sweat Equity  | 0                        | 0                | 0                |
| 4       | Commission  | 0                        | 0                | 0                |
|         | - as % of profit  | 0                        | 0                | 0                |
|         | - others, specify   | 0                        | 0                | 0                |
| 5       | Others, please specify  | 0                        | 0                | 0                |
|         | <b>Total</b>  | <b>8,44,884</b>          | <b>18,00,000</b> | <b>26,44,884</b> |

**II PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:  
A. COMPANY**

| Type        | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT/COURT) | Appeal made, if any (Give Details) |
|-------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| Penalty     | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Punishment  | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Compounding | Nil                          | Nil               | Nil  | Nil                         | Nil                                |

**B. DIRECTORS:**

| Type        | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT/COURT) | Appeal made, if any (Give Details) |
|-------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| Penalty     | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Punishment  | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Compounding | Nil                          | Nil               | Nil  | Nil                         | Nil                                |

**C. OTHER OFFICERS IN DEFAULT:**

| Type        | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT/COURT) | Appeal made, if any (Give Details) |
|-------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| Penalty     | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Punishment  | Nil                          | Nil               | Nil  | Nil                         | Nil                                |
| Compounding | Nil                          | Nil               | Nil  | Nil                         | Nil                                |

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 28, 2015**B. SATISH KUMAR**  
Chairman & Managing Director  
(DIN: 00163676)



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

**A. CONSERVATION OF ENERGY:**

- 1) The steps taken or impact on conservation of energy: -N.A.-
- 2) The steps taken by the Company for utilizing alternate sources of energy: -N.A.-
- 3) The Capital investment on energy conservation equipments: -N.A.-
  - a. Installed Variable Frequency Drives (VFD) for pumps in the SMS to save the energy on regulating the valves.
  - b. Installed Variable frequency drives for Hot Charging System for efficient operation
  - c. Stoppage of Re-Heating Furnace completely and Re-rolling of Billets completely through Hot-Charging.
  - d. Propose to invest around Rs.1.00 Cr. in the coming financial year
  - e. Reheating Furnace is completely avoided thereby 60MT of fuel (coal) per day is saved.  
50KW Auxiliary consumption is reduced in SMS.

**B. TECHNOLOGY ABSORPTION: Nil**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO:**

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

| Rs. In lakhs       |                |                |
|--------------------|----------------|----------------|
| <b>Particulars</b> | <b>2014-15</b> | <b>2013-14</b> |
| Used               | 7916.83        | 5816.70        |
| Earned             | Nil            | Nil            |

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 28, 2015

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

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

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
  - Education
  - Social Welfare
  - Charitable Trust
2. Composition of CSR Committee:

| S.No. | Name               | Designation                   |
|-------|--------------------|-------------------------------|
| 1     | Bandi Satish Kumar | Chairman                      |
| 2     | Bandi Suresh Kumar | Member                        |
| 3     | Kodali Krishna Rao | Member (Independent Director) |

3. Average Net profit for last three Financial Years:

| Net Profit   | For the Financial Year ended (Rs. In thousands) |                   |                   |
|--|---|-------------------|-------------------|
|  | 2014-15   | 2013-14           | 2012-13           |
|  | <b>306324.155</b>                               | <b>390969.290</b> | <b>403447.716</b> |
| Average Net Profit for the preceding three Financial Years | 400269.513                                      |                   |                   |

1. Prescribed CSR expenditure (2% of Average Net Profit) : **Rs. 8005.390** (Rs. In thousands)
2. Details of CSR spend for the financial year:
  - a. Total amount spent for the financial year: **Rs. 6049.454** (Rs. In thousands)
  - b. Amount unspent, if any: 1955.936 (Rs. In thousands)
  - c. Manner in which the amount spent during the financial year is detailed below:

| (1)<br>S. No. | (2)<br>CSR project or activity identified | (3)<br>Sector in which the project is covered | (4)<br>Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken | (5)<br>Amount outlay (budget) project or programs wise | (6)<br>Amount spent on the projects or programs<br><br>Sub heads:<br>(1) Direct expenditure on projects or programs<br>(2)Overheads | (7)<br>Cumulative expenditure up to the reporting period | (8)<br>Amount spent : Direct or through implementing agency |
|---------------|---|---|---|--|---|--|---|
| 1             | Education                                 | Education                                     | Local Area  | 3050656  | 3050656   | 3050656  | 3050656   |
| 2             | Park Development                          | Rural Development                             | Local Area  | 746129   | 746129  | 746129   | 746129  |
| 3             | Social Welfare                            | Social Welfare                                | Local Area  | 1010078  | 1010078   | 1010078  | 1010078   |
| 4             | Medical                                   | Hospitality                                   | Local Area  | 1091091  | 1091091   | 1091091  | 1091091   |
| 5             | Charitable Trust                          | Charity                                       | Local Area  | 151500   | 151500  | 151500   | 151500  |
|               | <b>Total</b>                              |   |   | <b>6049454</b>   | <b>6049454</b>  | <b>6049454</b>   | <b>6049454</b>  |

3. The Company has not spent two percent of average net profits of the last three financial years and the reason for the same is as follows : During the year under review, the Company has made consistent efforts to identify needy children in rural areas. The proposal of providing better educational facilities to needy by paying fees to the schools, colleges and hostels on behalf of the students is still in process as final list of eligible poor students is not yet finalized due to insufficient time and information.
4. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Place: Hyderabad  
Date: 28-08-2015

For and on behalf of Corporate Social Responsibility Committee

**Bandi Satish Kumar**  
Chairman of the Committee

**Kodali Krishna Rao**  
Member



**Form No. MR-3**  
**Secretarial Audit Report**  
**For the Financial Year ended 31st March, 2015**

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

To,  
The Members,  
**Steel Exchange India Limited,**  
CIN: L74100AP1999PLC031191,  
303, My Home Laxmi Nivas,  
Green Lands, Ameerpet,  
Hyderabad,  
Telangana-500016

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

Based on our verification of **M/s. Steel Exchange India Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, 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 March 31, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (effective 28th October 2014) - **Not applicable to the Company during the financial year;**
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities;**
  - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review; and**
  - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review.**



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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India - **Not notified during the audit period and hence not applicable.**
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

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

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

**We further report that**, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

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

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

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

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

- i. The Hon'ble High Court of Telangana and Andhra Pradesh passed an order on November 18, 2014 under Section 394(1) the Companies Act, 1956 on the scheme of amalgamation of M/s. Simhadri Power Limited with the Company.
- ii. Special Resolutions were passed on December 31, 2014 through postal ballot for increase in the borrowing limits of the Company for an aggregate amount not exceeding Rs.2,000.00 Crores (Rupees Two Thousand Crores only) pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and rules made there under and for enhancement of powers of the Board of Directors under section 180(1)(a), to create mortgage and / or charge on all or any of the moveable and / or immovable assets of the Company upto the limits authorized to borrow the money.

S.Srikanth

**B S S & Associates**  
Company Secretaries

Place: Hyderabad  
Date: 28.08.2015.

ACS: 22119 CP: 7999



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

To,  
The Members,  
**Steel Exchange India Limited,**  
CIN: L74100AP1999PLC031191,  
303, My Home Laxmi Nivas,  
Green Lands, Ameerpet,  
Hyderabad,  
Telangana-500016

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

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

S.Srikanth

**B S S & Associates**  
Company Secretaries

Place: Hyderabad  
Date: 28.08.2015.

ACS: 22119 CP: 7999





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

**(I) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

| <b>Sl. No.</b> | <b>Name of the Director</b> | <b>Ratio of the remuneration to the median remuneration of the employees</b> |
|----------------|-----------------------------|--|
| 1              | B. SATISH KUMAR             | 41.0476  |
| 2              | B. SURESH KUMAR             | 37.316   |
| 3              | B.RAMESH KUMAR**            | 6.21933  |
| 4              | V. V. KRISHNA RAO           | NA   |
| 5              | B. SURESH                   | NA   |
| 6              | R. RAMACHANDRA RAO*         | NA   |
| 7              | C. SIVA PRASAD*             | NA   |
| 8              | K. KRISHNA RAO*             | NA   |
| 9              | G. VENKATA NARAYANA REDDY*  | NA   |
| 10             | SUJATA CHATTOPADHYAY        | NA   |

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

\*\*Appointed as JMD on 09.02.2015 and calculation of the ratio of the remuneration is for the year end 31.03.2015

**(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year**

| <b>Sl. No.</b> | <b>Name of the Director</b> | <b>Percentage increase in remuneration</b> |
|----------------|-----------------------------|--|
| 1              | B. SATISH KUMAR*            | NIL  |
| 2              | B. SURESH KUMAR*            | NIL  |
| 3              | B.RAMESH KUMAR*             | NIL  |
| 4              | V. V. KRISHNA RAO           | NIL  |
| 5              | B. SURESH                   | NIL  |
| 6              | R. RAMACHANDRA RAO**        | NIL  |
| 7              | C. SIVA PRASAD**            | NIL  |
| 8              | K. KRISHNA RAO**            | NIL  |
| 9              | G. VENKATA NARAYANA REDDY** | NIL  |
| 10             | SUJATA CHATTOPADHYAY        | NIL  |
| 11             | V.S.RAKESH***               | NIL  |
| 12             | B.NARAHARI                  | NIL  |



\* There was no increase in Remuneration paid to Managing Director and Joint Managing Directors of the company during the Financial Year ended 31.03.2015

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

\*\*\*Mr.V.S.Rakesh was designated as CFO on 14.11.2014

**(iii) The percentage increase in the median remuneration of employees in the financial year. 10.17%**

**(iv) The number of permanent employees on the rolls of company as on 31.03.2015**

There are 440 permanent employees on the rolls of the Company.

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

| Sl. No. | Average increase in remuneration | Company performance                            |
|---------|----------------------------------|--|
| 1       | NIL                              | Net profit of the Company Decreased by 20.56 % |

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

| Sl. No. | Remuneration of Key Managerial Personnel | Performance of the Company for the year ended 31st March, 2015 |
|---------|--|--|
| 1       | Rs. 9,286,867                            | Rs 284,566,209/- (Net Profit)                                  |

**(vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.**

| Sl. No. | Particular            | As at March 31, 2015 |               | As at March 31, 2014 |              |
|---------|-----------------------|----------------------|---------------|----------------------|--------------|
|         |                       | BSE                  | Rs. 200.52 Cr | BSE                  | Rs.297.41 Cr |
| 1       | Market Capitalization | BSE                  | Rs. 200.52 Cr | BSE                  | Rs.297.41 Cr |
| 2       | Price Earnings Ratio  | BSE                  | 7.04          | BSE                  | 8.30         |

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

The Company came with an Initial Public Offer in 27.07.2000 at the price of Rs.10/- per equity share. As on March 31 2015 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- **BSE Limited: Rs.38.60**

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

There are three Whole Time Directors i.e., B. Satish Kumar, Managing Director and B. Suresh Kumar, Joint Managing Director and B. Ramesh Kumar; Joint Managing Director. There was no increase in Remuneration paid to Whole Time Directors during the Financial Year ended March 31, 2015.

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

| Sl. No. | Name   | Remuneration of Key Managerial Personnel | Performance of the Company for the year ended 31st March, 2015 |
|---------|--|--|--|
| 1       | Mr. Bandi Satish Kumar,<br>Managing Director | Rs. 6,641,983                            | Rs 284,566,209/- (Net Profit)                                  |
| 2       | Mr. V.S. Rakesh<br>Chief Financial Officer   | Rs. 1,800,000                            | Rs 284,566,209/- (Net Profit)                                  |
| 3       | Mr. B. Narahari<br>Company Secretary         | Rs. 844,884                              | Rs 284,566,209/- (Net Profit)                                  |

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

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

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

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

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 28, 2015

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



**Annexure - 9**

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

| Sl.No. | Name & Designation                              | Remuneration received | Nature of employment | Qualifications and experience of the employee | Date of commencement of employment | Age      | The last employment held before joining the company | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5 | Whether is a relative of any director or manager of the company |
|--------|---|-----------------------|----------------------|---|------------------------------------|----------|---|--|---|
| 1      | Mr. Bandi Satish Kumar Managing Director        | Rs. 6,641,983         | Contractual          | 25 years                                      | 24/02/1999                         | 55 Years | NA  | 1.06%  | Brother of Mr. Bandi Suresh Kumar and Mr. Bandi Ramesh Kumar    |
| 2      | Mr. Bandi Suresh Kumar Joint Managing Director  | Rs. 6,000,000         | Contractual          | 20 years                                      |                                    | 51 years | Vizag Profiles Pvt Ltd                              | 2.97%  | Brother of Bandi Satish Kumar and Mr. Bandi Ramesh Kumar        |
| 3      | Mr. Bandi Ramesh Kumar* Joint Managing Director | Rs. 1,000,000         | Contractual          | 22 Years                                      | 09/02/2015                         | 53 Years | Simhadri Power Ltd                                  | 0.79%  | Brother of Bandi Satish Kumar and Mr. Bandi Suresh Kumar        |

**Notes:**

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

\* Mr. Bandi Ramesh Kumar was appointed as Joint Managing director of the company on 09.02.2015 and the remuneration calculated for the period for year ended March 31, 2015.

Place: Hyderabad  
Date: August 28, 2015

For and on behalf of the Board of Directors

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



**REPORT ON CORPORATE GOVERNANCE**

**1. Company's philosophy on Corporate Governance**

The Company firmly believes in and has consistently been practising good Corporate Governance. The Company's philosophy of Corporate Governance is aimed at maximising the shareholder's interest and protection of the interest of the other stakeholders. The Company aims to achieve this through proper and full disclosure of material facts and achievement of the highest levels of transparency, accountability and equity in all facets of its operations.

**2. Board of Directors**

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2015, the Board of Directors ("Board") consists of three whole-time Directors i.e. a Chairman & Managing Director, two Joint Managing Director and six Non-Executive Directors. Five of the Non-Executive Directors are Independent Directors. The Company has an executive chairman and 5 (Five) independent directors, comprise more than half of the total strength of the Board. The composition of the Board is in conformity with clause 49 of the Listing Agreement entered with the Stock Exchanges.

The composition and category of the Board of Directors is as follows:

| <b>S.No.</b> | <b>Name of the Director</b>        | <b>Designation</b>           | <b>Category</b>                   |
|--------------|------------------------------------|------------------------------|-----------------------------------|
| 1            | Bandi Satish Kumar                 | Chairman & Managing director | Executive Director (Promoter)     |
| 2            | Bandi Suresh Kumar                 | Joint Managing Director      | Executive Director (Promoter)     |
| 3            | B. Ramesh Kumar *                  | Joint Managing Director      | Executive Director (Promoter)     |
| 4            | Veeramachaneni Venkata Krishna Rao | Director                     | Non-Executive Director (Promoter) |
| 5            | Bavineni Suresh                    | Director                     | Non-Executive Director (Promoter) |
| 6            | Ramineni Ramachandra Rao           | Director                     | Independent Director              |
| 7            | Kodali Krishna Rao                 | Director                     | Independent Director              |
| 8            | Siva Prasad Chivukula              | Director                     | Independent Director              |
| 9            | Venkatanarayana Reddy Godi         | Director                     | Independent Director              |
| 10           | Sujata Chattopadhyay**             | Additional Director          | Independent Director              |

\* Mr. B. Ramesh Kumar has been appointed as Joint Managing Director w.e.f. 09.02.2015

\*\* Ms. Sujata Chattopadhyay has appointed as Additional Director w.e.f. 27.03.2015



**Other Directorships:**

The number of directorships and memberships in the committees of Other Companies held by the Directors as on March 31, 2015 are as under:

| Name of the Director                   | No. of other Directorships* | In other public Companies** |              |
|--|-----------------------------|-----------------------------|--------------|
|  |                             | Membership                  | Chairmanship |
| Mr.Bandi Satish Kumar                  | 4                           | 0                           | 0            |
| Mr.Bandi Suresh Kumar                  | 6                           | 0                           | 0            |
| B. Ramesh Kumar                        | 1                           | 0                           | 0            |
| Mr. Bavineni Suresh                    | 6                           | 0                           | 0            |
| Mr. Ramineni Ramachandra Rao           | 4                           | 0                           | 0            |
| Mr. Veeramachaneni Venkata Krishna Rao | 4                           | 0                           | 0            |
| Mr. Kodali Krishna Rao                 | 0                           | 0                           | 0            |
| Mr. Siva Prasad Chivukula              | 1                           | 0                           | 0            |
| Mr.Venkatarayana Reddy Godi            | 0                           | 0                           | 0            |
| Mr.Sujata Chattopadhyay                | 3                           | 1                           | 1            |

\* Includes directorships in the companies incorporated under the Companies Act, 1956.

\*\* Includes only Audit and Shareholders Grievances Committee

**Board Meetings:**

During the year ended March 31, 2015, Six Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed four months.

The dates on which the Board meetings were held are May 29, 2014, July 22, 2014, August 11, 2014, November 14, 2014, December 03, 2014 and February 9, 2015.

**Attendance of Directors at the meetings:**

The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2015 and at the last Annual General Meeting (AGM) are given below:

| Name of the Director                   | Number of Board Meetings during director's tenure |          | Attendance at AGM Held December 31, 2014 |
|--|---|----------|--|
|  | Held  | Attended |  |
| Mr.Bandi Satish Kumar                  | 6   | 6        | Yes                                      |
| Mr.Bandi Suresh Kumar                  | 6   | 6        | Yes                                      |
| B. Ramesh Kumar*                       | 1   | 1        | NA                                       |
| Mr. Bavineni Suresh                    | 6   | 5        | Yes                                      |
| Mr. Ramineni Ramachandra Rao           | 6   | 4        | Yes                                      |
| Mr. Veeramachaneni Venkata Krishna Rao | 6   | 6        | Yes                                      |
| Mr. Kodali Krishna Rao                 | 6   | 5        | Yes                                      |
| Mr. Siva Prasad Chivukula              | 6   | 4        | Yes                                      |
| Mr.Venkatarayana Reddy Godi            | 6   | 4        | Yes                                      |
| Ms. Sujata Chattopadhyay**             | 0   | NA       | NA                                       |

\* Mr. B. Ramesh Kumar has been appointed as Joint Managing Director w.e.f. 09.02.2015

\*\* Ms. Sujata Chattopadhyay was appointed as additional director on 27.03.2015 through circular resolution.



**3. Audit Committee**

➤ **Composition:**

- The Audit Committee was constituted by the Board with 3 Independent Directors in terms of Section 177 of the Companies Act, 2013 and as per the provisions of Clause 49 of the Listing Agreement.
- The Head of Finance and Accounts, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

➤ **Audit Committee meetings :**

- Five Audit Committee Meetings were held during the year ended March 31, 2015. The maximum time gap between any of the two meetings was not more than four months.
- The Audit Committee meetings were held on 29th May 2014, 11th August 2014, 14th November 14, 3rd December, 2014 and 9th February, 2015.

**Composition of the Audit Committee and the details of meetings held and Attended by its members are given below:**

| Name of the Director     | Designation | Number of Meetings |          |
|--------------------------|-------------|--------------------|----------|
|                          |             | Held               | Attended |
| Siva Prasad Chivukula    | Chairman    | 5                  | 4        |
| Kodali Krishna Rao       | Member      | 5                  | 5        |
| Ramineni Ramachandra Rao | Member      | 5                  | 4        |

➤ **Audit Committee meetings :**

The terms of reference of the Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;



6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

**4. Nomination and Remuneration Committee**

➤ **Composition:**

- The Nomination and Remuneration Committee was constituted by the Board with 3 Independent Directors.
- The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

➤ **Composition of the Committee is given below:**

| <b>Name of the Director</b> | <b>Designation</b> |
|-----------------------------|--------------------|
| Siva Prasad Chivukula       | Chairman           |
| Kodali Krishna Rao          | Member             |
| Ramineni Ramachandra Rao    | Member             |



**➤ Brief description of terms of reference**

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- carry on the evaluation of every director's performance;
- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

**➤ Nomination and Remuneration Committee meetings**

- During the period under review, there was one Remuneration Committee meeting was held on 09.02.2015 and all the members were present at the said meeting.

**➤ Nomination and Remuneration policy**

- The compensation of the executive directors comprises of fixed component and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the executive directors is periodically reviewed and suitable revision is recommended to the Board by the committee.
- The Non-executive Independent directors are paid sitting fees for attending meetings of Board/Committee.

**➤ Details of remuneration to all the Directors**

Following are the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2015:

| <b>Name of the Director</b>            | <b>Amount Rs.</b> |
|--|-------------------|
| Mr.Bandi Satish Kumar                  | NIL               |
| Mr.Bandi Suresh Kumar                  | NIL               |
| Mr. Bandi Ramesh Kumar                 | NIL               |
| Mr. Veeramachaneni Venkata Krishna Rao | NIL               |
| Mr. Bavineni Suresh                    | NIL               |
| Mr. Ramineni Ramachandra Rao           | 20000             |
| Mr. Kodali Krishna Rao                 | 25000             |
| Mr. Siva Prasad Chivukula              | 20000             |
| Mr.Venkatanarayana Reddy Godi          | 20000             |
| Ms. Sujata Chattopadhyay               | NA                |



The Remuneration paid to the Managing and Whole-time Directors during the year is as follows:

| Name of the Director and Designation                | Salary  | Ben-efits | Bo-nuses | Pen-sion | Com-mission | Service contracts  | Notice period                   | Total (in Rs.) |
|---|---------|-----------|----------|----------|-------------|--|---------------------------------|----------------|
| Mr Bandi Satish Kumar<br>Managing Director          | 6600000 | 41983     | -        | -        | -           | Appointed for a period of 3 years w.e.f. 1st March, 2013     | As per the Rules of the Company | 6641983        |
| Mr. Bandi Suresh Kumar<br>Joint Managing Director   | 6600000 | -         | -        | -        | -           | Appointed for a period of 3 years w.e.f. 27th October, 2013  | As per the Rules of the Company | 6000000        |
| Mr. Bandi Ramesh Kumar<br>Joint Managing Director * | 1000000 | -         | -        | -        | -           | Appointed for a period of 3 years w.e.f. 09th February, 2015 | As per the Rules of the Company | 1000000        |

\*Has been paid 10 months' salary from 01.04.2014 to 31.01.2015 in M/s Simhadri Power Limited amounting to Rs. 50,00,000 as Managing Director.

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

➤ **Shares held by Non-Executive Directors**

The number of equity shares of the Company held by Non-Executive Directors, as on March 31, 2015 are as follows:

| Name of the Director                   | No. of Equity Shares (face value of Rs. 10 each) held in the Company |
|--|--|
| Mr. Bavineni Suresh                    | 1185350  |
| Mr. Veeramachaneni Venkata Krishna Rao | 643736   |
| Mr. Ramineni Ramachandra Rao           | 0  |
| Mr. Kodali Krishna Rao                 | 0  |
| Mr. Siva Prasad Chivukula              | 1000   |
| Ms. Sujata Chattopadhyay               | 0  |
| Mr. Venkatanarayana Reddy Godi         | 0  |

**5. Stake Holders Relationship, Grievance and Share Transfer Committee****> Composition**

The Committee consists of the following Directors:

| <b>Name of the Director</b>  | <b>Designation</b> |
|------------------------------|--------------------|
| Mr. Ramineni Ramachandra Rao | Chairman           |
| Mr. Bandi Satish Kumar       | Member             |
| Mr. Siva Prasad Chivukula    | Member             |

**> Terms of Reference**

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

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

Mr. B.Narahari Company Secretary & Compliance Officer

Email-id for Investor Grievances: cs@seil.co.in

**> Number of Shareholders complaints received so far: 33**

- During the year ended March 31, 2015, the Company has received and resolved 33 complaints which are related to GSAL (India) Limited and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

**6. General Body Meetings:**

(i) The details of last three Annual General Meetings are as under.

| <b>Annual General Meeting</b> | <b>Date</b> | <b>Time</b> | <b>Venue</b>   |
|-------------------------------|-------------|-------------|--|
| 2014                          | 31.12.2014  | 11.30 AM    | The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016                   |
| 2013                          | 12.08.2013  | 12.00 Noon  | The Square Hyderabad, 6-3-870, Green Lands, APTDC Paryatak Bhavan, Begumpet, Hyderabad - 500 016 |
| 2012                          | 29.09.2012  | 12.00 Noon  | The Square Hyderabad, 6-3-870, Green Lands, APTDC Paryatak Bhavan, Begumpet, Hyderabad - 500 016 |

**Special Resolutions passed during the previous three Annual General Meetings:**

- 15th Annual General Meeting - December 31, 2014: No Special Resolutions were passed
  - 14th Annual General Meeting - August 12, 2013: No Special Resolutions were passed.
  - 13th Annual General Meeting - September 29, 2012:
    1. Revision of remuneration payable to Mr. B. Satish Kumar, Chairman & Managing Director of the Company
    2. Revision of remuneration payable to Mr. B. Suresh Kumar, Joint Managing Director of the Company.
- (ii) The shareholders passed all the resolutions set out in the respective notices in the above meetings.



(iii) The following special resolutions were passed through a Postal ballot in the last year:

Two Special Resolutions was passed pursuant to postal ballot notice dated November 14, 2014 to seek approval of Members for the following:

- a) Authorizing the Board of Directors to dispose of the whole or substantially the whole of the undertaking of the Company including by way of mortgage and/or creation of security interests on movable and/or immovable properties of the Company, both present and future, in respect of its borrowings under Section 180 (1) (a) of the Companies Act, 2013.
- b) Authorizing the Board of Directors to borrow up to a maximum limit of Rs. 2000.00 crores under Section 180 (1) (c) of the Companies Act, 2013.

**The details of voting pattern for postal ballot are given below:**

| Description   | a) Total Postal ballot forms Received | b) Less Invalid postal forms (as per Register) | c) Net valid postal ballot forms (as per register) | d) Postal ballot forms with assent for the Resolution | e) Postal ballot forms with dissent for the Resolution |
|---|---------------------------------------|--|--|---|--|
| <b>Resolution (a)</b><br>No. of postal ballot forms Inclusive of E-Voting | 70                                    | 0  | 70   | 65  | 5  |
| No. of Shares   | 28875413                              | 0  | 28875413   | 28574839  | 300574   |
| % of Votes received   | 100                                   | 0  | 100  | 98.96   | 1.04   |
| <b>Resolution (b)</b><br>No. of postal ballot forms Inclusive of E-Voting | 70                                    | 0  | 70   | 66  | 4  |
| No. of Shares   | 28875343                              | 0  | 28875343   | 28574969  | 300374   |
| % of Votes received   |                                       |  | 100  | 98.96   | 1.04   |

The Board had appointed Mr. S. Sarweswara Reddy, M/s. S.S. Reddy & Associates, Practicing Company Secretaries as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner. The procedure for Postal Ballot is as per section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014. The scrutinizer submitted a report to the Chairman stating that the resolutions have been duly passed by the members with requisite majority.

(iv) No Special Resolution is proposed to be passed through a Postal ballot at the ensuing Annual General Meeting

**7. Disclosures:**

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

In terms of Clause 49 of the listing agreement, the Board of Directors of the Company have adopted a policy to determine Related Party Transactions. The policy is placed on the website of the company.

Related party transactions have been disclosed in Notes to Accounts - Note No.2.32.

(ii) There has neither been any non-compliance by the Company nor penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

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



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

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

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

(v) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

(vi) The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. Separate persons to the post of Chairman and Managing Director and Reporting of Internal Auditors to the Audit Committee have been adopted from non-mandatory requirements.

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

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

The chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2015.

(viii) As required under Clause 49 of the Listing Agreement, the Auditors' certificate is given as an annexure to the Directors' Report.

(ix) As required under Clause 49 of the Listing Agreement, the certificate issued by the Managing Director is provided elsewhere in the Annual Report. The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis

## **8. Means of Communication:**

(i) The Company does not send the quarterly results to each household of shareholders as the quarterly results are intimated to the Stock Exchanges.

(ii) The Company's quarterly, half yearly and annual results are published in prominent daily newspapers such as 'The Economic Times' (English) and 'Eenadu' (Telugu).

(iii) The Company posts all the vital information relating to the Company and its performance on the web site [www.seil.co.in](http://www.seil.co.in) for the benefit of the shareholders and public at large.

(iv) During the period under review, no presentations were made to any institutional investors or to the analysts.

(v) The Management Discussion and Analysis Report is attached and forms part of the Annual Report.

## **9. Measures for prevention of Insider trading**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the company framed a Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its directors and designated employees. The code lays down guidelines, which mandates the directors and designated employees on the procedures to be followed and disclosures to be made while dealing with the shares of the company and also appraises the consequences for the violations. Details of the code for prevention of insider trading is available at the company's website.



**10. GENERAL SHAREHOLDER' INFORMATION:**

**i) 16th Annual General Meeting:**

Date : **Wednesday, 30th December, 2015**

Time : **11.45 A.M.**

Venue : **The Plaza, 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016. Phone: 040 - 4949 5959**

**ii) Financial Year**

**Financial Calendar for 2015-16** : The following are tentative dates:

First Quarter results : 12th August, 2015

Second Quarter results : 4th week of October, 2015

Third Quarter results : 4th week of January, 2016

Annual results for 2015-16 : 1st week of May, 2016

AGM for the year 2015-16 : 2nd week of August, 2016

**iii) Dates of Book Closure**

: 23rd September, 2015 to 30th September, 2015 (both days inclusive)

**iv) Dividend Payment Date**

: No dividend is recommended for the year ended on 31st March 2015.

**v) Listing on Stock Exchanges**

: Bombay Stock Exchange Ltd, (BSE)  
P.J Towers, Dalal Street, Mumbai - 1  
The Calcutta Stock Exchange (CSE)  
7, Lyons Range, Kolkata - 1

**vi) Stock Code/Symbol**

: BSE : 534748/STEELXIND  
CSE : 26498/PYXIS

**vii) Market Price Data**

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

| Month & Year | Price<br>BSE – IndoNext |           | Index<br>BSE SENSEX |          | Total No of<br>Shares<br>Traded |
|--------------|-------------------------|-----------|---------------------|----------|---------------------------------|
|              | High (₹. )              | Low (₹. ) | High                | Low      |                                 |
| Apr-2014     | 57.00                   | 46.10     | 22939.31            | 22197.51 | 716834                          |
| May-2014     | 66.00                   | 36.65     | 25375.63            | 22277.04 | 29330                           |
| Jun-2014     | 66.50                   | 54.00     | 25725.12            | 24270.2  | 2791698                         |
| Jul-2014     | 74.00                   | 56.30     | 26300.17            | 24892.00 | 346015                          |
| Aug-2014     | 61.00                   | 48.20     | 26674.38            | 25232.82 | 127783                          |
| Sep-2014     | 64.00                   | 48.00     | 27354.99            | 26220.49 | 636373                          |
| Oct-2014     | 62.40                   | 53.95     | 27894.32            | 25910.77 | 1318058                         |
| Nov-2014     | 60.00                   | 50.00     | 28822.37            | 27739.56 | 591292                          |
| Dec-2014     | 62.00                   | 48.00     | 28809.64            | 26469.42 | 624898                          |
| Jan-2015     | 58.50                   | 43.15     | 29844.16            | 26776.12 | 1143423                         |
| Feb-2015     | 51.00                   | 37.30     | 29560.32            | 28044.49 | 2715689                         |
| Mar-2015     | 46.25                   | 31.50     | 30024.74            | 27248.45 | 3468049                         |

Source: [www.bseindia.com](http://www.bseindia.com)

**viii) Registrar and Share-Transfer Agents:**

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

**M/s Venture Capital and Corporate Investments Private Limited,**

12-10-167, Bharatnagar, Hyderabad - 500 018.

Telephone: +91 - 40 - 23818475 / 76

Fax: +91 - 40 - 23868024

Email: info@vccilindia.com

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

SEBI vide its Circular No. CIR/MIRSD/8 /2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days. The Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

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

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

**x) Distribution of Share holding as on March 31, 2015:**

| No of Shares     | Shareholders |            | Shares    |            |
|------------------|--------------|------------|-----------|------------|
|                  | Number       | % of Total | Number    | % of Total |
| Upto - 5000      | 5741         | 83.4       | 9255680   | 1.78       |
| 5001 - 10000     | 533          | 7.74       | 4515260   | 0.87       |
| 10001 - 20000    | 229          | 3.33       | 3504790   | 0.67       |
| 20001 - 30000    | 91           | 1.32       | 2321840   | 0.45       |
| 30001 - 40000    | 33           | 0.48       | 1194140   | 0.23       |
| 40001 - 50000    | 41           | 0.6        | 1984220   | 0.38       |
| 50001 - 100000   | 62           | 0.9        | 4462530   | 0.86       |
| 100001 and above | 154          | 2.24       | 492261540 | 94.76      |
| Total            | 6884         | 100        | 519500000 | 100        |



**xi) Category-wise Distribution of Shareholding as on 31st March 2015:**

| Category                                 | No. of shares held | Percentage of shareholding |
|--|--------------------|----------------------------|
| <b>A) PROMOTER'S HOLDING</b>             |                    |                            |
| Promoters                                |                    |                            |
| - Indian Promoters                       | 9,304,152          | 17.91                      |
| - Foreign Promoters                      | 211,504            | 0.41                       |
| - Bodies Corporate                       | 19,054,590         | 36.68                      |
| <b>Sub-Total</b>                         | <b>28,570,246</b>  | <b>55.00</b>               |
| <b>B) NON-PROMOTER'S HOLDING</b>         |                    |                            |
| a. Banks, Financial Institutions (APIDC) | 300,000            | 0.58                       |
| b. FIs                                   | 0                  | 0                          |
| c. Private Corporate Bodies              | 6120666            | 11.77                      |
| d. Indian Public                         | 16792453           | 32.32                      |
| e. NRIs / OCBs                           | 211504             | 0.41                       |
| f. Others                                | 166635             | 0.32                       |
| <b>Sub-Total</b>                         | <b>23,213,119</b>  | <b>45.00</b>               |
| <b>Total</b>                             | <b>51950000</b>    | <b>100.00</b>              |

**xii) Dematerialisation of Shares and liquidity:**

As on 31st March 2015, 5,11,11,072 shares representing 98.38% were held in dematerialised form. The balance 838,928 shares representing 1.62% were in physical form.

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

**xiii) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

As on 31st March 2015, there were no Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.

**xiv) Unclaimed Dividend**

The dividend for the years 2007-08 & 2008-09 which remains unclaimed by the shareholders, is requested to claim immediately or contact the Company. The dividend, which remains unclaimed for a period of seven years from the date of declaration, will be transferred to Investor Education & Protection Fund (IEPF).

**xv) Plant Locations:**

**1. Power Plant & Steel Ingot Division**

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

Telefax: +91 - 8855 - 244406

**2. Rolling Division**

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

Telephone: +91 - 8924 - 247055

Fax: +91 - 8924 - 247685

**3. Wire Drawing Division**

S. No. 88/50 to 88/101, R.G. Peta, L.Kota Mandal, Vizianagaram District - 533 301.

**4. Bobbili Wire Drawing Division (Galvanised Wire Products):**

S. No. 295 to 300, APIIC Growth Centre, Bobbili- 535 558.

**5. Wire Drawing Division (HC Wire Products):**

Plot No.17 & 18, E-Block, IDA, Auto Nagar, Visakhapatnam - 530 012, Andhra Pradesh

Telephone: +91 - 891 - 2587574

Fax: +91 - 891 - 2766437





**6. Integrated Steel Plant: (Sponge Iron Division, Rolling Division, SMS Billet Unit and Power Plant)**

Malliveedu, L. Kota (Mandal), Vizianagaram District, Andhra Pradesh.

**xvi) Address for Correspondence:** Investor correspondence may be addressed to:

**Registrars and Share Transfer Agents:**

**M/s Venture Capital and Corporate Investments Pvt Limited,**

12-10-167, Bharatnagar, Hyderabad - 500 018.

Telephone: +91 - 40 - 23818475 / 76

Fax : +91 - 40 - 23868024

Email: info@vccilindia.com

**Company:**

**The Company Secretary, Steel Exchange India Limited,**

303, My Home Laxmi Nivas, Green lands, Ameerpet, Hyderabad - 500 016

Telephone: +91 - 40 - 23403725

Fax : +91 - 40 - 23413267

Email: cs@seil.co.in

For and on behalf of the Board of Directors

Place: Hyderabad

Date: August 28, 2015

**B. SATISH KUMAR**

Chairman & Managing Director

(DIN: 00163676)

**DECLARATION**

As provided under Clause-49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2015.

For and on behalf of the Board of Directors

Place: Hyderabad

Date: August 28, 2015

**B. SATISH KUMAR**

Chairman & Managing Director

(DIN: 00163676)



**CEO AND CFO CERTIFICATE**

We hereby certify that:

- a) we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2015 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**For STEEL EXCHANGE INDIA LIMITED**

Place: Hyderabad  
Date 28.08.2015

**Bandi Satish Kumar**  
Managing Director

**V.S.Rakesh**  
Chief Financial Officer

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**STEEL EXCHANGE INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by Steel Exchange India Limited ("the Company") for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For **Pavuluri & Co**  
Chartered Accountants  
Firm Registration No: 012194S

Place: Hyderabad  
Date 28.08.2015

**CA. P.A.RAMIAH**  
Partner  
M.No. F - 203300



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## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Steel Industry Structure and Developments:**

#### **Global Scenario:**

In 2014-15, the world crude steel production reached 1665 million tons (mt) and showed a growth of 1% over 2013.

China remained the world's largest crude steel producer in 2014 (823 mt) followed by Japan (110.7 mt), the USA (88.2 mt) and India (86.5 mt) at the 4 th position

World Steel Association (WSA) has projected Indian steel demand to grow by 6.2% in 2015 and by 7.3% in 2016 as compared to global steel use growth of 0.5% and 1.4% respectively. Chinese steel use is projected to decline in both these years by 0.5%.

#### **Domestic Scenario**

- The Indian steel industry had entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production resulted in India becoming the 3 rd largest producer of crude steel in 2015 and the country continues to be the largest producer of sponge iron or DRI in the world.
- As per the report of the Working Group on Steel for the 12 th Five Year Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kg per annum buoyed by government projects.
- At the time of its release, the National Steel Policy 2005 had envisaged steel production to reach 110 million tons (mt) by 2019-20. However, based on the assessment of the current ongoing projects, both in Greenfield and Brownfield, the Working Group on Steel for the 12 th Five Year Plan has projected that domestic crude steel capacity in the country is likely to be 140 mt by 2016-17 and has the potential to reach 149 mt if all requirements are adequately met.
- The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.

#### **Government Initiatives**

The Government of India is aiming to scale up steel production in the country to 300 MT by 2025 from 81 MT in 2013-14.

The Ministry of Steel has announced to invest in modernization and expansion of steel plants of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) in various states to enhance the crude steel production capacity in the current phase from 12.84 MTPA to 21.4 MTPA and from 3 MTPA to 6.3 MTPA respectively.

The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 31.67 million).

Some of the other recent government initiatives in this sector are as follows:

- An Inter Ministerial Group (IMG) has been setup in the Ministry of Steel for effective coordination and expediting implementation of various investment projects in the steel sector.
- A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances/resolution of issues delaying the investments in the sector.
- To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore has been increased to 30 per cent.



- Rates of custom duty on stainless steel flat products have been enhanced from 5 per cent to 7.5 per cent in the Union Budget for 2014-15.

**POWER**

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

**Opportunities:**

The demand for steel has been sluggish for past few years. Globally steel prices have been on a continuous decline since March 2014. Iron ore prices which were about US \$ 121 in March 2014 was about US \$ 52 in July 2015. Domestic prices have also reduced substantially in line with the global prices. It is expected that the prices would be more stable in the coming years. Going forward, the government policies aimed at increasing steel consumption and production should augur well for the country with the low prices.

The need to increase expenditure on infrastructure projects cannot be avoided for long. India is still a developing country and this augurs well for the domestic steel industry. The fall in prices is expected to increase the demand for steel. The company is into long products and is dependent on the construction sector doing well. With the formation of the new state of Andhra Pradesh, substantial government spending on infrastructure is expected in the creation of new capital and development of smart cities.

**Threats:**

Iron ore and coal form major part of the cost of production for the company. The change in price of both these inputs affects the profitability of the company. Despite the fall in international prices, the domestic price of raw materials did not fall in line with the global price. However, the price of domestic finished products of steel fell with increased competition from higher import of cheaper steel products. In a sluggish demand scenario, this causes adverse effect to the domestic producers. Increased cost structure of the domestic players owing to higher royalty on iron ore, increased railway freight as well as levy of DMF under the MMDR law has made them less competitive compared with their counterparts from some of the exporting countries. In June, the government upped import duties on both long and flat steel products by 2.5% to 7.5% and 10% respectively but the quantum is not deterring as the international prices are much lower. The threat of cheaper imports and slow down of infrastructure projects could have a direct impact on the steel industry as a whole. The company sources its raw materials from state owned mines and the prices are sometimes higher than international prices. The company also sources its requirements through imports. Any volatility in currency and prices can have adverse impact. Slowdown of infrastructure projects is also a threat for domestic consumption of steel.

Couple of reassuring measures taken by state owned mines and government agencies should help mitigate the above threats in the long run. In tune with global prices, the indigenous prices of iron ore have been brought down with an assurance of more production by NMDC in FY16. The coal mining auctioning process has raised the hope of boosting of supply of indigenous coal for steel plants. CIL is putting up maximum endeavors to raise coal availability.

**Division wise Performance:**

**Note:** *The current year figures are not comparable with the previous year figures as the current year figures includes Simhadri Power Limited figures also pursuant to the amalgamation of Simhadri Power Limited with the company.*

**1) Trading Division**

The Trading division deals with a wide range of products from finished steel products to related items semis, coal, scrap, Sponge Iron etc. The division has been primarily responsible for developing the marketing base for the company throughout the coastal region of Andhra Pradesh, and establishing stock yard in Cochin. The division deals with the products manufactured by the Company, RINL (Vizag Steel), and other manufacturers for special products.

The division reported a turnover of ₹ 819.36 crores which is about 52% of the total turnover for the year ended 31st March 2015 compared to ₹ 606.41 crores in the previous year ended 31st March 2014. There was increase in turnover



from this division as demand for steel has been increased during the year.

## 2) **Steel Ingot Division - 90,000 TPA**

This division manufactures ingots using sponge iron and scrap / pig iron. The unit also has a power generation unit using natural gas for captive consumption. The company continued with low level of operations for the period under review keeping in view the market conditions and sold the power produced from the Power Plant.

The division reported a turnover of ₹ 29.93 crores which came from sale of power compared to the turnover of ₹ 21.38 crores in the previous year from sale of power. The power sales increased as no manufacturing activity of steel ingots was carried out during the year.

## 3) **Wire Products Division:**

The unit of this division produces High Carbon steel wire and Galvanised Wire Products. The division reported a turnover of ₹. 11.60 crores as against ₹. 20.64 crores in the previous year. The Management will continue its efforts to maximise the revenues from this division in the current year.

## 4) **Integrated Steel Plant:**

The Integrated Steel Plant (ISP) of the Company is located at Srirampram Village, L. Kota Mandal, Vizianagaram District and consists of following units:

1. Sponge Iron Unit - 220,000 TPA
2. SMS Billet Unit - 240,000 TPA
3. Rolling Unit - 225,000 TPA
4. Captive Power Plant - 60 MW

The total revenue for the period under review from ISP stood at ₹ 550.34 crores as against ₹ 605.68 crores in the previous year. The division reported marginal decrease in turnover on year to year basis. The TMT bars produced are sold under the well established brand name **Simhadri TMT Bars**.

The total revenue from the sale of Power for the period under review from Power Division stood at ₹ 154.14 crores.

## **Financial Performance**

### 1) **Share Capital**

The paid up equity share capital of the Company stands at ₹ 519,500,000 comprising of 51,950,000 Equity Shares of ₹ 10/- each and there is no change in the paid up equity share capital compared to the previous year. However the Authorised capital of the Company increased from 233,00,00,000 to ₹. 332,00,00,000 consequent to the amalgamation of Simhadri Power Limited with the Company.

### 2) **Reserves and Surplus**

For the year ended 31st March 2015, the Reserves and Surplus have increased from ₹ 280.77 crores to ₹ 260.04 crores due to the balance transferred from the profit and loss account amounting to ₹ 28.46 crores.

### 3) **Secured Loans**

There has been increase in Secured Loans from ₹ 340.90 crores to ₹ 658.31 crores. The increase was on account of amalgamation of Simhadri Power Limited with the Company.

### 4) **Unsecured Loans**

There has been an increase in Unsecured Loans from ₹ 58.55 crores to ₹ 68.98 crores.

The increase was mainly on account of availing unsecured loans for business purposes.

### 5) **Fixed Assets**

During the period under review, there was an increase in the Fixed Assets and the total Fixed Assets (Net Block) stands at ₹ 614.09 crores as against ₹ 349.91 crores in the previous year. The increase was mainly on account of the amalgamation of Simhadri Power Limited with the Company.

## **Operational Performance**

### 1) **Income**

The income of the Company was ₹ 1565.37 crores for the year ended 31st March 2015 as against ₹ 1255.46 crores in the previous year ended 31st March 2014, registering 24% increase in turnover. The increase was due to increase in demand for steel products.

**2) Direct Cost & Other expenses**

The Direct Costs comprising of cost of material consumed and purchase of traded goods was to ₹ 1309.89 crores for the year as against ₹ 1022.08 crores in the previous year ended 31st March 2014.

Other expenses comprises of other manufacturing expenses, staff costs, administration and selling & distribution expenses etc. The same was ₹ 117.04 crores for the year ended 31st March 2015 as against ₹ 146.79 crores in the previous year ended 31st March 2014. The Company continues its efforts to minimise the costs and overheads.

**3) Interest Cost**

For the year under review, the interest and financial charges were ₹ 127.63 crores representing 8.15 % of the turnover as against ₹ 80.43 crores representing 6.41 % of the turnover in the previous year. The interest cost is higher due to increase in term loans and other credit facilities belonging to Simhadri Power Limited which was amalgamated with the Company.

**4) Depreciation**

The Company has provided a sum of ₹ 25.02 crores towards depreciation representing 1.60 % of the turnover for the year under review as against ₹ 15.09 crores representing 1.20 % of the turnover in the previous year.

**5) Provision for Tax**

The Company has not provided any amount towards income tax as the Company has accumulated losses. The accumulated losses of GSAL (India) Limited were transferred to the company upon its amalgamation with the company.

The deferred tax provision for the period under review is ₹ 6.42 crores as against ₹ 2.22 crores in the previous year.

**6) Net Profit**

The operations for the year ended 31st March 2015 have resulted in a Net Profit of ₹ 25.46 crores as against ₹ 35.82 crores in the previous year ended 31st March 2014. Decrease in margins in manufacturing activity and trading activity coupled with high raw material costs and decrease in steel prices resulted in lower net profit when compared to previous year.

**7) Dividend**

No Dividend is recommended on the Equity Shares for the year ended 31st March 2015.

**Internal Controls & Their Adequacy**

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

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

**Human Resources Development and Industrial Relations**

In this era of globalisation, the industrial scenario is changing frequently, forcing the organisation to develop its human resources and enable them to adapt to contemporary technological advancements to achieve the goals of the Organisation.

To sustain in this competitive and challenging environment, the Company believes that the quality of its employees is the key to its success and is committed to provide necessary human resource development and training opportunities to develop themselves. The Management firmly believes that business cannot grow without utilising the potential of its human resources. The Company is committed to provide conducive working environment to its employees, fully utilising their potential and enhancing their skills through cross functional exposure, training and development, sharing information and experiences.

Employee relations during the period under review continued to be cordial and your Company is committed to maintain good relations. The Board of Directors and the Management wish to place on record their appreciation of the efforts put in by all employees at all levels. The total number of employees is about 1221 as on 31st March 2015.

**Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results would differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, supply, and price and supply conditions in the domestic/overseas markets in which the Company operates changes in the government regulations, tax laws, other statutes, and other incidental factors.



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## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**STEEL EXCHANGE INDIA LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of STEEL EXCHANGE INDIA LIMITED ("the company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



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

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by section 143(3) of the Act, we further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company does not have any pending litigations which would impact its financial position.
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - (iii) There has been an occasion in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.

**For Pavuluri & Co**  
Chartered Accountants  
Firm Registration No: 012194S

**CA. P.A.RAMIAH**  
Partner  
M.No.: F-203300

Camp: Visakhapatnam  
Date: 09.05.2015





**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**Annexure referred to in paragraph 7 Our Report of even date to the members of STEEL EXCHANGE INDIA LIMITED on the accounts of the company for the year ended 31st March'2015**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset;
- (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets;
- (ii) (a) The inventories have been physically verified by the management during the year at reasonable intervals.
- (b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventories and the discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (iii) In our opinion, the Company has not granted any loans but taken loans from companies, firms or other parties covered in the Register, maintained under Section 189 of the Companies Act, 2013; The maximum amount involved during the year Rs.20,00,00,000/- and the year-end balance of loans taken for such parties were Rs.20,00,00,000/-
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- (vi) In our opinion and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company's (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not carried out a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Duty of Customs, Excise Duty, Value added tax and Other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no material dues of Wealth tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and Value added tax have not been deposited by the company on account of disputes;



| Name of the Statute  | Nature of Dues | Period to which the amount relates          | Amount in ₹.                             | Deposits/ Paid in (₹.)    | Forum where the dispute is pending with                       |
|--|----------------|---|--|---------------------------|---|
| CST Act  | Sales Tax      | 2003-04<br>2004-05                          | 22,43,895/-<br>28,27,172/-               | 2,80,487/-<br>3,53,397/-  | CTO,Gajuwaka,<br>Visakhapatnam                                |
| CST Act<br>AP VAT Act  | Sales Tax      | 2005-06<br>2011-12                          | 47,85,829/-<br>11,57,334/-               | 11,96,457/-<br>2,89,334/- | STAT-Visakhapatnam.   |
| AP VAT Act   | Sales Tax      | 2011-12                                     | 13,94,858/-                              | 3,48,715/-                | The Hon'ble High Court of Telangana & Andhra Pradesh          |
| AP VAT Act   | Sales Tax      | 2013-14                                     | 31,41,694/-                              | 7,85,424/-                | Appellate Deputy Commissioner,<br>Visakhapatnam               |
| Customs Act  | Customs Duty   | 2003-04                                     | 54,35,648/-                              | NIL                       | Hon'ble High Court of Telangana & Andhra Pradesh              |
| Customs Act  | Customs Duty   | 2012-13                                     | 67,38,452/-                              | NIL                       | CESTAT-Bangalore  |
| Central Excise Act,  | Excise Duty    | 2007-08<br>2008-09<br>2009-10 to<br>2011-12 | 86,30,228/-<br>1,91,708/-<br>45,89,094/- | 10,00,000/-<br>NIL<br>NIL | CESTAT-Bangalore  |
| Central Excise Act   | Excise Duty    | 2009-10<br>2010-11 &<br>2011-12<br>2009-10  | 2,14,21,207/-<br>3,893/-                 | 50,00,000/-<br>NIL        | Commissioner of Central Excise,<br>Visakhapatnam.             |
| Central Excise Act   | Excise Duty    | 2010-11                                     | 14,35,189/-                              | NIL                       | Hon'ble High Court of<br>Telangana & Andhra Pradesh           |
| Buildings and Other<br>Construction<br>Workers Welfare<br>Cess Act, 1996 | Cess           | 2010-11                                     | 1,27,98,000/-                            | NIL                       | Hon'ble High Court of<br>Telangana & Andhra Pradesh           |
| AP Registration &<br>Stamps Act  | Stamp duty     | 2008-09                                     | 44,99,900/-                              | NIL                       | The District Registrar, Vizianagaram.                         |
| AP Electricity &<br>Regulatory Authority<br>-EPDC L                      | Cross Subsidy  | 2009-10                                     | 97,56,021/-                              | NIL                       | Hon,ble High Court of Telangana & AP-<br>Interim Relief Order |

(d) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has not been transferred to such fund within time.

- (viii) The Company has accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks or financial institution or debenture holders.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks, and financial institutions
- (xi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

**For Pavuluri & Co**  
Chartered Accountants  
Firm Registration No: 012194S  
**CA. P.A.RAMAI AH**  
Partner  
M.No.: F-203300

Camp: Visakhapatnam  
Date: 09.05.2015

**BALANCE SHEET AS AT 31ST MARCH 2015**

| PARTICULARS  | Note No. | As at<br>31.03.2015<br>Amount ₹ | As at<br>31.03.2014<br>Amount ₹ |
|--|----------|---------------------------------|---------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                   |          |                                 |                                 |
| <b>Shareholder's funds:</b>                        |          |                                 |                                 |
| a) Share Capital                                   | 2.1      | 519,500,000                     | 519,500,000                     |
| b) Reserves and Surplus                            | 2.2      | 2,807,690,413                   | 2,600,429,854                   |
| c) Equity Share Capital Suspense Account           | 2.3      | 240,348,115                     | 59,827,195                      |
| d) 10.5% Preference Share Capital Suspense account | 2.4      | 186,087,500                     | -                               |
|  |          | <b>3,753,626,028</b>            | <b>3,179,757,049</b>            |
| <b>Non-Current liabilities</b>                     |          |                                 |                                 |
| a) Long Term Borrowings                            | 2.5      | 3,449,599,854                   | 922,877,004                     |
| b) Deferred Tax Liability                          | 2.6      | 522,269,487                     | 202,621,525                     |
| c) Other Long Term Liabilities                     | 2.7      | 362,311,013                     | 312,000,000                     |
|  |          | <b>4,334,180,354</b>            | <b>1,437,498,529</b>            |
| <b>Current Liabilities</b>                         |          |                                 |                                 |
| a) Short-term Borrowings                           | 2.8      | 3,130,432,284                   | 2,460,038,277                   |
| b) Trade Payables                                  | 2.9      | 5,881,318,774                   | 4,966,454,242                   |
| c) Other Current Liabilities                       | 2.10     | 1,527,085,857                   | 1,375,087,229                   |
|  |          | <b>10,538,836,915</b>           | <b>8,801,579,748</b>            |
| <b>TOTAL</b>                                       |          | <b>18,626,643,297</b>           | <b>13,418,835,325</b>           |
| <b>II. ASSETS</b>                                  |          |                                 |                                 |
| <b>Non-current assets</b>                          |          |                                 |                                 |
| a) Fixed assets                                    |          |                                 |                                 |
| (i) Tangible assets                                | 2.11     | 6,140,885,731                   | 3,499,117,730                   |
| (ii) Capital Work in Progress                      |          | 464,850,934                     | 90,622,262                      |
| b) Non Current Investments                         | 2.12     | -                               | 352,870,660                     |
| c) Long-term Loans and Advances                    | 2.13     | 115,989,384                     | 98,629,439                      |
|  |          | <b>6,721,726,048</b>            | <b>4,041,240,091</b>            |
| <b>Current assets</b>                              |          |                                 |                                 |
| a) Inventories                                     | 2.14     | 6,807,891,910                   | 5,863,258,642                   |
| b) Trade Receivables                               | 2.15     | 3,088,174,841                   | 2,129,548,851                   |
| c) Cash and Bank Balances                          | 2.16     | 734,684,739                     | 482,614,150                     |
| d) Short term Loans & Advances                     | 2.17     | 651,961,071                     | 760,705,419                     |
| e) Other Current Assets                            | 2.18     | 622,204,688                     | 141,468,172                     |
|  |          | <b>11,904,917,249</b>           | <b>9,377,595,234</b>            |
| <b>TOTAL</b>                                       |          | <b>18,626,643,297</b>           | <b>13,418,835,325</b>           |

The Schedules referred to above and Statement on Significant Accounting Policies form an integral part of the Balance Sheet

As per our report of even date  
for **PAVULURI & Co.**

Chartered Accountants  
Firm Reg. No. 012194S  
**CA. P. A. RAMAIAH**  
Partner  
M.No. : F- 203300

Camp: Visakhapatnam  
Date : 09.05.2015

for and on behalf of the Board of Directors

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

**V.S.RAKESH**  
Chief Financial Officer

Place : Visakhapatnam  
Date : 09.05.2015

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

**B.NARAHARI**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH' 2015

| PARTICULARS  | Note No. | Year Ended 31.03.2015 Amount ₹ | Year Ended 31.03.2014 Amount ₹ |
|--|----------|--------------------------------|--------------------------------|
| <b>INCOME:</b>   |          |                                |                                |
| Revenue from operations (Gross)                                    | 2.19     | 16,198,624,643                 | 13,234,254,087                 |
| Less: Excise Duty  |          | 544,939,209                    | 679,558,830                    |
|  |          | 15,653,685,434                 | 12,554,695,256                 |
| Other Income   | 2.20     | 122,640,319                    | 72,776,475                     |
| <b>Total Revenue</b>   |          | <b>15,776,325,753</b>          | <b>12,627,471,731</b>          |
| <b>EXPENDITURE:</b>  |          |                                |                                |
| Cost of Material Consumed  | 2.21     | 5,234,399,500                  | 4,307,066,503                  |
| Purchase of Traded Goods   | 2.22     | 7,864,668,001                  | 5,913,749,484                  |
| Changes in Inventories   | 2.23     | (367,384,267)                  | (406,700,060)                  |
| Employee Benefits  | 2.24     | 228,142,196                    | 173,100,946                    |
| Finance Costs  | 2.25     | 1,276,290,917                  | 804,397,673                    |
| Depreciation   | 2.11     | 250,180,996                    | 150,098,467                    |
| Other Expenses   | 2.26     | 942,380,700                    | 1,294,789,429                  |
| <b>Total expenses</b>  |          | <b>15,428,678,044</b>          | <b>12,236,502,441</b>          |
| <b>Profit before Taxes</b>   |          | <b>347,647,710</b>             | <b>390,969,290</b>             |
| Tax expenses:  |          |                                |                                |
| (1) Tax expense of Prior Years/<br>(Excess provision written Back) |          | (1,090,316)                    | 10,525,783                     |
| (2) Deferred Tax   |          | 64,171,817                     | 22,222,800                     |
| <b>Profit for the period</b>                                       |          | <b>284,566,209</b>             | <b>358,220,707</b>             |
| <b>Earnings per equity share :</b>                                 | 2.33     |                                |                                |
| (1) Basic  |          | 5.48                           | 6.90                           |
| (2) Diluted  |          | 3.75                           | 6.18                           |

The Notes referred to above and Statement on Significant Accounting Policies form an integral part of the Statement of profit and Loss

As per our report of even date  
for **PAVULURI & Co.**

Chartered Accountants  
Firm Reg. No. 012194S  
**CA. P. A. RAMAIAH**  
Partner  
M.No. : F- 203300

Camp: Visakhapatnam  
Date : 09.05.2015

for and on behalf of the Board of Directors

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

**V.S.RAKESH**  
Chief Financial Officer

Place : Visakhapatnam  
Date : 09.05.2015

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

**B.NARAHARI**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

| Particulars  | Year Ended<br>31.03.2015<br>Amount (₹) | Year Ended<br>31.03.2014<br>Amount (₹) |
|--|--|--|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>                 |  |  |
| Net Profit before Taxation                                     | 347,647,710                            | 390,969,290                            |
| <b>Adjustment for:</b>   |  |  |
| a) Depreciation  | 250,180,996                            | 150,098,467                            |
| b) Preliminary Expenses written off                            | 4,488,373                              | 7,288,372                              |
| c) Bad Debts Written off                                       | (1,070,178)                            | 60,892                                 |
| d) Financial Charges   | 1,276,290,917                          | 804,397,673                            |
| e) Loss/ (profit ) on Sale of Asset                            | (26,957,204)                           | (13,126)                               |
| Operating profit before working capital changes                | <u>1,850,580,614</u>                   | <u>1,352,801,568</u>                   |
| Adjustment for change in Working Capital                       |  |  |
| a) Decrease/(Increase) in Trade & Other Receivables            | (1,321,323,917)                        | 738,008,993                            |
| b) Decrease/(Increase) in Inventories                          | (299,953,587)                          | (1,691,649,562)                        |
| c) Increase/ (Decrease) in Trade & Other Payables              | <u>677,561,501</u>                     | <u>1,082,546,710</u>                   |
| Cash Generated from Operations                                 | <u>906,864,612</u>                     | <u>1,481,707,710</u>                   |
| Less: Direct Taxes Provision                                   | -                                      | 10,525,783                             |
| <b>Net Cash from Operating Activities</b>                      | <u><u>906,864,612</u></u>              | <u><u>1,471,181,927</u></u>            |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>                 |  |  |
| a) Purchase of Fixed Assets                                    | (30,933,603)                           | (402,045,286)                          |
| b) Sale of Fixed Assets  | 62,206,990                             | 144,370                                |
| c) (Increase)/Decrease in Capital Work in Progress             | <u>(373,292,257)</u>                   | <u>(54,806,026)</u>                    |
| Net Cash used in Investing Activities                          | <u><u>(342,018,870)</u></u>            | <u><u>(456,706,942)</u></u>            |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>                 |  |  |
| a) Net Increase in Secured Loans                               | 675,331,483                            | (435,584,096)                          |
| b) Net (Decrease)/Increase in Unsecured Loans                  | 115,908,794                            | 217,443,184                            |
| c) Payment of Financial Charges                                | <u>(1,276,290,917)</u>                 | <u>(804,397,673)</u>                   |
| d) Proposed Dividend and Tax thereon                           | -                                      | -                                      |
| Net Cash generated through Finance                             | <u><u>(485,050,641)</u></u>            | <u><u>(1,022,538,586)</u></u>          |
| <b>Net Increase/(Decrease) in Cash and equivalents (A+B+C)</b> | <b>79,795,101</b>                      | <b>(8,063,601)</b>                     |
| <b>Cash &amp; Cash Equivalents -Opening balance SEIL</b>       | <b>24,983,597</b>                      | <b>33,047,197</b>                      |
| <b>Cash &amp; Cash Equivalents -Opening balance SPL</b>        | <b>2,306,147</b>                       |  |
| <b>Cash &amp; Cash Equivalents -Closing balance</b>            | <b>107,084,845</b>                     | <b>24,983,597</b>                      |

The notes form an integral part of these financial statements

As per our report of even date  
for **PAVULURI & Co.**  
Chartered Accountants  
Firm Reg. No. 012194S  
**CA. P. A. RAMAIAH**  
Partner  
M.No. : F- 203300

Camp: Visakhapatnam  
Date : 09.05.2015

for and on behalf of the Board of Directors

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

**V.S.RAKESH**  
Chief Financial Officer

Place : Visakhapatnam  
Date : 09.05.2015

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

**B.NARAHARI**  
Company Secretary

**NOTES to Financial Statements for the year ended 31st March, 2015****Nature of business:**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES:****i) Basis of Preparation:**

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under section 133 of the Companies Act' 2013 read with rules 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**ii) Operating Cycle:**

All assets and liabilities have been classified as Current and Non-Current as per the company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of Current and Non-Current classification of Assets and Liabilities.

**iii) Revenue Recognition:**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risks and rewards of ownership is retained. Sales are net of sales tax/Value added tax. Excise duty recovered is presented as a reduction from gross turnover.

**iv) Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and estimated useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**v) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation inclusive of freight, duties, taxes and incidental expenses relating to the cost of acquisition and finance cost.

**vi) Borrowing costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

**vii) Capital Work in progress:**

Projects under which assets are not ready for their intended use and other capital work-in- progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**viii) Depreciation:**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as per the schedule II of the Companies Act.2013. Leasehold improvements are written off over the lower of the remaining

**NOTES to Financial Statements for the year ended 31st March, 2015**

primary period of lease or the life of the asset. The useful life of the assets adopted by the company is as per schedule II of the Companies Act, 2013 as follows:

|  |          |
|--|----------|
| Building                               | 60 years |
| Factory Buildings                      | 30 years |
| Plant and Machinery and Others         | 15 years |
| Plant and Machinery (Power Generation) | 40 years |
| Plant and Machinery (Rolling Mill)     | 20 years |
| Office equipment                       | 5 years  |
| Computer equipment                     | 3 years  |
| Furniture and Fixtures                 | 10 years |
| Electrical Installations               | 10 years |
| Vehicles (Other than two wheelers)     | 8 years  |
| Vehicles                               | 10 years |

**ix) Inventories:**

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

The liability towards excise duty on finished goods lying in excise godown is provided in the books and therefore the stock is valued inclusive of excise duty payable thereon in accordance with the provisions of AS-2 "Valuation of Inventories". However this has no impact on the profit of the year.

**x) Investments:**

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

**xi) Income Tax:**

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

**xii) Retirement and other Employee Benefits:**

- a. **Defined Contribution Plan:** Fixed contributions to Provident Fund are recognized in the accounts at actual cost to the Company.
- b. **Defined Benefit Plan:** The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees. The Company records its gratuity liability based on independent actuarial valuation as at the Balance Sheet date.
- c. **Other Employee Benefits:** Other employee benefits are estimated and accounted as per the company's policy and the terms of the employment contract.

**xiii) Foreign Currency Transactions:**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items, arising during the year, as so far as they relate to the acquisition of the depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset after the commencement of actual production.

**NOTES to Financial Statements for the year ended 31st March, 2015****xiv) Cash flow statement:**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered highly liquid cash bank balances.

**xv) Provisions:**

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**xvi) Earnings Per Share:**

The company reports basic Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per share". Basic EPS is computed by dividing the net Profit or Loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**xvii) Segmenting Reporting:**

The Company is primarily engaged in the business of manufacture and sale of iron and steel products and generation and sale of power. The primary segment of the company is steel which in the context of Accounting Standard 17 on "Segment Reporting" constitutes reportable segment. However the company has captive power generation for manufacture of steel products. The unutilized power is sold to power traders and the revenue so generated is included in the sales.

**xviii) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**xix) Prior period items**

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments".

**xx) Leases**

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

**Where the Company is the lessee**

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

**Where the Company is the Lessor**

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

**xxi) Contingent Liabilities**

A contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.





## NOTES to Financial Statements for the year ended 31st March, 2015

## 2.1 SHARE CAPITAL

|  | As at 31.03.2015 |               | As at 31.03.2014 |               |
|--|------------------|---------------|------------------|---------------|
|  | No. of Shares    | Amount ₹.     | No. of Shares    | Amount ₹.     |
| <b>i. Authorised</b>   |                  |               |                  |               |
| Equity shares of ₹.10 each with voting rights                                  | 258,000,000      | 2,580,000,000 | 159,000,000      | 1,590,000,000 |
| Redeemable Preference shares of ₹. 10/- each                                   | 1,000,000        | 10,000,000    | 1,000,000        | 10,000,000    |
| Redeemable Cumulative Optionally Convertible preference shares of ₹. 10/- each | 73,000,000       | 730,000,000   | 73,000,000       | 730,000,000   |
| <b>ii. Issued, Subscribed and fully paid up</b>                                |                  |               |                  |               |
| Equity shares of ₹.10 each with voting rights                                  | 51,950,000       | 519,500,000   | 51,950,000       | 519,500,000   |
|  | 51,950,000       | 519,500,000   | 51,950,000       | 519,500,000   |

**Rights, Preferences and restrictions attached to Equity Shares**

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

a) The Movement in subscribed and paid up capital is set out below:

|                                     | As at 31.03.2015 |             | As at 31.03.2014 |             |
|-------------------------------------|------------------|-------------|------------------|-------------|
|                                     | No. of Shares    | Amount ₹.   | No. of Shares    | Amount ₹.   |
| <b>Equity shares:</b>               |                  |             |                  |             |
| i. Opening Balance                  | 51,950,000       | 519,500,000 | 51,950,000       | 519,500,000 |
| ii. Shares allotted during the year | -                | -           | -                | -           |
| iii. Closing Balance                | 51,950,000       | 519,500,000 | 51,950,000       | 519,500,000 |

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

| Name of the Shareholder                   | As at 31.03.2015 |        | As at 31.03.2014 |        |
|---|------------------|--------|------------------|--------|
|   | No. of Shares    | % held | No. of Shares    | % held |
| <b>Equity shares with voting rights:-</b> |                  |        |                  |        |
| i. Umashiv Garments Private Ltd           | 17,244,090*      | 33.19  | 15,214,090       | 29.29  |

\* Includes 20,30,000 Shares of Brahma Chemicals Limited which is merged with Umashiv Garments Private Ltd and are yet to be transferred to Umashiv Garments Private Ltd.



**NOTES to Financial Statements for the year ended 31st March, 2015**

|   | As at 31.03.2015<br>Amount ₹. | As at 31.03.2014<br>Amount ₹. |
|---|-------------------------------|-------------------------------|
| <b>2.2 RESERVES &amp; SURPLUS</b>             |                               |                               |
| a) Capital Reserve                            |                               |                               |
| Opening Balance                               | 1,795,077,280                 | 1,795,077,280                 |
| Additions during the Year                     | -                             | -                             |
| Closing Balance (A)                           | <u>1,795,077,280</u>          | <u>1,795,077,280</u>          |
| b) Revaluation Reserve                        |                               |                               |
| Opening Balance                               | 1,025,610,680                 | 1,025,610,680                 |
| Addition on Account of revaluation of Land    | -                             | -                             |
| Closing Balance (B)                           | <u>1,025,610,680</u>          | <u>1,025,610,680</u>          |
| c) Amalgamation Reserve                       |                               |                               |
| Opening Balance                               | 573,401,997                   | 573,401,997                   |
| Additions during the Year                     | 180,520,920                   | -                             |
| Closing Balance (C)                           | <u>753,922,917</u>            | <u>573,401,997</u>            |
| d) Capital Redemption Reserve                 |                               |                               |
| Opening Balance                               | 5,504,000                     | 5,504,000                     |
| Transfer from Statement of Profit & Loss      | -                             | -                             |
| Closing Balance (D)                           | <u>5,504,000</u>              | <u>5,504,000</u>              |
| e) Subsidy                                    |                               |                               |
| Opening Balance                               | 1,500,000                     | 1,500,000                     |
| Additions during the Year                     | -                             | -                             |
| Closing Balance (E)                           | <u>1,500,000</u>              | <u>1,500,000</u>              |
| f) General Reserve                            |                               |                               |
| Opening Balance                               | 56,500,000                    | 56,500,000                    |
| Transferred from Statement of Profit and Loss | -                             | -                             |
| Closing Balance (F)                           | <u>56,500,000</u>             | <u>56,500,000</u>             |
| g) Securities Premium Account                 |                               |                               |
| Opening Balance                               | 897,823,960                   | 897,823,960                   |
| Premium on shares issued during the year      | -                             | -                             |
| Closing Balance (G)                           | <u>897,823,960</u>            | <u>897,823,960</u>            |
| h) Investment Allowance Reserve               |                               |                               |
| Opening Balance                               | 1,720,306                     | 1,720,306                     |
| Additions during the Year                     | -                             | -                             |
| Closing Balance (H)                           | <u>1,720,306</u>              | <u>1,720,306</u>              |
| i) Surplus in Statement of Profit and Loss    |                               |                               |
| Opening Balance                               | (1,917,983,130)               | (2,114,929,076)               |
| Depreciation as per companies act 2013        | (96,551,808)                  | -                             |
| Add: Profit for the year                      | 284,566,209                   | 358,220,707                   |
| Closing Balance (I)                           | <u>(1,729,968,730)</u>        | <u>(1,756,708,369)</u>        |
| <b>Total (A+B+C+D+E+F+G+H+I)</b>              | <b><u>2,807,690,413</u></b>   | <b><u>2,600,429,854</u></b>   |

**2.3 EQUITY SHARE CAPITAL SUSPENSE**

59,82,720 Equity Shares are pending for allotment to shareholders of GSAL (India) Limited as per the Draft Rehabilitation Scheme (DRS) approved by the Hon'ble Board of Industrial and Financial Reconstruction and (BIFR) vide order dated 06th August' 2012 and 1,80,52,092 Equity Shares are pending for allotment to shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Honourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh.



**NOTES to Financial Statements for the year ended 31st March, 2015**

**2.4 10.5% NON CONVERTIBLE REDEEMABLE PREFERENCE SHARE CAPITAL SUSPENSE**

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

**2.5 LONG TERM BORROWINGS**

|                                | As at 31.03.2015<br>Amount ₹. |                    | As at 31.03.2014<br>Amount ₹. |                    |
|--------------------------------|-------------------------------|--------------------|-------------------------------|--------------------|
|                                | Non Current                   | Current            | Non Current                   | Current            |
| <b>Secured</b>                 |                               |                    |                               |                    |
| - Term Loans from Banks        | 2,815,200,000                 | 637,457,837        | 404,465,000                   | 544,508,814        |
| <b>Unsecured</b>               |                               |                    |                               |                    |
| - Term Loans from Banks        | -                             | -                  | -                             | 972,405            |
| - Term Loans from others       | 610,227,370                   | 33,508,679         | 477,348,276                   | 45,342,724         |
| - Interest free Sales Tax Loan | 17,154,756                    | 17,154,756         | 34,309,512                    | 17,154,756         |
| - Vehicle Hire Purchase Loans  | 7,017,729                     | 4,764,466          | 6,754,216                     | 3,702,806          |
|                                | <b>3,449,599,854</b>          | <b>692,885,739</b> | <b>922,877,004</b>            | <b>611,681,505</b> |

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

**Nature of Security**

Secured Corporate Term Loans availed from Banks are secured by exclusive first charge on specific fixed asset of the company and in other cases on first pari passu charge on the remaining fixed assets of the company ( excluding the fixed assets secured in favour of Term Loan lenders) and second pari passu charge on the current assets of the company and personal guarantee of promotor directors of the company

Secured Term Loans from consortium of banks lead by State Bank of India, Commercial Br., Visakhapatnam are secured by first charge on lease hold rights on the factory land, and assets created out of the funds raised plant and machinery, spares, tools and accessories both present and future and personal guarantee of promotor directors of the company

**Terms of repayment**

| Banker/Financer  | Terms of repayment  |
|--|---|
| <b>Corporate Term Loans</b>  |   |
| State Bank of India outstanding as on 31.03.2015 of ₹.2,09,51,271/- (Previous year: ₹ 29,73,36,610)    | Repayable in 48 monthly installments commencing from April 2011. Last installment due in April, 2015. Rate of interest 14.85% p.a. as at year end.        |
| State Bank of India outstanding as on 31.03.2015 of ₹.11,38,92,554/- (Previous year: ₹14,082,85,934)   | Repayable in 16 quarterly installments commencing from March, 2014. Last installment due in December 2017. Rate of interest 14.85% p.a. as at year end.   |
| State Bank of India outstanding as on 31.03.2015 of ₹.49,91,84,449/- (Previous year: ₹ Nil)            | Repayable in 16 quarterly installments commencing from December 2015. Last installment due in September 2019 Rate of interest 14.85% p.a. as at year end. |
| The Karur Vysya Bank Limited outstanding as on 31.03.2015 of ₹.24,93,97,475/- (Previous year: ₹ Nil)   | Repayable in 10 quarterly installments commencing from May 2015. Last installment due in August 2017 Rate of interest 14.85% p.a. as at year end.         |
| The Lakshmi Vilas Bank Limited outstanding as on 31.03.2015 of ₹.25,30,79,244/- (Previous year: ₹ Nil) | Repayable in 10 quarterly installments commencing from April, 2015. Last installment due in July 2017 Rate of interest 14.50% p.a. as at year end.        |

**NOTES to Financial Statements for the year ended 31st March, 2015**

| <b>Banker/Financer</b>   | <b>Terms of repayment</b>   |
|--|---|
| <b>Term Loans</b><br>State Bank of Bikaner & Jaipur outstanding as on 31.03.2015 of ₹.5,06,68,316 (Previous year: ₹ 7,97,60,523) | Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.       |
| State Bank of India outstanding as on 31.03.2015 of ₹.10,22,57,484 (Previous year: ₹16,03,29,361)                                | Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.00% p.a. as at year end.       |
| State Bank of Mysore outstanding as on 31.03.2015 of ₹.5,10,99,409 (Previous year: ₹7,99,80,475)                                 | Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.       |
| State Bank of Travencore outstanding as on 31.03.2015 of ₹.6,81,11,094 (Previous year: ₹10,68,11,337)                            | Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 14.75% p.a. as at year end.       |
| State Bank of India outstanding as on 31.12.2014 of ₹.44,15,61,676 (previous year: ₹48,27,24,113)                                | Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.  |
| State Bank of Hyderabad outstanding as on 31.03.2015 of ₹.45,68,88,614 (previous year: ₹ 49,11,31,793)                           | Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.  |
| State Bank of Patiala outstanding as on 31.03.2015 of ₹. 34,42,97,920 (previous year: ₹ 38,46,71,422)                            | Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end. |
| State Bank of Bikanere & Jaipur outstanding as on 31.03.2015 of ₹.34,44,09,888 (previous year: ₹38,43,20,358)                    | Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end. |
| Punjab National Bank outstanding as on 31.03.2015 of ₹.45,65,82,730 (previous year: ₹49,09,48,252)                               | Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.  |

**Maturity profile for Long term Unsecured Borrowings:**

| <b>Borrowings</b>            | <b>Principal Repayable in</b> |                  |                      | <b>Amount ₹</b> |
|------------------------------|-------------------------------|------------------|----------------------|-----------------|
|                              | <b>1-2 Years</b>              | <b>2-3 Years</b> | <b>Above 3 Years</b> |                 |
| Term Loans from others       | 35,810,950                    | 182,477,370      | 407,750,000          |                 |
| Interest Free Sales tax Loan | 17,154,756                    | 17,154,756       | -                    |                 |
| Hire Purchase Loans          | 4,764,466                     | 4,434,732        | 2,582,997            |                 |

Installments falling due in respect of all the above Loans for a period of 12 months have been grouped under "Current maturities of long-term debt" (Refer Note 2.10)



**NOTES to Financial Statements for the year ended 31st March, 2015**

|  | Amount ₹<br>As at 31.03.2015 | Amount ₹<br>As at 31.03.2014 |
|--|------------------------------|------------------------------|
| <b>2.6 DEFERRED TAX LIABILITY</b>  |                              |                              |
| On difference between book balance and tax balance of fixed assets   | 522,269,487                  | 201,175,776                  |
| On expenditure deferred in the books but allowable for tax purposes  | -                            | 1,445,749                    |
|  | <b>522,269,487</b>           | <b>202,621,525</b>           |
| <b>2.7 OTHER LONG TERM LIABILITIES</b>   |                              |                              |
| Deposits from Dealers  | 362,000,000                  | 312,000,000                  |
| Employees Security Deposit   | 311,013                      | -                            |
|  | <b>362,311,013</b>           | <b>312,000,000</b>           |
| <b>2.8 SHORT TERM BORROWINGS</b>   |                              |                              |
| <b>Secured</b>   |                              |                              |
| a) Working Capital Loan from Banks<br>(Secured by hypothecation of raw materials, finished goods, stores & spares and book debts and second charge on encumbered and unencumbered assets of the Company) | 3,130,432,284                | 2,460,038,277                |
|  | <b>3,130,432,284</b>         | <b>2,460,038,277</b>         |
| <b>2.9 TRADE PAYABLES*</b>   |                              |                              |
| Dues to Micro and Small Scale Enterprises (Note:2.28)  | -                            | -                            |
| Dues to other than Micro and Small Scale Enterprises   | 5,881,318,774                | 4,966,454,242                |
|  | <b>5,881,318,774</b>         | <b>4,966,454,242</b>         |
| <b>2.10 OTHER CURRENT LIABILITIES</b>  |                              |                              |
| Current maturities of long-term debt (Note:2.5)  | 692,885,739                  | 611,681,505                  |
| Payables for Capital goods   | 38,133,994                   | 20,665,312                   |
| Security Deposits  | 1,150,003                    | 1,193,500                    |
| Advances from Customers  | 309,492,654                  | 346,029,320                  |
| Payables to Employees  | 16,424,447                   | 12,592,783                   |
| Statutory remittances  | 303,967,811                  | 222,873,717                  |
| Unclaimed Dividend (#)   | 1,725,323                    | 2,001,989                    |
| Other Current Liabilities  | 92,185,968                   | 32,758,508                   |
| Payable for Expenses (**)  | 71,119,919                   | 125,290,596                  |
|  | <b>1,527,085,857</b>         | <b>1,375,087,229</b>         |

\* **Disclosures** : The company has no information as to whether any of its vendors constitute as supplier within the meaning of section 2(n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declaration were received under the said act from them.  
Trade Payables includes an amount of ₹. Nil (Previous Year ₹.10,14,10,306) due to Companies in which Directors are interested.

# There are no amount due for payment to the Investor Education Protection Fund(IEPF) U/s. 205 C of the companies Act,1956 as on reporting date

\*\* Payable for Expenses includes an amount of ₹.1,82,93,067 (Previous Year ₹7,53,46,618) due to Companies in which Directors are interested.

## 2.11 TANGIBLE ASSETS

(in ₹. )

| Particulars   | Freehold Land and Roads | Freehold Land Buildings | Machinery            | Electricals        | Equipments        | Furniture & Fixtures | Vehicles          | Railway Sidings   | Total                |
|---|-------------------------|-------------------------|----------------------|--------------------|-------------------|----------------------|-------------------|-------------------|----------------------|
| <b>Gross Block as at 01.04.2014</b>                   | <b>1,424,783,659</b>    | <b>1,330,035,466</b>    | <b>5,498,073,299</b> | <b>488,574,865</b> | <b>45,303,453</b> | <b>17,200,896</b>    | <b>73,794,212</b> | <b>67,562,743</b> | <b>8,945,328,592</b> |
| Additions During the Year                             | -                       | 1,158,701               | 19,534,493           | 319,325            | 2,086,630         | 138,260              | 7,696,194         | -                 | 30,933,603           |
| Less: assets disposed during the year                 | 1,732,445               | 4,183,087               | 45,471,919           | 753,172            | 26,090            | 18,505               | 4,355,575         | -                 | 56,540,793           |
| <b>Gross Block as at 31.03.2015</b>                   | <b>1,423,051,214</b>    | <b>1,327,011,080</b>    | <b>5,472,135,873</b> | <b>488,141,018</b> | <b>47,363,993</b> | <b>17,320,651</b>    | <b>77,134,831</b> | <b>67,562,743</b> | <b>8,919,721,402</b> |
| Previous period                                       | 1,165,491,735           | 812,462,479             | 2,958,313,689        | 204,588,171        | 41,112,284        | 15,091,824           | 71,335,834        | 67,562,743        | 5,335,958,758        |
| <b>Accumulated Depreciation as at 01.04.2014</b>      | -                       | <b>245,530,094</b>      | <b>2,068,217,617</b> | <b>62,868,612</b>  | <b>33,087,464</b> | <b>11,179,896</b>    | <b>32,510,196</b> | -                 | <b>2,453,393,879</b> |
| Depreciation During the Year                          | -                       | 38,513,819              | 135,382,273          | 59,105,519         | 4,546,861         | 1,233,451            | 11,399,073        | -                 | 250,180,996          |
| less: Depreciation on assets disposed during the year | -                       | 3,374,094               | 15,193,627           | 630,691            | -                 | 15,655               | 2,076,945         | -                 | 21,291,011           |
| Less: Addl. Depreciation as per Companies Act 2013    | -                       | -                       | (27,481,462)         | (2,085,469)        | (2,521,172)       | (253,959)            | (25,141)          | (64,184,605)      | (96,551,808)         |
| <b>Accumulated Depreciation as at 31.03.2015</b>      | -                       | <b>280,669,819</b>      | <b>2,215,887,725</b> | <b>123,428,909</b> | <b>40,155,497</b> | <b>12,651,651</b>    | <b>41,857,465</b> | <b>64,184,605</b> | <b>2,778,833,672</b> |
| Previous period                                       | -                       | 197,905,686             | 1,789,758,219        | 34,807,387         | 30,553,366        | 10,131,227           | 25,500,718        | -                 | 2,088,656,602        |
| <b>Net Block as on 31.03.2015</b>                     | <b>1,423,051,214</b>    | <b>1,046,341,260</b>    | <b>3,256,248,148</b> | <b>364,712,109</b> | <b>7,208,497</b>  | <b>4,669,000</b>     | <b>35,277,366</b> | <b>3,378,137</b>  | <b>6,140,885,731</b> |
| Previous period                                       | 1,165,491,735           | 614,556,793             | 1,168,555,470        | 169,780,784        | 10,558,918        | 4,960,597            | 45,835,116        | 67,562,743        | 3,247,302,156        |



|  | Amount ₹<br>As at 31.03.2015 | Amount ₹<br>As at 31.03.2014 |
|--|------------------------------|------------------------------|
| <b>2.12 NON CURRENT INVESTMENTS</b>  |                              |                              |
| Trade Investments - (At cost):   |                              |                              |
| Investment in equity instruments- (Unquoted)   |                              |                              |
| 3,52,87,066 Equity shares of ₹.10 each in Simhadri Power Limited<br>(31.03.2014: 3,52,87,066 Shares) | -                            | 352,870,660                  |
|  | -                            | <b>352,870,660</b>           |
| <b>2.13 LONG TERM LOANS AND ADVANCES</b>   |                              |                              |
| Unsecured, considered good   |                              |                              |
| Capital Advances   | 11,709,521                   | 16,342,148                   |
| Security Deposits  | 104,279,863                  | 82,287,291                   |
|  | <b>115,989,384</b>           | <b>98,629,439</b>            |
| <b>2.14 INVENTORIES</b>  |                              |                              |
| Raw Material   | 3,017,633,320                | 2,343,022,616                |
| Finished Goods   | 3,449,096,747                | 3,081,712,481                |
| Consumables  | 63,693,079                   | 50,889,448                   |
| Stores & Spares  | 69,768,813                   | 76,666,774                   |
| Stock in transit of Raw material   | 207,699,950                  | 310,967,324                  |
|  | <b>6,807,891,910</b>         | <b>5,863,258,642</b>         |
| <b>2.15 TRADE RECEIVABLES*</b>   |                              |                              |
| Unsecured, considered good   |                              |                              |
| Outstanding for a period exceeding six months from the<br>date they were due for payment             | 156,024,459                  | 79,844,800                   |
| Other trade receivables  | 2,932,150,382                | 2,049,704,051                |
|  | <b>3,088,174,841</b>         | <b>2,129,548,851</b>         |
| <b>2.16 CASH AND BANK BALANCES**</b>   |                              |                              |
| <b>(i) Cash and Cash Equivalents</b>   |                              |                              |
| a) Balances with banks - In Current Accounts   | 103,384,282                  | 19,815,155                   |
| b) Cash on Hand  | 3,700,562                    | 5,168,442                    |
|  | <b>107,084,845</b>           | <b>24,983,597</b>            |
| <b>(ii) Other Bank Balances</b>  |                              |                              |
| a) In deposit accounts - Held as Margin Money  | 625,874,571                  | 455,628,563                  |
| b) Unpaid dividend accounts  | 1,725,323                    | 2,001,989                    |
|  | <b>627,599,894</b>           | 457,630,552                  |
|  | <b>734,684,739</b>           | <b>482,614,149</b>           |

**\* Disclosures:**

The Trade Receivables includes an amount of ₹. 84,71,043 (Previous Year ₹. 30,13,370) due from Companies in which Directors are interested. Periodically, the Company evaluates all customer dues to the Company for collectibility. The need for provisions is assessed based on various factors including collectibility of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the Customer's ability to settle. The Company normally provides for debtors dues outstanding for six months or longer from the invoice date, as at the Balance Sheet date if any. the Company pursues the recovery of the dues, in part or full.

**\*\*Disclosures:**

Cash and Cash equivalents as of March 31,2015 and March 31, 2014 includes restricted cash balances of ₹. 62,58,74,571 and ₹. 45,56,28,563 respectively. The restriction is primarily on account of Cash and Bank balances held as margin money deposits against Letter of Credits sanctioned by banks.



|  | Amount ₹<br>As at 31.03.2015 | Amount ₹<br>As at 31.03.2014 |
|--|------------------------------|------------------------------|
| <b>2.17 SHORT TERM LOANS AND ADVANCES</b>    |                              |                              |
| Unsecured, considered good                   |                              |                              |
| Loans and advances to others                 |                              |                              |
| Advances For Purchases & Works               | 272,223,651                  | 309,183,160                  |
| Advance Tax and Tax Deducted at Source       | 32,026,728                   | 14,624,886                   |
| Indirect Tax Balances                        | 37,809,063                   | 33,834,232                   |
| MAT Credit Entitlement                       | 153,973,013                  | 150,645,995                  |
| State Govt incentives receivable (Sales Tax) | 82,696,643                   | 98,509,235                   |
| Prepaid Expenses                             | 4,505,069                    | 2,979,817                    |
| Other Advances                               | 68,726,904                   | 150,928,094                  |
|  | <b>651,961,071</b>           | <b>760,705,419</b>           |

**Disclosures:**

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

|                                  | Amount ₹<br>As at 31.03.2015 | Amount ₹<br>As at 31.03.2014 |
|----------------------------------|------------------------------|------------------------------|
| <b>2.18 OTHER CURRENT ASSETS</b> |                              |                              |
| Unsecured, considered good       |                              |                              |
| Advance for Expenses             | 43,545,526                   | 35,088,316                   |
| Other Receivables                | 578,659,163                  | 101,891,483                  |
| Unamortised Expenses:-           |                              |                              |
| Preliminary Expenses             | -                            | 638,373                      |
| Deferred Revenue Expenditure     | -                            | 3,850,000                    |
|                                  | <b>622,204,688</b>           | <b>141,468,172</b>           |

**Disclosures:**

The Advance for Expenses includes an amount of ₹.44,69,029 (Previous Year ₹. Nil) due from Companies in which Directors are interested.





|                                     | Amount ₹<br>Year Ended<br>31.03.2015 | Amount ₹<br>Year Ended<br>31.03.2014 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| <b>2.19 REVENUE FROM OPERATIONS</b> |                                      |                                      |
| <b>Sale of Products</b>             |                                      |                                      |
| Finished Goods                      | 5,816,807,691                        | 6,935,843,257                        |
| Energy                              | 1,743,132,847                        | 213,852,781                          |
| Sale of Traded Goods                | 8,168,305,614                        | 6,019,329,836                        |
| <b>Other Operating revenue</b>      |                                      |                                      |
| Sales Incentives                    | 41,756,643                           | 52,533,044                           |
| Conversion Income                   | -                                    | 882,596                              |
| S Insurance Claim on Stocks         | 403,000,000                          | -                                    |
| Sales Tax Incentives                | 25,621,848                           | 11,812,572                           |
|                                     | <b>16,198,624,643</b>                | <b>13,234,254,087</b>                |
| <b>Details of products Sold</b>     |                                      |                                      |
| <b>Finished Goods Sold</b>          |                                      |                                      |
| Rebar & Wires                       | 4,570,765,040                        | 5,277,606,441                        |
| Billets & Ingots                    | 455,522,714                          | 362,069,503                          |
| Sponge iron                         | 64,809,170                           | 116,026,187                          |
| Steel Scrap                         | 13,601,067                           | 26,858,843                           |
| Coal fines                          | 242,928,826                          | 1,073,977,483                        |
| Pellets                             | 336,671,988                          | 322,608                              |
| Iron Ore Fines                      | 117,871,921                          | 59,747,104                           |
| Mill Scale and Others               | 14,636,965                           | 19,235,089                           |
|                                     | <b>5,816,807,691</b>                 | <b>6,935,843,257</b>                 |
| <b>Energy</b>                       |                                      |                                      |
| Power                               | 1,743,132,847                        | 213,852,781                          |
|                                     | <b>1,743,132,847</b>                 | <b>213,852,781</b>                   |
| <b>Trading Goods Sold</b>           |                                      |                                      |
| Rebar, Wire & Wire Rod Coils        | 7,854,517,577                        | 5,422,511,580                        |
| Billets & Ingots                    | 21,234,514                           | 288,492,153                          |
| Pig Iron & Scrap                    | 118,814,281                          | 176,657,090                          |
| Structurals & Others                | 101,796,493                          | 131,669,013                          |
| Coal                                | 71,942,749                           | -                                    |
|                                     | <b>8,168,305,614</b>                 | <b>6,019,329,836</b>                 |
| <b>2.20 OTHER INCOME</b>            |                                      |                                      |
| Interest Received                   | 46,444,520                           | 61,616,167                           |
| Lease Rental Income                 | 7,080,000                            | 8,349,300                            |
| Insurance receipts                  | 40,018,721                           | -                                    |
| Miscl. Reciepts                     | 29,097,078                           | 2,811,007                            |
|                                     | <b>122,640,319</b>                   | <b>72,776,475</b>                    |



|  | Amount ₹<br>Year Ended<br>31.03.2015 | Amount ₹<br>Year Ended<br>31.03.2014 |
|--|--------------------------------------|--------------------------------------|
| <b>2.21 COST OF MATERIAL CONSUMED</b>                |                                      |                                      |
| <b>Raw Material Consumed</b>                         |                                      |                                      |
| Opening Balance                                      | 2,985,805,096                        | 1,218,886,323                        |
| Purchases  | 5,266,227,725                        | 5,431,202,795                        |
|  | <b>8,252,032,820</b>                 | <b>6,650,089,119</b>                 |
| Less: Closing Stock (**)                             | 3,017,633,320                        | 2,343,022,616                        |
| Cost of Materials Consumed (#)                       | <b>5,234,399,500</b>                 | <b>4,307,066,503</b>                 |
| <b># Details of Materials Consumed</b>               |                                      |                                      |
| Billets, Blooms & Ingots                             | 172,526,664                          | 918,916,409                          |
| Scrap  | 286,923,586                          | 877,178,925                          |
| Pig Iron   | 777,862,313                          | 394,578,078                          |
| Wire Rod Coils                                       | 98,370,430                           | 189,154,640                          |
| Nut Coke   | -                                    | 349,909                              |
| Coal/Coal fines                                      | 2,072,178,094                        | 514,036,378                          |
| Iron ore   | 777,524,251                          | 483,874,121                          |
| Lime Stone   | 14,968,184                           | 6,555,202                            |
| Pellets  | 1,017,897,288                        | 781,610,756                          |
| Others   | 16,148,690                           | 140,812,086                          |
|  | <b>5,234,399,500</b>                 | <b>4,307,066,503</b>                 |
| <b>** Details of Closing Stock of Raw Materials:</b> |                                      |                                      |
| Scrap  | 386,327,160                          | 572,857,568                          |
| Iron Ore   | 7,291,690                            | 33,439,510                           |
| Coal/Coal fines                                      | 2,443,800,053                        | 1,456,590,885                        |
| Iron Ore Fine  | 18,854,220                           | 136,149,629                          |
| Pig Iron   | 52,309,217                           | 4,604,600                            |
| Iron Ore (Acce)                                      | 78,926,080                           | 69,636,080                           |
| Lime Stone   | 1,274,141                            | 189,437                              |
| Pellets  | 13,298,599                           | 22,610,850                           |
| Billets  | -                                    | 36,333,920                           |
| Wire Rod Coils                                       | 15,171,160                           | 10,496,654                           |
| Sponge Iron  | 113,484                              | 113,484                              |
| PCM Jam  | 267,518                              | -                                    |
|  | <b>3,017,633,320</b>                 | <b>2,343,022,616</b>                 |



|   | Amount ₹<br>Year Ended<br>31.03.2015 | Amount ₹<br>Year Ended<br>31.03.2014 |                      |                    |
|---|--------------------------------------|--------------------------------------|----------------------|--------------------|
| <b>2.22 PURCHASE OF TRADED GOODS</b>      |                                      |                                      |                      |                    |
| Rebar, Wire & Wire Rod Coils              | <b>7,623,757,001</b>                 | 5,381,201,262                        |                      |                    |
| Billets, Blooms & ingots                  | <b>21,178,484</b>                    | 223,743,420                          |                      |                    |
| Pig Iron & Scrap                          | <b>119,695,343</b>                   | 176,541,824                          |                      |                    |
| Structurals                               | <b>100,037,173</b>                   | 132,262,978                          |                      |                    |
|   | <b>7,864,668,001</b>                 | <b>5,913,749,484</b>                 |                      |                    |
| <b>2.23 CHANGES IN INVENTORIES</b>        |                                      |                                      |                      |                    |
| Closing Stock of:                         |                                      |                                      |                      |                    |
| Finished Goods                            | <b>2,930,895,913</b>                 | 2,378,214,240                        |                      |                    |
| Traded Goods                              | <b>518,200,834</b>                   | 703,498,241                          |                      |                    |
| <b>Total (A)</b>                          | <b>3,449,096,747</b>                 | <b>3,081,712,481</b>                 |                      |                    |
| Opening Stock of:                         |                                      |                                      |                      |                    |
| Finished Goods                            | <b>2,378,214,240</b>                 | 1,767,201,836                        |                      |                    |
| Traded Goods                              | <b>703,498,241</b>                   | 907,810,584                          |                      |                    |
| <b>Total (B)</b>                          | <b>3,081,712,481</b>                 | <b>2,675,012,420</b>                 |                      |                    |
| <b>(Increase)/Decrease in Stock (A-B)</b> | <b>(367,384,267)</b>                 | (406,700,060)                        |                      |                    |
| <b>Details of inventory</b>               | <b>Manufacturing</b>                 | <b>Trading</b>                       | <b>Manufacturing</b> | <b>Trading</b>     |
| Rebar & Wires                             | 510,596,127                          | 375,134,687                          | 489,114,928          | 553,918,609        |
| Billets & Ingots                          | 500,769,848                          | 608,778                              | 243,192,168          | 4,423,536          |
| Sponge iron                               | 417,868,851                          | -                                    | 308,429,118          | -                  |
| Pig iron & Scrap                          | -                                    | 132,715,972                          | -                    | 139,258,251        |
| Steel Scrap                               | 339,376,841                          | -                                    | 18,043,868           | -                  |
| Structurals                               | -                                    | 9,741,397                            | -                    | 5,897,845          |
| Coal & Coal Fines                         | 1,094,205,537                        | -                                    | 1,298,928,458        | -                  |
| Mill Scale and Others                     | 13,282,634                           | -                                    | 6,488,330            | -                  |
| Slag                                      | 54,796,075                           | -                                    | 14,017,371           | -                  |
|   | <b>2,930,895,913</b>                 | <b>518,200,834</b>                   | <b>2,378,214,240</b> | <b>703,498,241</b> |



|   | Amount ₹<br>Year Ended<br>31.03.2015 | Amount ₹<br>Year Ended<br>31.03.2014 |
|---|--------------------------------------|--------------------------------------|
| <b>2.24 EMPLOYEE BENEFITS</b>                   |                                      |                                      |
| Salaries & Wages                                | 220,842,242                          | 167,461,439                          |
| Contributions to provident Fund and other funds | 3,993,752                            | 2,551,802                            |
| Staff welfare                                   | 3,306,202                            | 3,087,705                            |
|   | <b>228,142,196</b>                   | <b>173,100,946</b>                   |
| <b>2.25 FINANCE COSTS</b>                       |                                      |                                      |
| Interest Expenses on:                           |                                      |                                      |
| - Term loans                                    | 454,859,914                          | 194,584,399                          |
| - Working Capital Loans                         | 420,221,210                          | 369,636,355                          |
| - Others  | 234,908,296                          | 125,783,626                          |
| Bank Charges & Comission                        | 166,301,497                          | 114,393,293                          |
|   | <b>1,276,290,917</b>                 | <b>804,397,673</b>                   |
| <b>2.26 OTHER EXPENSES</b>                      |                                      |                                      |
| <b>a) Manufacturing Expenses:</b>               |                                      |                                      |
| Stores, Spares & Consumables                    | 270,426,211                          | 253,600,318                          |
| Power & Fuel                                    | 31,658,313                           | 585,926,904                          |
| Gas charges                                     | 191,400,775                          | 126,766,031                          |
| Repairs & Maintenance                           | 41,341,637                           | 16,526,656                           |
| Factory Maintanance                             | 9,014,747                            | 6,363,612                            |
| Freight Charges                                 | 4,974,318                            | 4,158,835                            |
| Loading & Unloading Charges                     | 1,462,239                            | 1,949,173                            |
| Transmission Charges                            | 35,751,470                           |                                      |
| Contract Charges                                | 32,627,396                           | 28,517,223                           |
| Labour Charges                                  | 680,204                              | 879,404                              |
| Other Manufacturing expenses                    | 14,099,188                           | 11,763,970                           |
| <b>b) Other Operational Expenses:</b>           |                                      |                                      |
| Legal & professional Charges                    | 17,099,838                           | 15,071,997                           |
| Rent  | 4,164,300                            | 998,800                              |
| Rates & Taxes                                   | 104,393,494                          | 68,492,918                           |
| Insurance                                       | 14,862,750                           | 5,019,981                            |
| Payment to Auditors                             |                                      |                                      |
| As Auditors                                     | 3,000,000                            | 2,000,000                            |
| For Tax Audit                                   | 900,000                              | 500,000                              |
| For Tax representation                          | 450,000                              | 250,000                              |
| For Certification & Others                      | 1,050,000                            | 750,000                              |
| Discounts & Comissions                          | 33,789,500                           | 39,649,493                           |
| CSR Expenses                                    | 6,049,454                            | 2,146,488                            |
| Selling & Distribution Expenses                 | 3,022,133                            | 5,474,694                            |
| General Charges ( #)                            | 110,863,497                          | 84,231,121                           |
| Loss on Sale of Assets (Net)                    | -                                    | 6,392                                |
| Exchange Fluctuation Loss (Net)                 | 8,900,543                            | 32,780,650                           |
| Prior period Expenses (Net)                     | 398,692                              | 964,769                              |
|   | <b>942,380,700</b>                   | <b>1,294,789,429</b>                 |



|  | <b>Amount ₹<br/>Year Ended<br/>31.03.2015</b> | <b>Amount ₹<br/>Year Ended<br/>31.03.2014</b> |
|--|---|---|
| #General Charges Includes:               |   |   |
| Office Maintenance                       | <b>13,811,245</b>                             | 9,117,764                                     |
| Electricity charges                      | <b>743,196</b>                                | 1,079,543                                     |
| Postage & Telephone                      | <b>1,863,143</b>                              | 1,833,336                                     |
| Printing & Stationary                    | <b>1,575,821</b>                              | 1,298,811                                     |
| Freight & Handling Charges               | <b>54,089,722</b>                             | 33,656,338                                    |
| Yard Expenses                            | <b>1,292,307</b>                              | 503,696                                       |
| Generator Maintenance                    | <b>51,118</b>                                 | 253,120                                       |
| Vehicle Maintenance                      | <b>9,277,251</b>                              | 8,402,787                                     |
| Security Charges                         | <b>8,881,660</b>                              | 7,823,771                                     |
| Miscl. Expenses                          | <b>2,548,972</b>                              | 3,785,364                                     |
| Business Promotion                       | <b>4,408,688</b>                              | 2,138,760                                     |
| Donations                                | <b>690,500</b>                                | 270,000                                       |
| Bad Debts Written Off                    | -   | 60,892  |
| Misc. Exp Written off                    | <b>638,373</b>                                | 638,372                                       |
| Deferred revenue expenditure written off | <b>3,850,000</b>                              | 6,650,000                                     |
| Travelling & Conveyance                  | <b>7,141,500</b>                              | 6,718,567                                     |
|  | <b>110,863,497</b>                            | <b>84,231,121</b>                             |



**NOTES to Financial Statements for the year ended 31st March, 2015**

- 2.27 In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
- 2.28 Disclosure of Sundry creditors under trade payables has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 and relied upon by the Auditors.

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

| Particulars   | 31st March<br>2015 | 31st March<br>2014 |
|---|--------------------|--------------------|
| o Due to Micro, small enterprises- other Disclosures;   | -                  | -                  |
| o Principal amount remaining unpaid as on 31.03.2015 includes   | -                  | -                  |
| o Sundry Creditors includes to micro, small and medium enterprises *  | -                  | -                  |
| o Interest due thereon as on 31.03.2015 Interest paid by the company in terms of Sec 16 of Micro, small and medium enterprises development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year. | -                  | -                  |
| o Interest due on payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprises development act 2006        | -                  | -                  |
| o Interest Accrued and remaining unpaid as on 31.03.2015  | -                  | -                  |

Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises

- 2.29 Contingent liabilities and commitments to the extent not provided for

| Contingent Liabilities  | Amount ₹.<br>31st March 2015 | Amount ₹.<br>31st March 2014 |
|---|------------------------------|------------------------------|
| a. Claim against the company by GAIL not acknowledged as debt                                       | <b>1,84,07,569</b>           | 1,84,07,569                  |
| b. Claim of APEDCL not acknowledged as debt   | <b>9,48,98,100</b>           | 9,48,98,100                  |
| c. Demands from Sales tax department disputed   | <b>1,55,50,782</b>           | 1,48,28,125                  |
| d. Demands from Excise departments disputed   | <b>4,84,45,419</b>           | 4,99,75,117                  |
| e. Others   | <b>2,73,89,984</b>           | 2,02,40,093                  |
| f. Letters of credit and bank guarantees  | <b>1,30,00,000</b>           | 1,30,00,000                  |
| g. Corporate Guarantee given to the Term Loan and Working Capital lenders of M/s Simhadri Power Ltd | -                            | 288,00,00,000                |

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

**NOTES to Financial Statements for the year ended 31st March, 2015**

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

|                       | 31st March 2015<br>Value in ₹. | 31st March 2014<br>Value in ₹. |
|-----------------------|--------------------------------|--------------------------------|
| Raw Materials         | 131,03,31,671                  | 135,81,30,034                  |
| Components and Spares | 20,98,252                      | 17,35,723                      |
| <b>Total</b>          | <b>131,24,29,923</b>           | <b>135,98,65,757</b>           |

2.31 Expenditure in foreign currency:

|                     | 31st March 2015<br>Value in ₹. | 31st March 2014<br>Value in ₹. |
|---------------------|--------------------------------|--------------------------------|
| Raw-Material        | 77,84,29,165                   | 57,82,95,959                   |
| Components & Spares | 30,46,599                      | 17,35,723                      |
| Travelling Expenses | 5,05,609                       | 11,77,612                      |
| Others              | 97,01,364                      | 4,60,231                       |
| <b>Total</b>        | <b>79,16,82,737</b>            | <b>58,16,69,525</b>            |

2.32 The details of related party transactions in terms of Accounting Standard (AS 18) are as follows:

Names of Related Parties And Description of Relationship:

**A Associate Concerns**

- |  |  |
|--|--|
| 1) VPL Projects Private Limited        | 2) Vizag Profile Constructions India Private Limited |
| 3) Vizag Profiles Private Limited      | 4) Umashiv Garments Private Limited                  |
| 5) World Future League Private Limited | 6) Simhadri Wires Private Limited                    |
| 7) Simhadri Pellets India limited      | 8) Satyatej Vyaapar Private Limited                  |
| 9) VPL Integral CFS Private Limited.   |  |

**B Key Management Personnel**

- 1) B. Satish Kumar- Chairman and Managing Director
- 2) B. Suresh Kumar - Joint Managing Director
- 3) B. Suresh - Director
- 4) B. Ramesh Kumar - Joint Managing Director

**C Relatives of Key Management Personnel**

- 1) B. Rajesh - Vice President Finance
- 2) B. Mohit Sai Kumar - Manager Marketing

**Particulars of transactions during the period :****Amount (₹. )**

| Particulars                                    | Associates  | Key Management Personnel | Relative of Key Management Personnel | Total       |
|--|-------------|--------------------------|--------------------------------------|-------------|
| <b>Income:</b>                                 |             |                          |                                      |             |
| Sale of Goods                                  | 92,44,160   | -                        | -                                    | 92,44,160   |
| <b>Expenses:</b>                               |             |                          |                                      |             |
| Purchase of goods                              | 1,78,80,814 | -                        | -                                    | 1,78,80,814 |
| Services                                       | 8,92,39,273 | -                        | -                                    | 8,92,39,273 |
| Director's Remuneration & Perquisites          | -           | 2,28,41,983              | -                                    | 2,28,41,983 |
| Salaries                                       | -           | -                        | 39,00,000                            | 39,00,000   |
| Lease Rentals Paid                             | 35,11,500   | -                        | -                                    | 35,11,500   |
| <b>Balance Sheet Heads (Closing Balances):</b> |             |                          |                                      |             |
| Amounts payable on 31.03.2015                  | 1,82,93,067 | 4,48,436                 | -                                    | 1,87,41,503 |
| Amounts receivable on 31.03.2015               | 1,29,99,400 | -                        | -                                    | 1,29,99,400 |



**NOTES to Financial Statements for the year ended 31st March, 2015**

**Disclosure as per Clause 32 of the Listing Agreement entered with the Stock Exchanges:**

| <b>Name of the Company</b>                                | <b>Relationship</b> | <b>Balance as at 31.03.2015 (Amount ₹. )</b> | <b>Maximum balance Outstanding During the year (Amount ₹. )</b> |
|---|---------------------|--|---|
| <b>Loans and Advances:</b><br>VPL Project Private Limited | Associate           | <b>(30,13370)</b>                            | (72,61,029)   |
| <b>Investments:</b><br>Simhadri Power Limited*            | Associate           | <b>(35,28,70,660)</b>                        | (35,28,70,660)  |

\*Amalgamated with the Company.

Note: Figures in brackets relate to the previous period

**2.33 Earnings Per Share:**

|   | <b>31st March 2015</b> | <b>31st March 2014</b> |
|---|------------------------|------------------------|
| Net Profit for the Period/Year                    | <b>28,45,66,209</b>    | 35,82,20,707           |
| Amount Available for Equity Share Holders         | <b>28,45,66,209</b>    | 35,82,20,707           |
| Weighted Average Number of Shares for Basic EPS   | <b>5,19,50,000</b>     | 5,19,50,000            |
| Add: Adjustment for Share suspense                | <b>59,82,720</b>       | 59,82,720              |
| Weighted Average Number of Shares for Diluted EPS | <b>7,59,84,812</b>     | 5,79,32,720            |
| Nominal Value per Share (₹)                       | <b>10.00</b>           | 10.00                  |
| Basic Earnings per Share (₹)                      | <b>5.48</b>            | 6.90                   |
| Diluted Earnings per Share(₹)                     | <b>3.75</b>            | 6.18                   |

2.34 The Financial Statements of current period include Financial Statements of SIMHADRI POWER LIMITED, the merger of which has been approved by the Honourable High Court of Judicature at Hyderabad for the state of Telangana and for the state of Andhra Pradesh vide order dated 18th November'2014. The merger has been approved with effect from 01-04-2013 and the effect has been incorporated during the current financial year. As such the financial statements of 2014-15 are not comparable with that of previous year figures.

2.35 The balance shown in Sundry Debtors, Sundry Creditors, advances are subject to confirmation from the respective parties.

2.36 Director Remuneration: ₹ 2,28,41,983 (Previous Year ₹ 1,26,98,110)

2.37 Previous year figures have been regrouped / re arranged / re-classified wherever considered necessary to conform to the classification of the current year.

As per our report of even date  
for **PAVULURI & Co.**

Chartered Accountants  
Firm Reg. No. 012194S  
**CA. P. A. RAMAIAH**  
Partner  
M.No. : F- 203300

Camp: Visakhapatnam  
Date : 09.05.2015

for and on behalf of the Board of Directors

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

**V.S.RAKESH**  
Chief Financial Officer

Place : Visakhapatnam  
Date : 09.05.2015

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

**B.NARAHARI**  
Company Secretary



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# STEEL EXCHANGE INDIA LIMITED

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

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

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

## ATTENDANCE SLIP

**16th Annual General Meeting - September 30, 2015**

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

|               |  |
|---------------|--|
| <b>DP ID*</b> |  |
|---------------|--|

|                 |  |
|-----------------|--|
| <b>Folio No</b> |  |
|-----------------|--|

|                   |  |
|-------------------|--|
| <b>Client ID*</b> |  |
|-------------------|--|

|                          |  |
|--------------------------|--|
| <b>No.of Shares held</b> |  |
|--------------------------|--|

I Certify that I am member /Proxy for the member of the company, I hereby record my presence at the 16th Annual General Meeting of the Company held on Wednesday, the September 30th, 2015 at 11:45 AM at The Plaza, Begumpet, Hyderabad, Telangana- 500 016.

(Signature of Member / Proxy)

**Note :** Please fill in the attendance slip and hand it over at the entrance of the meeting .

Persons attending the Annual General Meeting are required to bring their copies of Annual Reports as the practice of distribution of copies of the Report at the meeting has been discontinued.

\* Applicable for Investors holding shares in electronic form



ROUTE MAP TO AGM VENUE





# STEEL EXCHANGE INDIA LIMITED

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

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

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

## PROXY FORM

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

Name of the Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID:

DP ID:

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

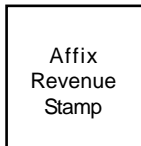
- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 16th Annual General Meeting of the Company to be held on **Wednesday, the September 30th, 2015 at 11:45 AM at The Plaza, Begumpet, Hyderabad, Telangana- 500 016** and at any adjournment thereof in respect of such resolutions as are indicated below:

| S.No | Resolutions  | FOR | AGAINST |
|------|--|-----|---------|
|      | <b>Ordinary Business</b>   |     |         |
| 1    | Consider and adopt Financial Statements of the Company for the year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors' thereon |     |         |
| 2    | Appointment of Mr. B. Suresh as a director retiring by rotation.   |     |         |
| 3    | Appointment of Mr. V.V. Krishna Rao as a director retiring by rotation.  |     |         |
| 4    | Appointment of M/s. Pavuluri & Co, Chartered Accountants as Statutory Auditors of the company  |     |         |
|      | <b>Special Business</b>  |     |         |
| 5    | Appointment of Mr. Bandi Ramesh Kumar as Director and Joint Managing Director of the Company.  |     |         |
| 6    | Appointment of Ms. Sujata Chattopadhyay as Independent Director of the company   |     |         |
| 7    | To ratify the remuneration payable to M/s. DZR & Co., Cost Auditors of the Company for FY 2015-16  |     |         |

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of the Shareholder \_\_\_\_\_



\_\_\_\_\_  
Signature of First proxy holder

\_\_\_\_\_  
Signature of Second proxy holder

\_\_\_\_\_  
Signature of Third proxy holder

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

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