



SHAH ALLOYS LTD.

Corp. Office : Shah Alloys Corporate House, Sola - Kalol Road, Santej, Ta. Kalol, Dist. Gandhinagar- 382721
Regd. Office : 5/1, Shreeji House, 5th Floor, Behind M.J.Library, Ashram Road, Ahmedabad- 6. India
Phone : 02764 - 661100 | E-mail : info@shahalloys.com

Date: 01.12.2020

To,
Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai - 400 001

Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400051

BSE Scrip Code: 513436

NSE Symbol – SHAHALLOYS

Sub: Intimation of the 30th Annual General Meeting of the Company

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the 30th Annual General Meeting is scheduled to be held on Wednesday, December 23rd, 2020 at 10.00 A.M. IST via Video Conference/ Other Audio Visual Means ("VC/OAVM") in accordance with the relevant circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

The AGM Notice and Annual Report for the Financial Year 2019-20 will be circulated to Stock Exchanges and the Members through electronic mode and will also be available on the Company's website - www.shahalloys.com.

You are requested to take the same on record and acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
For Shah Alloys Limited


Vinay Kumar Mishra
Company Secretary & Compliance Officer



Incl.: As stated above

CIN - L27100GJ1990PLC014698



SHAH ALLOYS LIMITED

ANNUAL REPORT

2019-20



30TH ANNUAL REPORT
CIN L27100GJ1990PLC014698

Board of Directors

Shri Rajendra V. Shah	Non Executive Chairman
Shri Kondadi Srinivas Kamath	Jt. Managing Director
Shri Ashok A Sharma	Whole-Time Director
Shri G.M. Shaikh	Independent Director
Shri Tejpal S. Shah	Independent Director
Shri Harshad M. Shah	Independent Director
Smt. Shefali M. Patel	Independent Director

Chief Financial Officer

Shri Ashok A Sharma

Company Secretary & Compliance Officer

Shri Vinay Kumar Mishra

Audit Committee

Shri G. M. Shaikh, Chairman
Smt. Shefali M. Patel
Shri Rajendra V. Shah

Nomination and Remuneration Committee

Shri G. M. Shaikh, Chairman
Smt. Shefali M. Patel
Shri Rajendra V. Shah

Stakeholders' Relationship Committee

Shri G. M. Shaikh, Chairman
Smt. Shefali M. Patel
Shri Ashok Sharma

Corporate Social Responsibility Committee

Shri K. S. Kamath, Chairman
Shri G. M. Shaikh
Shri Rajendra V. Shah

Registered Office

5/1 Shreeji House,
B/h M.J. Library, Ashram Road,
Ahmedabad - 380 006

Administrative Office

Shah Alloys Limited
Corporate House,
Sola-Kalol Road, Village Santej,
Dist.-Gandhinagar-382 721

Plant

Shah Industrial Estate,
Block No. 2221, Sola - Kalol Road,
Village - Santej, Dist. - Gandhinagar-382 721

Statutory Auditors

M/s. Parikh & Majmudar, Chartered Accountants,
303, "B" Wing, GCP Business Center,
Opp. Memnagar Fire Station, Nr. Vijay Cross Roads,
Ahmedabad - 380 009

Secretarial Auditors

Kamlesh M. Shah & Co.
Company Secretaries
801-A, 8th Floor, Mahalaya Complex,
Opp. Hotel President, B/h. Fairdeal House, Swastik Cross Roads,
Off C.G.Road, Navrangpura, Ahmedabad 380 009

Registrar and Share Transfer Agents

Bigshare Services Private Limited
(Unit: Shah Alloys Limited)
Bharat Tin Works Building, 1stFloor,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri - East, Mumbai - 400059, Maharashtra
Board No. : 022 6263 8200
Email id.: info@bigshareonline.com
Website : www.bigshare.com

Bankers to the Company

ICICI Bank Ltd.
State Bank of India

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 30th Annual General Meeting (AGM) of the Members of **SHAH ALLOYS LIMITED** will be held on **Wednesday, 23rd December, 2020 at 10:00 AM through Video Conferencing/Other Audio-Visual Means (VC/OAVM)** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2020, Statement of Profit & Loss for year ended on that date and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Kondadi Srinivas Kamath (DIN 00621544), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, read with Schedule IV and all other applicable provisions, of the Companies Act, 2013 and rules made thereunder, as amended from time to time and in terms of Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Smt. Shefali M. Patel (DIN 07235872), Independent Director of the company, who has submitted a declaration that she meets criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment and in respect of whom the Company has received a Notice in writing from a Member proposing her candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company to hold office for another term of 5 consecutive years i.e. till conclusion of 35th Annual General Meeting of the Company and she shall not be liable to retire by rotation."

4. To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time and subject to such approvals as may be necessary, consent of the company be and is hereby accorded for re-appointment and for the terms of remuneration of Shri Kondadi Srinivas Kamath (DIN 00261544) as Joint Managing Director of the Company for a further period of 5 years from 31st October, 2020 till 30th October 2025, upon the terms and conditions as set out in the in the written memorandum placed before meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Kondadi Srinivas Kamath (DIN 00261544)."

5. To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time and subject to such approvals as may be necessary, consent of the company be and is hereby accorded for re-appointment and for the terms of remuneration of Shri Ashok A. Sharma (DIN 00038360) as Whole Time Director of the Company for a further period of 5 years from 01st May, 2020 till 30th April, 2025, upon the terms and conditions as set out in the in the written memorandum placed before meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Ashok A. Sharma (DIN 00038360)."

6. To consider and if thought fit, to pass, with or without modification(s), following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter as "SEBI (LODR)"], as amended from time to time, consent of the Members be and is hereby accorded for all material related party contracts or arrangements entered and to be entered into for the financial year 2020-21 between the Company and S.A.L. Steel Limited for purchase of power & materials, sale of material and services at a prevailing market price in the ordinary course of business.

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for ratification of related party transactions between the Company and S.A.L. Steel Limited entered into during the financial year 2019-20.

RESOLVED FURTHER THAT the Board of Directors (the "Board") and/or any Committee constituted by the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things as may be deemed necessary, proper and desirable."

7. To consider and if thought fit, to pass, with or without modification(s), following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants (ICAI Registration No. 22646) appointed by the Board on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial

year ending March 31, 2021 be paid the remuneration of Rs. 1,00,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit."

By order of the Board of Directors
for Shah Alloys Limited

Place: Santej
Date: 07.11.2020

Sd/-
Vinay Mishra
Company Secretary & Compliance Officer

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice
3. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. Complete instructions on e-voting facility provided by the Company are annexed to this Notice explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the Meeting on 23rd December, 2020.
4. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative/s to attend and vote at the Annual General Meeting.
5. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of directors seeking appointment/reappointment at the Annual General Meeting is given in detail, as annexed hereto.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting, is annexed hereto.
7. **The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 11th December, 2020 to Wednesday, 23th December, 2020 (both days inclusive).**
8. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will remain open and available for inspection by the members at the administrative office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every member participating in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN to the Company or their Share Registrars and Transfer Agents.
11. **Members who have not registered their email IDs so far with their depository participants, are requested to register their email IDs for receiving all the Communications including Annual Report, Notices etc. in electronic mode.**
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.
13. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2020 is uploaded on the Company's website www.shahalloys.com and may be accessed by the members.
14. Electronic copy of the Annual Report for 2019-20 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the

same.

15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

CDSL e-Voting System - For Remote e-voting and e-voting during AGM/EGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.shahalloys.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 20.12.2020 at 10.00 a.m. and ends on 22.12.2020 at 05:00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10.12.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and click on Login.
- (vii) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any

company, then your existing password is to be used.

(viii) If you are a first time user, follow the steps given below:

For Members holding shares in DEMAT Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in DEMAT form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If DEMAT account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.
- The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

- Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id cs@shahalloys.com The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id cs@shahalloys.com These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@shahalloys.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cDSLindia.com

GENERAL INSTRUCTIONS FOR VOTING:

- a. Shri Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072, Address: 801-A, Mahalaya Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India,) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, submit to the Chairman of the Company.
- c. Results declared by the Chairman along with the Scrutinizer's Report shall be placed on the Company's website <http://www.shahalloys.com> and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company. The results shall be communicated to the NSE and BSE Limited and will also be uploaded on website of Stock Exchanges.
- d. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 16.12.2020, may obtain the login ID and password by sending a request at www.evotingindia.com

Note: For detailed instructions for e-voting, please visit website of CDSL.

**By order of the Board of Directors
for Shah Alloys Limited**

**Place: Santej
Date: 07.11.2020**

Sd/-
**Vinay Mishra
Company Secretary & Compliance Officer**

Registered Office:
5/1 Shreeji House,
B/h M.J. Library,
Ashram Road, Ahmedabad-380 006
CIN: L27100GJ1990PLC014698

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER**Item No. 3:**

In accordance with the provisions of the Companies Act, 2013 and SEBI (LODR), 2015, Smt. Shefali M. Patel is liable to retire as a non-executive Independent Women Director at this AGM. She has completed one term, and is further eligible for re-appointment for one more term, if the Company has obtained the approval of its Members by way of Special Resolution. Considering the role played by Smt. Shefali M. Patel and in order to reap the benefits of her continuous guidance, the Nomination & Remuneration Committee and Board of Directors recommends her re-appointment for another term of five years as non-executive Independent Women Directors, not liable to retire by rotation by passing Special Resolutions as set out at Item No. 3 of this Notice.

Since, Smt. Shefali M. Patel, Independent Women Director of the Company have completed one term of 5 years she is eligible for re-appointment for another term of 5 years. The performance evaluation of the Independent Director was conducted by the entire Board (excluding the Director being evaluated).

Accordingly, based on her performance evaluation, the Nomination & Remuneration Committee and the Board of Directors of the Company at their meeting, has approved and recommended her reappointment, for a second term as provided in the resolution, and she shall not be liable to retire by rotation at the Annual General Meetings as provided under Section 152(6) of the Companies Act, 2013. The Company has received declaration from the Independent Directors confirming that she meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Smt. Shefali M. Patel fulfills the conditions specified in the said Act for reappointment as Independent Directors.

The Brief profile of the Directors is placed under "PROFILE OF DIRECTORS" forming part of this Notice.

Item No. 4:

The Board of Directors of the Company (the 'Board'), at its meeting held on 22nd May 2015 had, subject to the approval of members, reappointed Shri Kondadi Srinivas Kamath (DIN 00261544) as Joint Managing Director, for a period of 5 (Five) years from 31st October, 2015 till 30th October, 2020. The Board of Directors of the Company at their meeting held on 11th September, 2020 has, subject to the approval of members, approved his re-appointment as Joint Managing Director of the Company for a further term of 5 years commencing from 31st October, 2020 till 30th October, 2025 at the remuneration recommended by the Nomination and Remuneration Committee of the Board. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Shri Kondadi Srinivas Kamath (DIN 00261544) as Joint Managing Director, in terms of the applicable provisions of the Act. Shri Kondadi Srinivas Kamath (DIN 00261544) has been working as Joint Managing Director in the company since 1st November 2010. Shri Kondadi Srinivas Kamath has more than 38 years of experience and has got vast experience in the Steel Industry. Board recommends his appointment on the following material terms & conditions:

a	Period of Appointment	5 years commencing from 31 st October, 2020 till 30 th October, 2025
b	Remuneration Details	Monthly Salary of Rs. 1,07,700/- (Rupees one lac seven thousand seven hundred only)
c	Perquisites and Facilities	
	Medical Reimbursement	For himself, spouse and dependent children as per Company's Policy.
	Car facility	Company maintained Car with option of driver as per Company's policy.
	Other facilities, if any	It includes Company's Contribution to Provident Fund, Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration.
d	Minimum Remuneration	Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Shri Kamath, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed the Government from time to time.
e	Termination of Agreement	Written memorandum executed between Company and Shri Kondadi Srinivas Kamath, can be terminated by either party giving 3 months' notice in writing of such termination.
f	Duties and Responsibilities	Shri Kondadi Srinivas Kamath shall be responsible for overall management of the company and shall perform such duties which may be entrusted to him, subject to superintendence, control and guidance of Board of Directors.

Shri Kondadi Srinivas Kamath satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Kamath under Section 190 of the Act. Shri Kamath is interested in the resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends Ordinary Resolution set out at Item No. 4 of Notice for approval by shareholders.

ITEM NO. 5

The Board of Directors of the Company (the 'Board'), at its meeting held on 22nd May 2015 had, subject to the approval of members, reappointed Shri Ashok A. Sharma (DIN 00038360) as Whole Time Director, for a period of 5 (Five) years from 01st May, 2015 till 30th April, 2020. The Board of Directors of the Company at their meeting held on 13th February, 2020 has, subject to the approval of members, approved his re-appointment as Whole Time Director of the Company for a further term of 5 years commencing from 01st May, 2020 till 30th April, 2025 at the remuneration recommended by the Nomination and Remuneration Committee of the Board. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Shri Ashok A. Sharma (DIN 00038360) as Whole Time Director, in terms of the applicable provisions of the Act. Shri Ashok A. Sharma (DIN 00038360) has been working as Director in the company since July 2001. Shri Ashok A. Sharma has been looking after the day to day administrative and commercial work at the Company's plant situated at Santej. Shri Sharma is a Chartered Accountant and Company Secretary by profession and has more than 35 years of rich experience in the field.

Board recommends his appointment on the following material terms & conditions:

a	Period of Appointment	5 years commencing from 01 st May, 2020 till 30 th April, 2025
b	Remuneration Details	Monthly Salary of Rs. 1,00,000/- (Rupees one lac only)
c	Perquisites and Facilities	
	Medical Reimbursement	For himself, spouse and dependent children as per Company's Policy.
	Car facility	Company maintained Car with option of driver as per Company's policy.
	Other facilities, if any	It includes Company's Contribution to Provident Fund, Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration.
d	Minimum Remuneration	Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Shri Sharma, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed the Government from time to time.
e	Termination of Agreement	Written memorandum executed between Company and Shri Sharma, can be terminated by either party giving 3 months' notice in writing of such termination.
f	Duties and Responsibilities	Shri Sharma shall be responsible for overall day to day administrative and commercial work of the company and shall perform such duties which may be entrusted to him, subject to superintendence, control and guidance of Board of Directors.

Shri Ashok A. Sharma satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Ashok A. Sharma under Section 190 of the Act. Shri Sharma is interested in the resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends Ordinary Resolution set out at Item No. 5 of Notice for approval by shareholders.

Item No. 6:

The Securities and Exchange Board of India, vide its Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015 (the "said circular"), introduced the regulations called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [herein after "SEBI (LODR)"]. As per regulation 23 (4) of the SEBI (LODR), all material related party transactions shall require approval of the shareholders through resolution in the General Meeting. Related party transactions set out below are all contractual obligations entered / to be entered into by the Company in its ordinary course of business and are at arm's length basis for financial year 2020-21:

Approval sought for financial year 2020-21

Name of the related party	Relation with the Company	Purpose of related party transaction	Amount Approx. (₹ in crore)
S.A.L. Steel Limited	Associate Company	Purchase of Power & Material	300.00
		Sale of Material and Services	100.00
S.A.L. Corporation Pvt. Ltd.	Company with significant influence	Sale of Material and Services	100.00

Transaction during financial year 2019-20

As approved by the members in the Annual General Meeting held on 25.09.2019, Company entered into related party transactions for the financial year 2019-20 as below:

Name of Related Party	Relation with Company	Transaction	Limits approved by members for 2019-20 (₹ in crores)	Total transaction during 2019-20 (₹ in crores)
SAL Steel Limited	Associate Company	Purchase of Power & Material	300	172.96
		Sale of Material and Services	100	5.05
S.A.L. Corporation Pvt. Ltd.	Company with significant influence	Sale of Material and Services	-	9.88

Purpose of the aforementioned material related party transactions

Company promoted SAL Steel Ltd. in 2003. The project of SAL Steel is backward integration project since finished product of SAL Steel Ltd. is raw material for the Company. Further, SAL Steel Ltd. has installed group captive power plant of 40 MW and as such SAL Steel Ltd. has permission of wheeling of power to the Company. On account of above, Shah Alloys is purchasing finished product of SAL Steel Ltd. as also power generated by group captive power plant. Transactions made with SAL Steel Ltd. are at Arms' length basis in the ordinary course of business. S.A.L. Corporation Pvt. Ltd. is a company with significant influence of Shah Alloys Limited. During the year under review transactions made with S.A.L. Corporation Pvt. Ltd. are at Arms' length basis in the ordinary course of business.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions except Shri Rajendra V Shah.

Item No. 7:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 at the remuneration of Rs. 1,00,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 to 7 of the Notice.

Date: 07.11.2020
Place: Santej

For and on behalf of the Board
Sd/-
Vinay Mishra
Company Secretary & Compliance Officer

Registered Office:
5/1 Shreeji House,
B/h M.J. Library,
Ashram Road,
Ahmedabad: 380 006

CIN: L27100GJ1990PLC014698

Details of the directors seeking re-appointment in the 29th Annual General Meeting of the Company
[Pursuant to regulation 36 (3) of the SEBI (LODR) Regulations, 2015]

Particulars	Details of Director retire by rotation and getting re-appointment	Details of Director getting re-appointment
Name of Director	Shri Kondadi Srinivas Kamath	Shri Ashok A. Sharma
DIN	00621544	00038360
Date of Birth	05.05.1960	04.01.1956
Date of Appointment	01.11.2010	11.07.2001
Relationship with other Directors Inter se	None	None
Profile & Expertise in Specific functional Areas	Shri Kamath has more than 38 years of experience in positions and has got vast experience in the Steel Industry	More than 35 years experience in senior positions in finance and accounts in Public Limited Companies.
Qualification	Commerce Graduate	CA, CS, LLB and IRP by IBBI.
No. of Equity Shares held in the Company	Nil	Nil
List of other Companies in which Directorships are held	Nil	Nil
List of committees of Board of Directors (across all Companies) in which Chairmanship/ Membership is held	Shah Alloys Limited - Chairman of CSR Committee	Shah Alloys Limited: - Member of Stakeholders' Relationship Committee

Details of the directors seeking re-appointment in the 29th Annual General Meeting of the Company
[Pursuant to regulation 36 (3) of the SEBI (LODR) Regulations, 2015]

Particulars	Details of Director getting reappointment
Name of Director	Smt. Shefali M. Patel
DIN	07235872
Date of Birth	20.10.1972
Date of Appointment	13.07.2015
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	Smt. Shefali M. Patel is having excellent social background and is social worker working for noble causes. She is engaged in social works like education, medical services etc.
Qualification	B. Sc.
No. of Equity Shares held in the Company	NIL
List of other Companies in which Directorships are held	SAL Steel Limited
List of committees of Board of Directors (across all Companies) in which Chairmanship/ Membership is held	Shah Alloys Limited: Member of Audit Committee Member of Nomination and Remuneration Committee Member of Stakeholders Relationship Committee SAL Steel Limited: Member of Audit Committee

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report of your company on the operations and performance along with the Audited Financial Statements for the year ended on 31st March 2020.

FINANCIAL HIGHLIGHTS

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Total Revenues	490.31	576.66
Less: Total Expenditure	545.50	569.36
Profit / (Loss) before interest, depreciation, extraordinary item and tax	(55.19)	7.30
Less: Depreciation and Interest	12.98	13.01
Profit / (Loss) after depreciation and Interest but before extraordinary item and Tax.	(68.17)	(5.71)
Less: Extraordinary item	82.15	(6.78)
Profit after Extraordinary item but before tax	13.98	(12.49)
Less: Tax Expense / Deferred tax	28.47	(13.24)
Net Profit available for Appropriation	(14.49)	0.75
Balance to be carried forward	(14.35)	0.79

STATE OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW

During the year under review Total revenue from Operations and from other operating income decreased from Rs. 576.66 crores in the previous year to Rs. 490.31 crores. Company has registered a loss of Rs. 14.49 crores in comparison to the profit of Rs. 0.75 crores during previous year.

During the year under review, Company has been regularly paying all the installments as per the terms of settlement with Banks & Financial Institution.

DIVIDEND

Due to high accumulated losses, your Directors have not recommended dividend for the financial year 2019-20.

BUSINESS ACTIVITY

The company is engaged in manufacturing of wide range of Stainless Steel, alloy & Special steel, Carbon/Mild Steel and Armour Steel in Flat and Long products. There has been no change in the nature of business of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company is not having holding or subsidiary company during the year and no other company has become holding / subsidiary/ joint venture. However, it has one associate company, details are as under:

Sr. No.	Name of the Company	CIN/GLN	Concern	% of shares held by Company	Applicable Section
1.	S.A.L. Steel Limited	L29199GJ2003PLC043148	Associate	35.61%	2(6)

The Consolidated Financial Statements of the Company and its Associate, viz., SAL Steel Ltd., has been prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors and form part of the Annual Report and are reflected in the Consolidated Accounts.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's associate in Form AOC-1 is attached to this report as Annexure - 1.

DEPOSIT

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

REGULATORY STATEMENT

In conformity with provision of regulation 34(2)(c) & 53(b) of SEBI (LODR), Regulations 2015, the Cash Flow Statement for the year ended 31.03.2020 is annexed hereto. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited (NSE).

The Company has paid listing fees for the year 2020-21 to above stock exchanges.

DETAILS OF DIRECTORS OR KMPs APPOINTMENT OR RESIGNATION

The Board of Directors consists of 7 members, of which 4 are Independent Directors including one Women Independent Director.

During the financial year 2019-20 Shri D. K. Sinha, ceased to be Independent Director of the Company w.e.f. 25th September, 2019 due to non-approval of his re-appointment by the members of the Company in the last Annual General Meeting held on 25th September, 2019. The Board appreciates the valuable services rendered by him during their tenure. However, during the year under review there was no change with respect to appointment or resignation of Key Managerial Persons.

MEETINGS OF THE BOARD

The Board met four times during the financial year. Details of meetings are given in the Corporate Governance Report annexed herewith and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director of the Company confirming that he/she meets with the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Company follows diverse Board structure.

BOARD EVALUATION

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual Directors. The manner and detail in which evaluation was carried out is stated in the Corporate Governance Report which is annexed and forms a part of this report.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

CORPORATE GOVERNANCE REPORT

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2020, as per regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite Certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the annexure to this report as Annexure - 2.

RISK MANAGEMENT POLICY

The Company had put in place an enterprise wide risk management framework. This holistic approach provides the assurance that, to the best of its capabilities, the Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives. The Audit committee ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in business activities. The Committee reviews strategic decisions of the Company on regular basis, reviews the Company's portfolio of risks and considers it against the Company's Risk Appetite.

VIGIL MECHANISM POLICY

The Company had implemented a vigil mechanism, where by employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance of code of conduct to the Company. The policy safeguards the whistleblowers to report concerns or grievances and also provides a direct access to the Chairman of the

Audit Committee. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

Company has earned loss in the year under review. Also, the Company does not fulfill any criteria as laid down in section 135(1) of the Companies Act, 2013, therefore, provisions related to expenditure of at least two percent of the average net profits in CSR activities as per section 135(5) of the Companies Act, 2013 is presently not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In Compliance with Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and hereby confirm the following:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2020, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) the Directors had 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 at the end of the financial year and profit and loss account of the Company for that period;
- c) the Directors had 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;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 is available on the Company's website at www.shahalloys.com.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

PARTICULARS OF THE EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as Annexure - 3. Further, particulars of employees remuneration, as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable since there was no employee of the Company including Executive Directors who was in receipt of remuneration in excess of the limits set out in the said rules.

DETAILS OF RELATED PARTIES TRANSACTIONS PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013, were in the ordinary course of business on arm's length basis and as such did not attract provisions of Section 188 (1) of Companies Act, 2013. Company has formulated policy on related party transactions. Particulars of related party transactions pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is attached at Annexure - 4. Approvals from the Audit Committee are obtained even for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit Committee and to the Board in its meetings. Details of related party transactions are given in the notes to financial statements.

AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

Members at its 27th Annual General Meeting held on September 30, 2017 approved the appointment of M/s. Parikh & Majmudar, Chartered Accountants, as statutory auditors for a terms of five years as per provisions of the Companies Act, 2013.

b) Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under M/s. Ashish Bhavsar & Associates, Cost Accountants were appointed for auditing cost accounting records of the Company for the year ending 31st March, 2020. Board has further appointed M/s. Ashish Bhavsar & Associates, Cost Accountants as Cost Auditors for the year ending 31st

March 2021 subject to approval of remuneration in the forthcoming Annual General Meeting.

c) Internal Auditor

The Company has appointed an Independent firm of Chartered Accountants to act as an Internal Auditor as per suggestion of auditors and recommendation of the Audit Committee in order to strengthen the internal control system for the Company.

d) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s Kamlesh Shah & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2020-21. The report submitted by the Secretarial Auditor in Form MR-3 for the financial year ended as on 31st March, 2020 is attached to this report as Annexure - 5.

BOARD'S RESPONSE ON THE REMARKS MADE BY STATUTORY AUDITORS

The Directors submit their explanations to various observations made by the Auditors in their report for the year 2019-20. Para nos. of Auditors' Report and reply are as under:

Para 1 of Standalone and Consolidated Independent Auditor's Report

On account of non-payment of principle and interest to the Banks, debts were declared NPA by the Banks. Since Company wants to settle the dues amicably with the Banks, it did not provide for interest.

Para 2 of Standalone and Consolidated Independent Auditor's Report

It is expected that the impact of "Effective Interest Method" to the Finance Cost as per the Requirements of IND AS 109 on the financial Results will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.

Annexure A to Standalone Independent Auditors' Report - Para viii

As per the scheme sanctioned by CDR (EG), consortium bankers were required to give working capital for the optimal utilization of production capacity. However, in the absence of non availability of funds from the lenders, the accruals were not in line with the sanctioned scheme and hence Company could not utilize optimally its production capacity. In view of this, company was not able to make payments to banks/institutions and debenture holders as per the sanctioned scheme. However, before due date of repayment, Company had approached Hon'ble BIFR for declaring it as a Sick company under Section 3(1)(0) of the SICA and was declared so before the due date, i.e., September 2011. On account of sick status of the company, payments will be made as per the scheme as may be approved by the Hon'ble BIFR.

Almost of the banks assigned the debts to various Asset Reconstruction Companies (ARCs). Company has entered into Settlement Agreements with ARCs. Company has made proposal settlement with other banks, financial institution and ARCs. Company is actively negotiating with lenders and ARCs' for settlement of debts and expecting a settlement soon.

Para 3 of Consolidated Independent Auditor's Report

It is expected that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.

MATERIAL CHANGES / INFORMATION:

1. No material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financials of the Company.
2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in Form MGT-9 in compliance with Section 92 of the Companies Act 2013 read with applicable rules made there under is annexed to this report at Annexure - 6.

APPRECIATION

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions, Banks and ARCs during the year. Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

For and on behalf of the Board
Sd/-

Date: 11th September, 2020
Place: Santej

Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 1
Form 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 statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Crores ₹)

Company does not have subsidiary company; therefore Part A is not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	S.A.L. Steel Limited
1. Latest audited Balance Sheet Date	March 31, 2020
2. Shares of Associate/Joint Ventures held by the company on the year end	
a) No. of Shares	30256989
b) Amount of Investment in Associates/Joint Venture (Rs. in Cr.)	5.20
c) Extend of Holding %	35.61
3. Description of how there is significant influence	Based on Shareholding
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Cr.)	-12.73
6. Profit/Loss for the year	
i. Considered in Consolidation (Rs. in Cr.)	-4.51
ii. Not Considered in Consolidation (Rs. in Cr.)	-14.35

- Names of associates or joint ventures which are yet to commence operations - None
- Names of associates or joint ventures which have been liquidated or sold during the year - None

ANNEXURE 2

Conservation of energy, technology absorption and foreign exchange earnings and outgo

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018)

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

Your company gives priority to Energy conservation. It regularly reviews measures to be taken for Energy Conservation/Consumption and its effective utilization.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

Your Company is highly power intensive industry and power is the basic requirements of manufacturing process. In order to reduce the cost per unit for power consumption, the Company has installed 40 MW Captive Power Plant.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The company is operating 40 MW Captive Power Plant in parallel with GETCO Grid and with the consumption of own power, Company saves substantial amount from the same.

(d) Total energy consumption and energy consumption per unit of production:

(I) POWER & FUEL CONSUMPTION

		2019-20	2018-19
1	ELECTRICITY		
	(a) Purchased		
	Unit (Kwh)	10,46,19,380	14,00,85,532
	Total Amount (₹)	46,71,00,733	74,50,75,111
	Rate / Unit (₹)	4.46	5.32
	(b) Own Generation		
	(i) Through Diesel Generator Unit (Kwh)		
	Unit Per Ltr of Diesel Oil	Nil	Nil
	Cost / Unit (₹)	Nil	Nil
	(ii) Through Steam Turbine / Generator Unit (Kwh)	Nil	Nil
	Unit Per Kg of Lignite	Nil	Nil
	Cost Lignite / Unit (₹)	Nil	Nil
	Cost Coal / Unit (₹)	Nil	Nil
	Cost Coal & Lignite / Unit (₹)	Nil	Nil
2	COAL (Including Coal Fines)	Nil	Nil
	Quantity (MT)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil
3	FURNACE OIL		
	(used in the generation of power)		
	Quantity (K Ltr)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil
4	OTHERS – LIGNITE		
	(used in the generation of steam)		
	Quantity (K Tonns)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil

(II) CONSUMTION PER M.T. OF PRODUCTION

Particulars of Product	2019-20	2018-19
Electricity (in Unit)	1084	1075
Furnace Oil	Nil	Nil
Coal (Specify quantity)	Nil	Nil
Others	Nil	Nil

B. TECHNOLOGY ABSORPTION**(I) Research and Development (R & D)**

Particulars	2019-20	2018-19
1. Specific areas in which R&D carried out by the company.	Nil	Nil
2. Benefits derived as a result of the above R&D	Nil	Nil
3. Future plan of action:		
a. Capital	Nil	Nil
b. Recurring	Nil	Nil
c. Total	Nil	Nil
d. Total R&D expenditure as a percentage of total turnover	Nil	Nil

(II) Technology absorption, adaptation:

Particulars	2019-20	2018-19
Company has not carried out research, development & innovation activities.		
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Nil	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil	Nil
a. Technology imported		
b. Year of import		
c. Has technology has been fully absorbed		
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ in Crores)

Particulars	2019-20	2018-19
1) EARNINGS & OUTGO		
a. Foreign Exchange earnings	0.51	-
b. Foreign Exchange outgo	37.33	47.78
2) TOTAL FOREIGN EXCHANGE USED AND EARNED		
As per notes on account		

For and on behalf of the Board

Date : 11th September 2020
Place : SantejSd/-
Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 3 TO THE BOARD'S REPORT

PARTICULARS OF THE EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the 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:

Sr. No.	Name of director	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2019-20	% increase / (decrease) in remuneration in the FY 2019-20
a)	Shri K. S. Kamath	Jt. Managing Director	7.18:1	0
b)	Shri Ashok Sharma	Whole Time Director & CFO	6.67:1	0
c)	Shri Vinay Kumar Mishra	Company Secretary	3.87:1	0

II.	The percentage increase in the median remuneration of employees in the financial year:	5.7%
III.	The number of permanent employees on the rolls of company:	606
IV.	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 of there are any exceptional circumstances for increase in the managerial remuneration;	During the year under review, the average annual increase was negligible
V.	Affirmation that the remuneration is as per the remuneration policy of the Company.	All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

For and on behalf of the Board

Date : 11th September 2020
Place : Santej

Sd/-
Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 4

FORM NO. AOC -2

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

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

1 Details of contracts or arrangements or transactions not at Arm's length basis.								
	Name (s) of the related party	Nature of transaction	Duration of the transaction	Salient terms of the transaction	Justification for transactions'	Date of approval by the Board	Amount paid as advances	Date of special resolution
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2 Details of material contracts or arrangement or transactions at arm's length basis							
	Name (s) of the related party	Nature of relationship	Nature of transaction	Duration of the transaction	Transactions value in ₹	Date of approval by the Board	Amount paid as advances
1	S.A.L. Steel Ltd.	Associate	Purchase of Power	April 2019-March 2020	35,24,55,000	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.	N.A.
			Purchase of material		137,71,36,968		
	S.A.L. Corporation Pvt. Ltd.	Company with significant influence	Sale of material Services	April 2019-March 2020	5,04,95,592		
			Sale of material & Services		9,88,48,025		

For and on behalf of the Board

Date : 11th September 2020
Place : Santej

Sd/-
Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 5
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,
The Members,
SHAH ALLOYS LIMITED
CIN: L27100GJ1990PLC014698

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAH ALLOYS LIMITED** (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the records of **SHAH ALLOYS LIMITED**, 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, I/We hereby report that in my/our opinion, the company has, during the audit period covering **the financial year ended on 31st March 2020** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **SHAH ALLOYS LIMITED (CIN: L27100GJ1990PLC014698) for the financial year ended on March 31, 2020 according to the provisions of:**

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act,1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:(**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Training)Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India(Delisting of Equity Shares)Regulations, 2009; **NOT APPLICABLE FOR THE YEAR**
 - (h) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998; (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
- (vi) As stated in the **Annexure - A** - all the laws, rules, regulations are applicable specifically to the company.
- (vii) No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Regulations etc.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f July 01, 2015or any amendment, substitution, if any, are adopted by the Company and are complied with.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non -executives directors, independent directors and woman director. 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 and with intimation to stock

exchanges(s). However, except as per the Managements Reply, Company is in process of Filing E-Form DPT-3 for FY 2018-19 & 2019-20 and E-Form BEN-2 under the Company Fresh Filing Scheme, 2020.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with consent of directors at a shorter notice, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I Further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has not incurred any specific event / action that can have a bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guideline, standards, etc.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-
(Kamlesh M. Shah)

PROPREITOR

ACS: 8356, COP: 2072

UDIN: A008356B000674461

Place : Ahmedabad
Date : September 07, 2020

ANNEXURE-A

Securities Laws

1. All Price Sensitive Information were informed to the stock exchanges form time to time
2. All investors complain directly received by the RTA& Company is recorded on the same date of receipts and all are resolved within reasonable time.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF/ESI/Gratuity Act are applicable to Company and Complied with.

Environmental Laws

As the company is engaged in the manufacturing activities, the environmental laws as are applicable to it and it has properly complied with such provisions to the extent applicable.

Taxation Laws

The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with Income tax department and all other necessary departments.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-
(Kamlesh M. Shah)

PROPREITOR

ACS: 8356, COP: 2072

UDIN: A008356B000674461

Place : Ahmedabad
Date : September 07, 2020

ANNEXURE-B

To

The Members,

SHAH ALLOYS LIMITED

CIN: L27100GJ1990PLC014698

SHAH ALLOYS CORPORATE HOUSE, SOLA-KALOL ROAD

TAL. KALOL, DIST. GANDHINAGAR SANTEJ 382043 GUJARAT

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 processes 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 procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on Management Representation Letter provided by the Company before issuing this Report to the Company.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-

(Kamlesh M. Shah)

PROPREITOR

ACS: 8356, COP: 2072

UDIN: A008356B000674461

Place : Ahmedabad

Date : September 07, 2020

ANNEXURE 6

Form No. MGT-9 Extract of Annual Return as on 31.03.2020
[Pursuant to section 92(3) of the Companies Act, 2013 and
rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1) REGISTRATION AND OTHER DETAILS:

1)	CIN :-	L27100GJ1990PLC014698
2)	Registration date:	23/11/1990
3)	Name of the company :	SHAH ALLOYS LIMITED
4)	Category/ sub-category of the company:	Company limited by shares/ Indian Non-Government Company
5)	Address of the registered office and contact details:	5/1 Shreeji House, 5TH Floor B/h M J Library Ashram Road Ahmedabad-380006 Gujarat
6)	Whether listed company:	YES
7)	Name, address and contact details of registrar and Transfer Agent, if any	BIGSHARE SERVICES PVT. LTD. Bharat Tin Works Building, 1stFloor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri - East, Mumbai - 400059, Maharashtra Board No. : 022 6263 8200 E-mail:info@bigshareonline.com Website: www.bigshareonline.com

2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and description of main products/ services	NIC Code of the Product / Service	% of total turnover of the Company
1	Ingots of iron & steel & other primary forms	24103	100%

3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN / GLN	Concern	% of shares held	Applicable Section
1.	S.A.L. Steel Limited	L29199GJ2003PLC043148	Associate	35.61%	2(6)

4) 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 [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
(2) Foreign									
a) NRI- Individual	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks. FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter [(A)(1)+(A)(2)]	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
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) FIIs0	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):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2727770	800	2728570	13.78	2345317	800	2346117	11.85	-1.93
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 Lakhs	2962690	369732	3332422	16.83	2848185	366532	3214717	16.24	-0.59
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakhs	3026511	0	3026511	15.29	2957676	0	2957676	14.94	-0.35
c) Others									
Non Resident Indians	58994	2000	60994	0.31	48786	2000	50786	0.26	-0.05
HUF	0	0	0	0	316126	0	316126	1.60	1.60
Directors Relatives	0	0	0	0	0	0	0	0	0
Employee	0	0	0	0	0	0	0	0	0
Unclaimed Suspense Account	0	0	0	0	0	0	0	0	0
IEPF	0	0	0	0	0	0	0	0	0
Clearing Members	7852	0	7852	0.04	270927	0	270927	1.37	1.33
Trusts	200	0	200	0	200	0	200	0	0
Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	8784017	372532	9156549	46.25	8787217	369332	9156549	46.25	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8784017	372532	9156549	46.25	8787217	369332	9156549	46.25	0
C. Shares held by Custodian for GDR& ADR	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19425008	372532	19797540	100.00	19428208	369332	19797540	100.00	0

ii) Shareholding of promoters

Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shares holding during the year
	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
Rajendrabhai V. Shah	7912404	39.97	100%	7912404	39.97	100%	NIL
Rajendrabhai V. Shah HUF	1531960	7.74	100%	1531960	7.74	100%	NIL
Ragini R Shah	1146006	5.79	100%	1146006	5.79	100%	NIL
Jayesh V Shah	28681	0.14	0	28681	0.14	0	NIL
Ashvin V Shah	21940	0.11	0	21940	0.11	0	NIL
Total	10640991	53.75	10590370	10640991	53.75	10590370	NIL

iii) Change In Promoter's Shareholding (Please specify, if there is no change)

Name of promoter	Shareholding at the beginning of the year		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)				Shareholding at the end of the year	
	No. of share	% of total shares of the company	Date	Increase / Decrease	No. Of Shares	Reason	No. of share	% of total shares of the company
Rajendrabhai V. Shah	7912404	39.97	No change				7912404	39.97
Rajendrabhai V. Shah - HUF	1531960	7.74	No change				1531960	7.74
Ragini R Shah	1146006	5.79	No change				1146006	5.79
Jayesh V. Shah	28681	0.14	No change				28681	0.14
Ashvin V. Shah	21940	0.11	No change				21940	0.11
TOTAL	10640991	53.75					10640991	53.75

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

Sr. No.	NAME OF SHAREHOLDERS	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	GUJARAT NRE COKE LTD.	969769	4.90	969769	4.90
2	SATELLITE MERCANTILES PVT LTD.	761675	3.85	761675	3.85
3	JAIDEEP NARENDRA SAMPAT	432036	2.18	432036	2.18
4	ANAND MOHAN	321600	1.62	321602	1.62
5	JM FINANCIAL SERVICES LIMITED	271919	1.37	256995	1.30
6	SHEELA LALIT MEHTA	200000	1.01	200000	1.01
7	AMBITION MERCHANTS PRIVATE LIMITED	177021	0.89	0	0
8	ADHUNIK DEALCOM PRIVATE LIMITED	0	0	177021	0.89
9	MALTI NARENDRA SAMPAT	174901	0.88	174901	0.88
9	ASSET RECONSTRUCTION COMPANY (INDIA) LTD.(TRUST HOLDINGS)	200000	1.01	200000	1.01
10	RAMASWAMY ANAND	110000	0.56	110000	0.56
	TOTAL	3618921	18.27	3603999	18.20

5) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Rajendra V. Shah Chairman of the Company holds 7912404 equity shares in the Company in addition to 1531960 shares as Karta of HUF and no other Director or Key Managerial personnel have any shareholding in the company.

6) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	355,70,31,346	48,82,05,000	-	404,52,36,346
ii) Interest due but not paid	106,40,80,370	23,55,83,323	-	129,96,63,693
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	462,11,11,716	72,37,88,323	-	534,49,00,039
Change in Indebtedness during the financial year				
i) Principal Amount	(108,47,05,718)	(48,82,05,000)	-	(157,29,10,718)
ii) Interest due but not paid	(90,88,14,937)	(23,55,83,323)	-	(114,43,98,260)
iii) Interest accrued but not due	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	247,23,25,628	-	-	247,23,25,628
ii) Interest due but not paid	15,52,65,433	-	-	15,52,65,433
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	262,75,91,061	-	-	262,75,91,061

7) 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
1.	SALARY	Shri Ashok Sharma*	12,00,000
		Shri K.S. Kamath	12,92,400
2.	Stock Option	NIL	-
3.	Sweat Equity	NIL	-
4.	Commission		
	- as % of profit		
	- others, specify...	NIL	-
5.	Others, please specify	NIL	-
	Total (A)	NIL	-
	Ceiling as per the Act	Within the Ceiling of Section II of Part II of Schedule V of the Companies Act, 2013	

*Salary Inclusive of Services as CFO Off The Company

b. Remuneration to other Directors

Particulars of remuneration	Name of Directors					Total Amount
	Shri Dilip Kumar Sinha*	Shri G.M. Shaikh	Shri Tejpal S. Shah	Shri Harshad M. Shah	Smt. Shefali M. Patel	
Fee for attending Board / committee meeting	7,500	75,000	55,000	37,500	37,500	2,12,500
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	7,500	75,000	55,000	37,500	37,500	2,12,500

*Till 25.09.2019

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
		Shri Vinay Kumar Mishra	
1	Gross salary	6,97,721	6,97,721
2	Stock Option	-	N.A.
3	Sweat Equity	-	N.A.
4	Commission	-	N.A.
	- as % of profit	-	N.A.
	- others, if any	-	N.A.
5	Others, if any	-	N.A.
	Total	6,97,721	6,97,721

d. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made,if any (givedetails)
A. COMPANY					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No
B. DIRECTORS					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No
C. Other Officers In Default					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

Detailed report on Corporate Governance for the financial year ended March 31, 2020, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings.

The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit.

2. BOARD OF DIRECTORS :

COMPOSITION AND CATEGORY

Composition of Board and Directorship held as on March 31, 2020 and numbers of meetings held and attended during the year are as follows:

Name of Director	Category	Numbers of Board Meetings		No. of other Directorships	Committee Membership held in other companies		Attendance at Last AGM
		Held during the year	Attended during the Year		as Member	as Chairman	
NON-EXECUTIVE DIRECTOR							
Shri Rajendra V. Shah	Promoter Non-Executive Chairman	4	4	1	1	Nil	No
EXECUTIVE DIRECTORS							
Shri Kondadi S Kamath	Non Promoter Executive Director	4	4	Nil	Nil	Nil	Yes
Shri Ashok A Sharma	Non Promoter Wholetime Director	4	4	Nil	Nil	Nil	Yes
INDEPENDENT DIRECTORS							
Shri G.M. Shaikh	Non-Executive & Independent	4	4	1	Nil	Nil	Yes
Shri Harshad M. Shah	Non-Executive & Independent	4	4	1	3	Nil	No
Shri Tejpal S. Shah	Non-Executive & Independent	4	3	1	Nil	Nil	No
Shri Dilip Kumar Sinha	Non-Executive & Independent	4	1	2	Nil	Nil	No
Smt. Shefali M. Patel	Non-Executive & Independent	4	4	1	1	Nil	Yes

*Shri Dilip Kumar Sinha ceased to be Director from 25.09.20019

The composition of the Board of Directors of the Company represents an appropriate mix of executive and non-executive directors to ensure the independence of the Board and to separate the board functions of governance and management. The Board currently comprises of two Executive Directors and Six Non-Executive Directors including the Chairman of the Board.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board met 5 times:

- 28.05.2019 (adjourned and held on 30.05.2019)
- 14.08.2019
- 11.11.2019
- 13.02.2020

INDEPENDENT DIRECTORS' MEETING

In view of the worldwide effects of the global pandemic due to Novel Corona Virus and the nationwide lockdowns imposed by the Government of India to contain the spread of the virus the Ministry of Corporate Affairs (MCA), SEBI and other regulatory authorities granted some relaxations to the Companies from compliances of certain provisions of the Companies Act, 2013. Accordingly, MCA vide their circular no. 11/2020 dated 24.03.2020 granted exemption/relaxation from holding the Independent Directors' Meeting for the financial year 2019-20. Hence, the Company did not hold the Independent Directors' Meeting but the Independent Directors informally discussed the performance of the Non-Independent Directors, Chairman and the Management.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

As on March 31 2019, Shri Rajendra V. Shah, Chairman of the Company held 79,12,404 shares in the equity share capital of the Company in addition to 15,31,960 shares as Karta of HUF. None of the other Non-Executive Directors hold any equity shares in the Company.

DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarize the independent directors through various programs about the Company. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company's operations, function, strategy and risk management plan of the Company.

3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is governed by its Charter which outlines the scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for its approval.

The various Board level Committees are as under:-

- Audit Committee;
- Nomination & Remuneration Committee;
- Stakeholders Relationship Committee; and
- Corporate Social Responsibility Committee

AUDIT COMMITTEE:

The terms of reference of the Audit Committee are wide enough to cover matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligations and Disclosure requirements), Regulations 2015 as well as in Section 177 of the Companies Act, 2013 besides other terms as may be referred to by Board of Directors from time to time.

The Audit Committee comprises of three non-executive Directors and two of them are Independent Directors.

During the period under review, four Audit Committee meetings were held respectively on 28.05.2019 (adjourned and held on 30.05.2019), 14.08.2019, 11.11.2019 and 13.02.2020.

The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Director	Position	No. of Meetings	Meetings attended
Shri G.M. Shaikh	Chairman	4	4
Shri Tejpal Shah	Member	4	3
Shri Rajendra V. Shah	Member	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three independent Non-executive directors. During the period under review, four meetings of Nomination and Remuneration Committee were held on 28.05.2019, 14.08.2019, 11.11.2019 and 13.02.2020.

Name of Director	Position	No. of Meetings	Meetings attended
Shri G M Shaikh	Chairman	4	4
Shri Tejpal Shah	Member	4	3
Shri Harshad M. Shah	Member	4	4

Nomination and Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/ Whole Time Directors and KMPs based on performance and defined criteria.

Board Evaluation

Pursuant to section 134 of the Companies Act, 2013, the Board is responsible for the formal Annual Evaluation of its own performance, of its committee & Individual Directors. Further, as per regulation 17 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, performance evaluation of the Independent Directors shall be done by entire Board of Directors, excluding directors being evaluated.

During the year, Board in concurrence with Nomination & Remuneration Committee has laid down the evaluation criteria for itself, Committees, Chairperson, Executive and Non-Executive Directors and Independent Directors. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of the Board of Directors.

The following broad parameters were considered to evaluate the performance of the independent Directors:

- Integrity, maintenance of high standard and confidentiality;
- Commitment and participation at the Board & Committee meetings;
- Effective deployment of knowledge and expertise;
- Exercise of independent judgment in the best interest of Company;
- Interpersonal relationships with other directors and management.

The following broad parameters were considered to evaluate the performance of the Board and Committees:

- Size, structure and expertise of the Board/Committees;
- Review of strategies, risk assessment, robustness of policies and procedures by Board;
- Oversight of the financial reporting process & monitoring Company's internal control system;
- Quality of agenda, conduct of meeting, procedures and process followed for effective discharge of functions;
- Effective discharge of functions and duties by Committee as per terms of reference;
- Appropriateness and timeliness of the updates given on regulatory developments;
- Board's engagement with senior management team.

Feedback received on evaluation process was discussed in detail by the Chairman of the Board with Directors and, independent and collective action points for improvement put in place.

The Directors recognized that Board and Committees are functioning effectively and acknowledged the efforts and contributions made by the Chairperson, Executive and Non-Executive Directors and Independent Directors towards the Company's performance.

5. Remuneration of Directors

a. All Pecuniary Relationship or Transactions of the Non- Executive Directors

There were no pecuniary relationships or transactions of the non-executive directors vis-a-vis the Company.

b. Criteria for Making Payment to Non- Executive Directors

Role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the non-executive/independent directors is recommended.

c. Compensation/Fees Paid to Non-Executive Directors

Non-Executive Independent Directors were paid sitting fees for attending the Board and Committee Meetings.

d. Details of Remunerations

Details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2019 are as under:

(Amount in ₹)

Name of Director	Sitting Fees	Salaries & Perquisites	Commission	Total
Shri Rajendra V. Shah	Nil	Nil	Nil	Nil
Shri Kondadi S Kamath	Nil	12,92,400	Nil	12,92,400
Shri Ashok Sharma	Nil	12,00,000	Nil	12,00,000
Shri G. M Shaikh	75,000	Nil	Nil	75,000
Shri Harshad M. Shah	37,500	Nil	Nil	37,500
Shri Dilip Kumar Sinha*	7500	Nil	Nil	7500
Shri Tejpal S. Shah	55,000	Nil	Nil	55,000
Smt. Shefali M. Patel	37,500	Nil	Nil	37,500

*Shri Dilip Kumar Sinha ceased to be the Director of the Company from 25.09.2019

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Committee is empowered to oversee the redressal of Investors' complaints and other miscellaneous complaints. The Company as a matter of policy disposes of investor complaints within a span of five working days.

During the period under review, four meetings of Stakeholders' grievance Committee were held on 28.05.2019, 14.08.2019, 11.11.2019 and 13.02.2020.

Name of Director	Position	No. of Meetings	Meetings attended
Shri G M Shaikh	Chairman	4	4
Shri Tejpal Shah	Member	4	3
Shri Ashok Sharma	Member	4	4

Name and designation of Compliance Officer

Shri Vinay Kumar Mishra, Company Secretary has been appointed as the Compliance Officer of the Company as per regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to discharge all duties under the listing regulations.

Details of Shareholders Complaints

The details of shareholders complaints received and resolved till March 31, 2020 areas under:

No. of shareholders' complaints received during the year: NIL

No. of complaints not resolved to the satisfaction of shareholders: NIL

No. of pending Complaints: NIL

No. of complaints resolved during the year: NIL

7. GENERAL BODY MEETING

Date, Time and Venue of the last three Annual General Meetings:

Year	Date	Time	Venue	No. of special resolutions passed
2016-17	September 30th, 2017.	12:00 Noon	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	00
2017-18	September 29th, 2018	12:00 Noon	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2018-19	September 25th, 2019	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	03

- No extra-ordinary general meeting of the shareholders was held during the year.
- Postal ballot: during the year under review, no resolution was put through by postal ballot.

8. MEANS OF COMMUNICATION

- All Quarterly / Annual financial results are immediately sent to stock exchanges after being taken on record by the Board.
- As per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, results are also published in leading daily local & English National newspapers namely Indian Express and Financial Express. The said results are also displayed at Company's web site.
- The Company's website www.shahalloys.com contains a separate dedicated section named "Investors" where information for shareholders is available. Press releases, if any, are also displayed at Company's website as well as published in newspapers.

9. GENERAL SHAREHOLDERS INFORMATION

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as L27100GJ1990PLC014698.

a) Annual General Meeting.

Date : 23rd December, 2020

Time : 10:00 AM

Venue : SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380 060.

Mode : VC/OAVM

b) Financial Year

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

The Quarterly Results for the financial year 2020-21 will be taken on record by the Board of Directors as per the following schedule:

Quarter ending 30th June 2020 : By 14th August 2020

Quarter ending 30th September 2020 : By 14th November 2020

Quarter ending 31st December 2020 : By 14th February 2021

Quarter ending 31st March 2021 : By 30th May 2021

- c) **Dividend Payment Date** : Not Applicable
- d) **Listing on Stock Exchange** : **Bombay Stock Exchange Ltd.(BSE)**
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
Scrip Code: 513436
- : **National Stock Exchange of India Ltd (NSE)**
"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai – 400051
NSE Symbol : SHAHALLOYS

Company has paid listing fees in respect of financial year 2020-21 to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Demat ISIN No. for NSDL and CDSL : INE640C01011

- e) **Stock code** : **Bombay Stock Exchange Ltd.(BSE)**
Scrip Code: 513436
- : **National Stock Exchange of India Ltd (NSE)**
NSE Symbol : SHAHALLOYS

f) **Share Price Data**

Month	Price at BSE		Price at NSE (₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr-19	18.55	15.00	18.45	14.90
May-19	17.80	12.75	17.50	12.65
Jun-19	16.80	11.00	16.80	12.00
Jul-19	13.10	9.11	14.00	9.15
Aug-19	9.70	7.25	9.90	7.45
Sep-19	13.00	7.00	12.95	7.35
Oct-19	9.50	8.17	10.30	7.55
Nov-19	9.54	8.11	9.20	8.10
Dec-19	9.79	7.00	9.70	7.20
Jan-20	9.55	7.74	9.70	7.55
Feb-20	10.64	7.87	9.50	6.65
Mar-20	7.83	6.72	7.00	5.10

g) **Registrar to an Issue and Share Transfer Agents**

The members of the Company may address all its communication relating to transfer, transmission, Refund order, Dividend, National Electronic Clearing system (NECS) dematerialization etc. to Company's Share Transfer agent i.e. Bigshare Services Private Limited at the below address and may also write to the Company.

Bigshare Services Private Limited

(Unit: Shah Alloys Limited)

Bharat Tin Works Building, 1stFloor, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri - East,

Mumbai - 400059, Maharashtra

Board No. : 022 6263 8200

Email id.: info@bigshareonline.com

h) **Share Transfer System**

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulations 40(9) of SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the stock exchanges.

i) i) Shareholding pattern as on 31st March, 2020

Category	No. of Shares	%
Promoters	10640991	53.75
Clearing Members	270927	1.37
Indian Public	6172393	31.18
Domestic Companies	2346117	11.85
NRI	50786	0.25
Trust	200	0.00
Hindu Undivided Family (HUF)	316126	1.60
Total	19797540	100

Distribution of shareholding as on 31st March, 2020

Shareholding of Nominal	No. of Shareholders	% To Total	Shares	% To Total
1	6676	82.37	1138752	5.75
501	714	8.81	593935	3.00
1001	337	4.16	521504	2.63
2001	114	1.41	295900	1.49
3001	66	0.81	235707	1.19
4001	33	0.41	154791	0.78
5001	73	0.90	525325	2.65
10001	92	1.14	16331626	82.49
Total	8105	100.0000	19797540	100.0000

j) Dematerialization of Shares and Liquidity

On March 31st 2020, nearly 98.13% of the shareholders of Company were holding Company's shares in DEMAT form. In the same way, Promoters & Promoters-group shareholding was also fully dematerialized.

k) Plant Location:

The Company's plant is located at:

2221/2222, Shah Industrial Estate, Sola-Kalol Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

l) Registered & Administrative Offices:

Registered Office

5/1, Shreeji House,
Behind M. J. Library, Ashram Road
Ahmedabad – 380006, Gujarat

Administrative Office:

Corporate House,
Sola-Kalol Road, Village Santej,
Dist: Gandhinagar, Gujarat – 382721

m) Address for Investor Correspondence:

In case any problem or query shareholders can contact at:

Name : Shri Vinay Kumar Mishra, Company Secretary and Compliance officer

Address : Shah Alloys Corporate House,
Sola-Kalol Road, Santej, Dist.Gandhinagar, Gujarat 382 721

Phone : 91-02764-661100/11

Fax : 91-02764-661110

Email : sal.investor@shahalloys.com; cs@shahalloys.com

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

Name : Bigshare Services Private Limited

Address : Bharat Tin Works Building, 1stFloor, Opp. Vasant Oasis, Makwana Road, Marol,
Andheri - East, Mumbai - 400059, Maharashtra

Board No. : 022 6263 8200

Fax No. : 022 2847 5207

Email id. : info@bigshareonline.com

Website : www.bigshare.com

OTHER DISCLOSURES :**Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

There is no materially significant related party transaction that may have potential conflict with the interests of the Company at large have been entered.

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013, were in the ordinary course of business and on an arm's length basis, and did not attract provisions of Section 188 of Companies Act, 2013, relating to approval of shareholders. However, prior approvals from the Audit Committee are obtained for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit Committee and to the Board.

Details of related party transactions are also presented in the notes to financial statements.

The Company has formulated the policy on materiality of related party transactions and on dealing with related party transactions and it is available at the website of the Company at: <http://www.shahalloys.com>

Details of non-compliance by the listed entity, penalties and structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

No statutory authority or the Board has imposed penalty on any matter related to capital markets, during the last three years.

Establishment of vigil mechanism and affirmation that no personnel have been denied access to the audit committee

The Company has implemented a Vigil Mechanism Policy, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance to code of conduct to the Company. The policy safeguards the whistleblowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the financial year none of the personnel has been denied access to the audit committee.

Corporate Governance Compliance Certificate

Compliance Certificate from M/s Kiran Kumar Patel, Practicing Company Secretaries, as regarding compliance of conditions of corporate governance is annexed with Corporate Governance report.

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014.

CEO AND CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CFO has given Compliance Certificate on financial statements to the Board of Directors.

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL UNDER REGULATION 17(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

I, K S Kamath, Joint Managing Director of the Company, hereby certify that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange. Company has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on 11th September, 2020.

For, Shah Alloys Limited

Place: Santej
Date: 11.09.2020

Sd/-
(K.S. Kamath)
Joint Managing Director
(DIN 00261544)

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
SHAH ALLOYS LIMITED

We have examined the compliance of conditions of Corporate Governance by Shah Alloys Limited ('the Company'), for the year ended 31st March, 2020 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (' Listing Regulations') as referred to in the Listing Regulations for the period 1st April, 2019 to 31st March, 2020.

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 of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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, K.K PATEL AND ASSOCIATES
Company Secretaries

Place : Gandhinagar
Date : 30.11.2020

Sd/-
Kiran Kumar Patel
Proprietor
CP No. 6352

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

World Economic Environment

Amid prolonged trade disputes and wide-ranging policy uncertainties, the world economy has seen a significant and broad-based deterioration over the past year. This threatens to impede efforts to reduce poverty, create decent jobs, broaden access to affordable and clean energy, and achieve many other Sustainable Development Goals. World gross product growth slipped to 2.3 per cent in 2019—the lowest rate since the global financial crisis of 2008-2009. This slowdown is occurring alongside growing discontent with the social and environmental quality of economic growth, amid pervasive inequalities and the deepening climate crisis. Even as global trade tensions ease along some fronts, the potential for relapse is high, as important issues underlying these disputes have yet to be tackled in depth. Based on the assumption that potential setbacks will not materialize, a modest uptick in global growth to 2.5 per cent is forecast for 2020, though policy uncertainties will continue to weigh on investment plans.

Further, due to the Corona virus pandemic, the IMF's estimate of the global economy growing at -3 per cent in 2020 is "far worse" than the 2009 global financial crises. Economies such as the US, Japan, the UK, Germany, France, Italy and Spain are expected to contract this year by 5.9, 5.2, 6.5, 7, 7.2, 9.1 and 8 per cent respectively.

Advanced economies have been hit harder, and together they are expected to grow by -6 per cent in 2020. Emerging markets and developing economies are expected to contract by -1 per cent. If China is excluded from this pool of countries, the growth rate for 2020 is expected to be -2.2 per cent.

World Steel Scenario

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

Asia produced 1,341.6 Mt of crude steel in 2019, an increase of 5.7% compared to 2018. China's crude steel production in 2019 reached 996.3 Mt, up by 8.3% on 2018. China's share of global crude steel production increased from 50.9% in 2018 to 53.3% in 2019. India's crude steel production for 2019 was 111.2 Mt, up by 1.8% on 2018. Japan produced 99.3 Mt in 2019, down 4.8% compared to 2018. South Korea produced 71.4 Mt of crude steel in 2019, a decrease of 1.4% compared to 2018.

The EU produced 159.4 Mt of crude steel in 2019, a decrease of 4.9% compared to 2018. Germany produced 39.7 Mt of crude steel in 2019, a decrease of 6.5% on 2018. Italy produced 23.2 Mt in 2019, down by 5.2% on 2018. France produced 14.5 Mt of crude steel, a decrease of 6.1% on 2018. Spain produced 13.6 Mt of crude steel in 2019, a decrease of 5.2% on 2018.

Crude steel production in North America was 120.0 Mt in 2019, 0.8% lower than in 2018. The US produced 87.9 Mt of crude steel, up by 1.5% on 2018.

The CIS produced 100.4 Mt, a decrease of 0.5%. Russia produced 71.6 Mt of crude steel in 2019, down by 0.7% on 2018. Ukraine produced 20.8 Mt of crude steel in 2019, a decrease of 1.2% compared to 2018.

The Middle East produced 45.3 Mt of crude steel in 2019, an increase of 19.2% on 2018.

Annual crude steel production for South America was 41.2 Mt in 2019, a decrease of 8.4% on 2018. Brazil produced 32.2 Mt in 2019, down by 9.0% compared to 2018.

Indian Steel Scenario

India was the world's second-largest steel producer with production standing at 111.2 million tonnes (MT) in 2019. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US\$ 13.40 billion in the period April 2000-March 2020.

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

- Government introduced Steel Scrap Recycling Policy to reduce import.
- An export duty of 30 per cent has been levied on iron ore[^] (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- 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\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

OPPORTUNITIES & THREATS:**Opportunities:**

The biggest opportunity before Indian steel sector is that there is enormous scope for increasing consumption of steel in almost all sectors in India. The Indian rural sector remains fairly unexposed to their Multi-faceted use of steel. The usage of steel in cost Effective manner is possible in the area of housing, fencing, structures and other possible applications where steel can substitute other materials which not only could bring about Advantages to users but is also desirable for conservation of forest resources. Excellent potential exist for enhancing steel consumption in other sectors such as automobiles, packaging, engineering industries, irrigation and water supply in India. The key areas of opportunities can be summarized as:

Huge Infrastructure demand

Rapid urbanization

Increasing demand for consumer durables

Untapped rural demand

Increasing interest of foreign steel producers in India

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India, Digital India and Aatmanirbhar Bharat Abhiyan. The Government of India launched Atmanirbhar Bharat Abhiyan, which translates to 'self-reliant India' or 'self-sufficient India', is the vision of making India "a bigger and more important part of the global economy", pursuing policies that are efficient, competitive and resilient, and being self-sustaining and self-generating. Atmanirbhar Bharat does not mean "self-containment", "isolating away from the world" or being "protectionist". The first mention of this came in the form of the 'Atmanirbhar Bharat Abhiyan or 'Self-Reliant India Mission during the announcement of India's COVID-19 pandemic related economic package on 12 May 2020. The five pillars of 'Atmanirbhar Bharat' are stated as economy, infrastructure, technology-driven systems, vibrant demography and demand.

GDP growth has been on a constant downward slope since Q4 FY17, and slowed to a 11-year-low of 3.1% in Q4 FY20. The nationwide lockdown due to COVID-19 began in the last week of that quarter.

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years.

As per Indian Steel Association (ISA), steel demand will grow by 7.2 per cent in 2019-20 and 2020-21.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

Threats:

Steel is a capital-intensive sector. Nearly INR 7,000 crore is required to set up 1 tonne of steel-making capacity through the greenfield route. Naturally, the cost of financing any expansion or new steel capacity is usually through borrowed capital. And in India the cost of finance is extremely high compared to the cost of finance in developed countries such as China, Japan and Korea. This adds about USD 30-35 USD to the final cost of steel. Moreover, steel demand is cyclical. So, during a downturn, the return on investments gets eroded. From 2004-2011, steel demand increased at a fast pace. This prompted most steel makers to expand existing capacities. However, the Indian steel industry faced a severe downturn between 2014 and 2016. This eventually resulted in many steel makers facing bankruptcy proceedings in 2018. The industry, in fact, is yet to resolve all the bankruptcy cases. Today, financial institutions have become wary of lending to the sector. In conclusion, therefore, a large share of the challenges that the steel industry has faced since 2014 can be traced to the extremely high finance costs or cost of borrowed capital. Although India's Reserve Bank has lowered the policy repo rate five times and by 135 basis points in 2019 alone, the cost of capital in India still remains significantly high and Indian steel makers continue to face a relative disadvantage vis-à-vis their competitors from the developed world.

If the Indian steel industry is to fulfil the vision outlined in the National Steel Policy, 2017, financing capacity addition of 100-150 million tonnes will be the biggest challenge. The policy document acknowledges that additional investment of INR 10 lakh crore will be required and financing it is the primary challenge

OUTLOOK:**Indian Steel Industry in the post-COVID-19 World**

As demand plummets due to lockdown restrictions and other headwinds, major measures are required to resuscitate the domestic steel industry.

The COVID-19 has disrupted operations globally is well-known. Moreover, the new normal that will emerge is likely to witness a realignment of power centres in different domains. The coronavirus crisis has impacted almost all supply chains dependent on China, which includes the steel sector.

Given the closure of operations in most industries, the nation's steel demand in FY2020-21 is slated to fall by about 15%. This will lead to oversupply, suppressed prices and rising inventories once the lockdown is lifted, as per an India Ratings report. These inventories will mainly comprise intermediate or semi-steel items used by downstream players whose units are currently closed because of the lockdown. As a result, a vicious cycle will be created - where prices will remain depressed until there is a major uptick in demand or a sizeable inventory volume is offloaded.

The steel ministry has invited request for proposal (RFP) from consulting firms for developing an action plan to mitigate the impact of slowdown induced by the Covid-19 pandemic.

Apart from identifying the current challenges of both the integrated and secondary steel producers, the preferred consultancy firm will have to assess their impact on the steel sector as a whole including their bearings on the supply-chain, logistics, cost of raw materials and pricing of products, availability and cost of labour, international trade-related issues, demand in both domestic and international markets, external and internal threat analysis and cost and availability of finance.

RISKS AND CONCERNS:

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's Structured Risk Management Process attempts to provide confidence to the stakeholders that the Company's risks are known and well managed. The company management has a Risk Management Team comprising of Functional heads as Champions and accountable for risks associated in their areas. The company has review mechanism of risks at regular intervals. The management of the Company has identified some of the major areas of concern having inherent risk, viz. Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans. The processes are continuously improved.

Risk Management comprises three key components which are as below:

- i. Risk identification
- ii. Risk assessment and mitigation
- iii. Risk monitoring and assurance

Your Company has identified the following aspects as the major risks for its operations:

- i. Market Risk - in terms of Price increase of Raw Material
- ii. Foreign Exchange Risk

The risk mitigation plans are reviewed regularly by the Management and Audit Committee of your Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes which consist of adopting appropriate management systems and implementing them are followed. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review company concentrated on manufacturing of Bars, beams, flats, plate, coil, slab, billets etc. Production of bars, beams and flats during the year was 3559 MT. and sale was 3008 MT. Production of plate & coil during the year was 61089 MT and sales were 61318 MT. Production of Slab, billets etc. was 472 MT and sales was 891 MT. Likewise, production of Stainless Steel Flat was 31353 MT and sales was 30976 MT. Total production of all items taken together during the year decreased from 30318 MT to 96473 MT whereas total sales decreased from 124269 MT to 96193 MT.

During the year under review Total revenue from Operations and from other operating income decreased from Rs. 576.66 crores in the previous year to Rs. 490.31 crores. Company has registered a loss of Rs. 14.49 crores in comparison to the profit of Rs. 0.75 crores during previous year.

DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever-changing market realities. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Company has more than 606 employees on its permanent rolls as on 31st March, 2020.

DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed all relevant Indian Accounting Standards while preparing the financial statements.

CAUTIONARY STATEMENT: Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

INDEPENDENT AUDITOR'S REPORT

To the Members of
SHAH ALLOYS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements**Qualified Opinion**

We have audited the accompanying stand

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for *Qualified Opinion* Section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting standards (Ind AS) specified under section 133 of the Act, of the state of affairs (financial Position) of the Company as at March 31, 2020, and its losses (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. For the Year ending on 31st March, 2020, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding on the settlement entered with ARCs for specific loans which are assigned to them and also on the loans which are time barred under the law of limitation). Had the company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March, 2020, the loss for the year would have been higher by Rs 325.74 lacs and current liabilities would have been higher to that extent. (Refer Note No 33 of notes forming part of standalone IND AS financial statements)
2. The Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2020. (Refer Note No 42 of notes forming part of standalone IND AS financial statements)
3. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2020. (Refer Note No 43 of notes forming part of standalone IND AS financial statements)

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in the view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Company have been prepared on a "going concern basis". (Refer Note no 41 of notes forming part of standalone Ind AS financial statements)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter:

Description of Key audit Matter	Our response and results
<p>Litigations and claims (Refer note 37) to the standalone Ind AS financial statements) The cases are pending with multiple tax authorities like Service tax, and Excise, and there are claims against the company which have not been acknowledged as debt by the company. In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the standalone Ind AS financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the company's management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/response including on the claims lodged by customers were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone Ind AS financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion: Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the standalone Ind AS financial statements.</p>

Emphasis of Matter

1. **On the basis of legal opinion obtained by the company, the Debt in respect of Foreign Currency Convertible Bonds (FCCB) of Rs 7237.88 lakhs and Non Convertible Debentures (NCD) of Rs 8000.00 lakhs being time barred under the limitation Act, 1963, and being regarded as no longer payable has been credited to capital reserve account in the Statement of Assets and Liabilities as at 31st March, 2020. In view of the management, there is no prescribed procedural requirement to be followed for seeking approval from the regulatory authorities for writing back of the FCCB amount as above. Further the Interest Liability of Rs 9198.20 lakhs being interest payable on Non Convertible Debentures has also been written back and has been shown as income in the Statement of Profit and loss and has been reflected as an Exceptional Item in the Statement of Profit and loss for the year ended on 31st March, 2020. (Refer Note No 44 of notes forming part of standalone IND AS financial statements)**
2. **The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Company have been prepared on a "going concern basis". (Refer Note No 41 of notes forming part of standalone IND AS financial statements)**
3. **We draw attention to Note 45 of notes forming part of standalone Ind AS financial statements which describes the management's assessment of the likely impact of uncertainties related to outbreak of COVID 19 global pandemic on the operations of the Company.**

Our opinion is not modified on the above matters.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other

information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS financial statements

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and except for the matters described in the Basis for Qualified opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b. Except for the possible effects of the matter described in the Basis for Qualified opinion, paragraph above, In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the. books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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 31,2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31,2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS financial statements (Refer Note No 37 the Standalone Ind AS financial statements.)
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 20040230AAAAGB5942

Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place: Ahmedabad
Date: 30/07/2020

**ANNEXURE A –TO THE INDEPENDENT AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF SHAH ALLOYS LIMITED ON THE STANDALONE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31STMARCH, 2020**

- (i) In respect of its Property, Plant & Equipments:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments on the basis of available information.
- (b) As explained to us, major portion of Property, Plant & Equipments are physically verified by the management during the year in accordance with a phased program of verification adopted by company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, title deeds of the immovable properties held are in the name of the company.
- (ii) As explained to us, inventories (excluding goods in transit and goods lying at port) were physically verified by management at reasonable intervals during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans, Secured or unsecured granted by the company to the companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the companies Act, 2013:
According to the information and explanations given to us and on the basis of records produced before us, the company has not granted any loan, secured or unsecured to the companies, limited liability partnership or firms or other parties covered in the register maintained u/s 189 of the companies Act, 2013 and hence sub-clause (a)&(b) & (c) of paragraph 3 of companies auditor's report order 2016 are not applicable to the company.
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year under review. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public during the year under review.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of Cost records specified under section 148 of Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts & records have been made and maintained. We have however, not made 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 explanation given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, ESIC, income-tax, sales tax, Goods & Service Tax, service tax, , duty of customs, duty of excise, value added tax, cess and other statutory dues have not been generally regularly deposited during the year with the appropriate authorities.*
According to the information and explanation given to us no undisputed amounts payable in respect of provident fund, ESIC, income-tax, Goods & Service Tax, service tax, , duty of customs, duty of excise, cess and other statutory dues were resaid dues were outstanding as at 31st March, 2020 for a period of more than six months from the date of becoming payable
- b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed dues that have not been deposited as on 31st March, 2020 on account of matters pending before the appropriate authorities are as under:

Sr. No	Name of the statute	Nature of Dues	Financial year to which amount relates	From where the dispute is pending	Amount under dispute (Net of Payments) (Rs. in Lakhs.)
1	Custom , Service tax and Excise	Service tax	January 2005 to July 2011	The Commissioner of Central Excise , Ahmedabad III	51.58
2	Custom , Service tax and Excise	Service tax	November 2012 to March 2013	The Addl. Commissioner of Central Excise , Ahmedabad III	1.71
3	Custom , Service tax and Excise	Service tax	2013-14	The Joint Commissioner of Central Excise , Ahmedabad III	1.48
4	Custom , Service tax and Excise	Service tax	November 1997 to June 1998	Gujarat High Court	25.43
5	Custom , Service tax and Excise	Excise duty	September 2010 to December 2013	Custom Excise and Service Tax , Appellate Tribunal, Ahmedabad	1909.76
6	Custom , Service tax and Excise	Service tax	December 2014 to May 2015	The Dy, Commissioner of Central Excise Division Kalol, Ahmedabad III	0.87
7	Custom , Service tax and Excise	Service tax	June 2015 to December 2015	The Asst. Commissioner of Central Excise & CGST, Div. Kalol	5.75
8	Custom , Service tax and Excise	Service tax	January 2016 to July 2016	The Asst. Commissioner of Central Excise & CGST, Division Kalol	1.22
9	Custom , Service tax and Excise	Service tax	August 2016 to June 2017	The Asst. Commissioner of Central Excise & CGST, Division Kalol	1.83

(viii) Consequent upon the sanction of the restructuring package given under CDR mechanism by banks and financial institutions, the company was required to start repaying the loans sanctioned by banks/institutions and debentures holders from June 2011 onwards, however the company has made default in repaying the dues as per the terms stipulated in CDR Rework Proposal. The amount and the period of default in respect of term loan, Non convertible Debentures, Funded interest term Loans, Interest Payable, on the said facilities are as under :

NAME OF THE BANK/FINANCIAL INSTITUTIONS	NATURE OF FACILITY	AMOUNT OF DEFAULT AS AT 31-03-2020 (Rs in lacs)	PERIOD OF DEFAULT (No. of days)
HDFC BANK	Term Loan	1196.46	1-3196
	Funded Interest Term loan	449.41	1-2281
	Interest Payable	877.89	1-3530
INDIAN OVERSEAS BANK	Non convertible Debenture	1000.00	1-3196
	Funded Interest Term loan	684.15	1-2281
	Interest payable	311.33	1-3530
LIC OF INDIA	TERM LOAN	642.78	1-3196
	Funded Interest Term loan	259.95	1-2281
	Interest Payable	363.43	1-3530

Except above the company has not defaulted in repayment of its dues to Financial Institutions. The company does not have any borrowings from, Banks or Government

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Parikh & Majmudar
Chartered Accountants
Firm Reg. No. 107525W
UDIN: 20040230AAAAGB5942

Sd/-
[C.A. (Dr) Hiten M. Parikh]
PARTNER
M. No. 040230

Place: Ahmedabad
Date :30/07/2020

Annexure B to the Independent Auditor's Report of Even Date to the Members of SHAH ALLOYS LIMITED on the Standalone Ind AS Financial Statements for the year ended on 31st March 2020**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the standalone Ind AS financial statements of **M/s SHAH ALLOYS LIMITED** ("the Company") as at and for the year ended 31st March 2020, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Parikh & Majmudar
Chartered Accountants
Firm Reg. No. 107525W
UDIN: 20040230AAAAGB5942

Sd/-
[C.A. (Dr) Hiten M. Parikh]
PARTNER
M. No. 040230

Place: Ahmedabad
Date :30/07/2020

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount ₹ in Lakhs)

	Note No	As At 31st March 2020	As At 31st March 2019
ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	10620.07	11917.98
b) Capital work-in-progress	2	900.50	900.50
c) Financial Assets			
(i) Investments	3	520.42	1503.77
(ii) Trade receivables	4	-	-
(iii) Loans	-	-	-
d) Deferred tax Assets (net)	5	19648.53	22502.45
e) Other non-current assets	6	780.45	464.42
2) Current assets			
a) Inventories	7	8529.19	12510.81
b) Financial Assets			
(i) Trade receivables	8	2414.12	2856.42
(ii) Cash and cash equivalents	9	23.75	35.16
c) Loans	10	17.83	8.38
d) Other current assets	11	195.92	833.77
TOTAL ASSETS		43650.77	53533.66
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	12	1979.75	1979.75
b) Other Equity	13	-3253.20	-17055.81
LIABILITIES :			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	17023.23	15691.73
(ii) Trade payables	15	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1591.65	1725.78
(b) Provisions	16	151.43	138.16
(c) Non-current liabilities	17	-	-
(d) Other non-current liabilities		-	-
2) Current liabilities			
(a) Borrowings		-	-
(b) Trade payables	18	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		14541.45	11589.13
(c) Other financial liabilities	19	9620.41	38268.49
(d) Other current liabilities	20	1088.40	469.42
(e) Provision for Employee Benefits	21	907.65	727.01
Total Equity and Liabilities		43650.77	53533.66
The accompanying Notes 1 to 50 are integral part of these Standalone Ind AS Financial Statements.			

As per our report of even date attached.

For Parikh & Majmudar

Chartered Accountants
(Firm Regn. No. 107525W)
UDIN: : 20040230AAAAGB5942

Sd/-

CA Dr. Hiten Parikh

Partner
M.No.040230Place : Ahmedabad
Date : 30th July,2020For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-

Rajendra V. Shah

Chairman
(DIN- 0020904)

Sd/-

K. S. Kamath

Jt. Managing Director
(DIN- 0261544)

Sd/-

Ashok Sharma

Whole Time Director & CFO
(DIN-0038360)

Sd/-

Vinay Kumar Mishra

Company Secretary

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

(Amount ₹ in Lakhs)

	Note No	As At 31st March 2020	As At 31st March 2019
I Revenue from Operations	22	48933.95	57002.25
II Other Income	23	97.45	663.95
III Total Income (I +II)		49031.40	57666.20
IV Expenses:			
Cost of Materials Consumed	24	35752.90	43088.60
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	25	68.48	-2987.51
Employee Benefits Expense	26	2111.63	2007.77
Finance Costs	27	45.40	10.13
Depreciation and Amortization Expense		1297.91	1300.75
Other Expenses	28	16571.92	14817.48
Total Expenses (IV)		55848.24	58237.21
V Profit before tax and Exceptional Item (III- IV)		-6816.84	-571.01
VI Exceptional Item (Refer Note No 34 & 44)		8214.85	-677.76
VII Profit before tax (V+VI)		1398.01	-1248.77
VIII Tax expense :			
(1) Current Tax		-	
(2) Deferred Tax		2846.71	-1323.70
Total Tax Expenses (VIII)		2846.71	-1323.70
IX Profit for the period (VII -VIII)		-1448.70	74.93
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		20.64	6.28
(ii) Income tax relating to items that will not be reclassified to profit or loss		-7.21	-2.20
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (X)		13.43	4.09
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)		-1435.27	79.01
XII Earnings per equity share (Face Value of Rs 10/- each)			
Basic & Diluted	29	-7.32	0.38

The accompanying Notes 1 to 50 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.**For Parikh & Majmudar**

Chartered Accountants
(Firm Regn. No. 107525W)
UDIN: : 20040230AAAAGB5942

Sd/-

CA Dr. Hiten Parikh

Partner
M.No.040230

Place : Ahmedabad

Date : 30th July,2020

**For and on behalf of the Board of Directors,
Shah Alloys Limited**

Sd/-

Rajendra V. Shah

Chairman
(DIN- 0020904)

Sd/-

K. S. Kamath

Jt. Managing Director
(DIN- 0261544)

Sd/-

Ashok Sharma

Whole Time Director & CFO
(DIN-0038360)

Sd/-

Vinay Kumar Mishra

Company Secretary

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

(Amount ₹ in Lakhs)

Particulars	2019-20		2018-19	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax		1,418.65		(1,242.49)
Adjustments for :				
Depreciation	1,297.91		1,300.75	
Loss / (Profit) on Sale of Assets	-		0.04	
Interest expenses	45.40		10.13	
Interest Reversal	(9,198.21)		-	
Interest Income	(18.53)		(17.24)	
		(7,873.42)		1,293.68
		(6,454.77)		51.19
Operating Profit Before Working Capital Changes				
Adjustments for :				
Trade and other receivables	1,070.70		(2,329.15)	
Inventories	3,981.62		(4,068.17)	
Trade Payable and others (including non current liabilities)	3,631.07		6,903.05	
		8,683.39		505.73
Cash Generated From Operations		2,228.63		556.92
Direct Taxes Paid				-
Net Cash from Operating Activities before Extra Ordinary Items		2,228.63		556.92
Extra-ordinary Items				
Changes in non current assets	(316.03)		190.32	
Interest Reversal	9,198.21		-	
Provision for diminution in value of long term investments	983.35		677.76	
		9,865.54		868.08
Net Cash from Operating Activities after Extra Ordinary Items(A)		12,094.16		1,425.00
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed assets	-		(162.82)	
Sale of Fixed Assets	-		0.65	
Interest Income	18.53		17.24	
		18.53		(144.93)
Net Cash from Investing Activities(B)		18.53		(144.93)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term and Short Term Borrowings (Net)	(12,078.70)		(1,336.81)	
Interest Paid	(45.40)	(12,124.10)	(10.13)	(1,346.94)
Net Cash from Financing Activities(C)		(12,124.10)		(1,346.94)
Net Increase in Cash and Equivalent.(A+B+C)		(11.41)		(66.87)
Cash And Cash Equivalents as at the Beginning of the year		35.16		102.03
Cash And Cash Equivalents as at the Close of the year		23.75		35.16

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020 [Contd...]

(Amount ₹ in Lakhs)

Particulars	2019-20		2018-19	
Note:				
As per our Report of even date				
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.				
Cash & Bank balances:				
a) Balance with Banks :				
- In Current accounts		23.37		35.06
b) Cash on hand		0.38		0.10
Total		23.75		35.16
As per our report of even date attached.	For and on behalf of the Board of Directors, Shah Alloys Limited			
For Parikh & Majmudar	Sd/- Rajendra V. Shah		Sd/- Ashok Sharma	
Chartered Accountants	Chairman		Whole Time Director & CFO	
(Firm Regn. No. 107525W)	(DIN- 0020904)		(DIN-0038360)	
UDIN: : 20040230AAAAGB5942	Sd/-		Sd/-	
Sd/-	K. S. Kamath		Vinay Kumar Mishra	
CA Dr. Hiten Parikh	Jt. Managing Director		Company Secretary	
Partner	(DIN- 0261544)			
M.No.040230				
Place : Ahmedabad				
Date : 30th July,2020				

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020:**A. DISCLOSURE OF ACCOUNTING POLICIES****1.1 CORPORATE INFORMATION**

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The company is engaged in manufacturing and sale of Wide range of Stainless Steel, Alloys & Special Steel, Carbon / Mild Steel lin Flat and Long products. The Company presently has manufacturing facilities at Santej, District : Gandhinagar (Gujarat)

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

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

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees ('INR'). Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

1.2 USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles 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 the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013)
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.
- vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
 - Buildings - 30 to 60 years
 - Plant and Equipments - 15 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
 - Others – Computer Hardware 3 to 6 years

1.4 NTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) Intangible assets are amortised on straight-line method as follows :
Computer Software - 5 years
- iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 **Revenue Recognition**

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss are excluding, returns, trade discounts, cash discounts, Goods & Service Tax.
- iii) Services: Revenue from Services are recognized as and when the services are rendered.
- iv) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) Export Benefits are accounted on accrual basis.

1.6 **EMPLOYEE BENEFITS:**

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

1.7 **Valuation of Inventories**

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts are valued at cost; and of those in transit and at port related to these items are valued at cost.
- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value.

1.8 **Cash flow statement**

Cash flows are reported using indirect method, whereby 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. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/ cheques in hand and short term investments with an original maturity of three months or less.

1.9 **FINANCIAL ASSETS:**

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.
- ii) Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.

- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.
- v) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current /Long-term investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-current investments are at lower of cost or market value on individual investment basis.

1.10 FINANCIAL LIABILITIES:

- i) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iii) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially and subsequently measured at amortized cost.
- iv) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.11 FAIR VALUE MEASUREMENT:

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.12 FOREIGN CURRENCY TRANSACTIONS:

- i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.
- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

1.13 BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

1.14 ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, 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.
- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any un used tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward un used tax credits and un used tax losses can be utilized.

- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- v) Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted nor disclosed.

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

- i) A related party is a person or entity that is related to the reporting entity preparing its financial statements
 - (a) A person or a close member of that person's family is related to reporting entity if that person;
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is member of the key management personnel of the reporting entity or of a parent of the reporting entity.
 - (b) An entity is related to a reporting entity if any of the following conditions applies;
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in Has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

- ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

- iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

1.18 EARNINGS PER SHARE:

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) 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.

1.19 LEASE

Operating Lease

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

On transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

1.20 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (Rs) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (Rs).

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(ii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the company . Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has tax losses carried forward on which deferred tax asset is created, based on probability that future profits will be available against which the deductible temporary difference can be realized.

(iv) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Company.

(v) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

1.21 INVESTMENTS

Investment in quoted equity shares are stated at its fair value through Profit and loss account

Note 2 : PROPERTY, PLANT AND EQUIPMENT

Tangible Assets :

(Amount ₹ in lakhs)

Particulars	Freehold Land	Factory Building	Office Building	Plant and Machinery	Laboratory Equipments	Vehicles	Office Equipments	Furniture & Fixtures	TOTAL
Cost of Assets									
As at 1st April 2018	527.17	2,276.72	326.92	51,672.69	49.17	320.37	210.23	197.24	55,580.50
Addition	162.82	-	-	-	-	-	-	-	162.82
Disposal / Adjustments	-	-	-	-	-	14.27	-	-	14.27
As at 31st March 2019	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Addition	-	-	-	-	-	-	-	-	-
Disposal / Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March 2020	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Depreciation									
As at 1st April 2018	-	1,155.27	53.88	40,577.91	46.71	304.35	199.72	186.04	42,523.87
Charge for the year 2018	-	64.00	5.16	1,230.26	-	-	-	1.34	1,300.75
Disposal / Adjustments	-	-	-	-	-	-13.56	-	-	-13.56
As at 31st March 2019	-	1,219.27	59.04	41,808.17	46.71	290.79	199.72	187.38	43,811.07
Charge for the year 2020	-	64.00	5.16	1,228.76	-	-	-	-	1,297.91
Disposal / Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March 2020	-	1,283.27	64.20	43,036.93	46.71	290.79	199.72	187.38	45,108.98
Net Block									
As at 31st March 2019	689.99	1,057.45	267.88	9,864.52	2.46	15.31	10.51	9.86	11,917.98
As at 31st March 2020	689.99	993.45	262.72	8,635.76	2.46	15.31	10.51	9.86	10,620.07

Capital work-in-progress	31.03.2020	31.03.2019
Plant & Machinery	900.50	900.50
Total	900.50	900.50

Notes:

- 1) Cost of Fixed Assets and pre-operative expenses, being technical matter, are capitalized or allocated to Capital work in progress on the basis of data certified by technical person & the Management.
- 2) Borrowing cost includes interest and other bank charges to the extent that they are regarded as an adjustment to interest costs which are directly related to the acquisition & construction of a qualifying asset.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

NOTE NO : 3 Investments	31.03.2020 Amount	31.03.2019 Amount
Trade Investments		
Quoted		
Investment in Equity instruments of Associate Company	3994.96	3994.96
3,02,56,989 Equity shares of Face value Rs 10/- each in SAL Steel Limited (P.Y: 3,02,56,989 Equity shares)		
Less : Provision for Diminution in value of Investment	3474.54	2491.19
TOTAL	520.42	1503.77
Aggregate amount of Quoted Investment and Market Value Rs 520.42 Lakhs as at 31st March 2020 (P.Y. Rs 1503.77 Lakhs)		
NOTE NO : 4 Trade Receivables :	31.03.2020 Amount	31.03.2019 Amount
Non-current Trade Receivable		
Unsecured,considered Doubtful	10.84	107.24
less : Provision for Doubtful Debts	10.84	107.24
TOTAL	0.00	0.00
NOTE NO : 5 Deferred tax Assets (Net)	31.03.2020 Amount	31.03.2019 Amount
Deferred tax Assets (Net)	19648.53	22502.45
TOTAL	19648.53	22502.45
DEFERRED TAX ASSETS		
Unabsorbed Depreciation and Business Loss	20463.35	20350.46
On account of disallowances under the Income tax act, 1961	1267.20	4460.56
Gross deferred tax asset (A)	21730.55	24811.02
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	2082.02	2308.57
Gross deferred tax liability (B)	2082.02	2308.57
Net Deferred tax (A-B)	19648.53	22502.45
NOTE NO : 6 Other non-current assets :	31.03.2020 Amount	31.03.2019 Amount
(a) Loans & Advance Recoverable in cash or in kind	77.48	73.47
(b) Security Deposit		
Unsecured,considered good	304.50	304.50
(c) Advances to Supplier		
Unsecured,considered good	9.46	-
(d) Advance Income Tax, TDS & TCS	21.95	14.50
(e) Balance with Govt. Authorities	367.06	71.95
Unsecured,considered good		
TOTAL	780.45	464.42
NOTE NO : 7 Inventories :	31.03.2020 Amount	31.03.2019 Amount
(Inventories are taken, valued and certified by the management)		
(a) Raw Materials	757.15	1367.82
(b) Work in progress	2319.56	2985.80
(c) Finished goods	4952.28	4354.52
(d) Stores and spares	500.20	3802.67
TOTAL	8529.19	12510.81

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

NOTE NO : 8 Trade receivables :	31.03.2020 Amount	31.03.2019 Amount
Un Secured, considered good	2414.12	2856.42
TOTAL	2414.12	2856.42

NOTE NO : 9 Cash and cash equivalents	31.03.2020 Amount	31.03.2019 Amount
(a) Balances with Scheduled Banks On current Account	23.37	35.06
(b) Cash on hand	0.38	0.10
TOTAL	23.75	35.16

NOTE NO : 10 Loans	31.03.2020 Amount	31.03.2019 Amount
Loans & Advance Recoverable in cash or in kind	17.83	8.38
TOTAL	17.83	8.38

NOTE NO : 11 Other current assets :	31.03.2020 Amount	31.03.2019 Amount
Balance with government authorities	75.13	244.47
Advance to Suppliers	119.78	588.12
Prepaid Expenses	1.01	1.18
TOTAL	195.92	833.77

NOTE NO : 12 Share Capital :	31.03.2020 Amount	31.03.2019 Amount
Authorised : 3,50,00,000 Equity Shares of Rs 10/- each (Previous year : 3,50,00,000 Equity Shares of Rs 10/- each)	3500.00	3500.00
	3500.00	3500.00
Issued & Subscribed and Paid up : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up (Previous year : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up)	1979.75	1979.75
TOTAL	1979.75	1979.75

a) Reconciliation of Number of Shares:				
Equity Shares:	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (Rs In Lakhs)	Number of shares	Amount (Rs In Lakhs)
Shares outstanding at the beginning of the year	1 97 97 540	1979.75	1 97 97 540	1979.75
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	1 97 97 540	1979.75	1 97 97 540	1979.75

b) Rights, Preferences and restrictions attached to shares

Equity Shares

The company has one class of equity share having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

c) Details of Shares held by Shareholders holding more than 5% in the Company				
Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares held	% of Shares held	No of shares held	% of Shares held
Mr. Rajendra V. Shah #	94 44 364	47.71%	94 44 364	47.71%
Mrs. Ragini R. Shah	11 46 006	5.79%	11 46 006	5.79%

including 7.74 % shares held as Karta of HUF

NOTE NO : 13 Other Equity :	31.03.2020 Amount		31.03.2019 Amount	
Securities Premium Account				
Opening Balance	502.61		502.61	
Add : Addition during the year	-		-	
		502.61		502.61
Capital Reserve				
Opening Balance	39006.18		39006.18	
Add : Addition during the year	15237.88		-	
		54244.06		39006.18
Debenture Redemption Reserve:				
Opening Balance	6000.00		6000.00	
Less : Transfer to Retained Earnings	-5400.00		-	
		600.00		6000.00
Retained Earnings				
Balance Brought Forward From Previous Year	-62564.60		-62643.62	
Add : Transfer From Debenture Redemption Reserve	5400.00		-	
Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-13.43		-4.09	
	-57151.17		-62639.53	
Add: Profit/(Loss) for the year	-1448.70	-58599.87	74.94	-62564.60
TOTAL		-3253.20		-17055.81

NOTE NO : 14 Borrowings :	31.03.2020 Amount		31.03.2019 Amount	
(A) SECURED :				
I) Debentures				
- Non Convertible Debentures	-		-	
II) Term Loans				
a) From Banks	-		-	
b) From Financial Institutions	16655.50	16655.50	15324.00	15324.00
(B) UNSECURED:				
Loans & Advances from related parties				
- From Director		367.73		367.73
TOTAL		17023.23		15691.73

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

(A) SECURED :

- a) Nature of security and terms of repayment for secured borrowings

I) Non Convertible Debentures

First Mortgage and charge on the company's all immovable and movable properties (other than working capital assets), both present and future, ranking pari-passu with all term lenders. Second charges on Working Capital assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all Corporate Debts Restructuring lenders. Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

Non Convertible Debentures is repayable in equal monthly installment starting from June 2011 till May 2019.

b) Period and Amount of default as on the Balance sheet

Financial Year	Default in repayment of principal	Period of default (Days)	Default in repayment of Interest	Period of default (Days)
2011-12	104.17	2920-3196		
2012-13	125.00	2555-2831		
2013-14	125.00	2190-2466		
2014-15	125.00	1825-2101	90.00	1825-2162
2015-16	125.00	1460-1736	90.25	1460-1797
2016-17	125.00	1095-1370	90.00	1095-1431
2017-18	125.00	730-1005	0.00	(*)
2018-19	125.00	365-640	0.00	(*)
2019-20	20.83	1-270	0.00	(*)
Total	1000.00		270.25	

(*) Refer Note No 33 of Notes forming part of Standalone Ind AS Financial Statements

II) Term Loan from Bank / Financial Institution:

First Mortgage and charge on the company's all immovable and movable properties (other than working capital assets), both present and future, ranking pari-passu with all term lenders.(except Punjab National Bank's Corporate loan which has exclusive charge on 26,00,000 shares of Shah Alloys Limited. Thus First charge on fixed assets is not extended to Punjab national bank over the Corporate loan) Second charges on WC assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all CDR lenders except for 26,00,000 shares on which Punjab national bank has exclusive charge . Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

Terms of repayment for term loans are as set out below (*):

Particulars / Financial Year	2021-22	2022-23	2023-24
Term Loans from Financial Institution	9534.25	6194.75	926.50
Total	9534.25	6194.75	926.50

(*) During the year reschedulement of dues of company acquired from State Bank of india in Invent /1415//S21 Trust was done on 16th October 19 the above repayment is after considering the said reschedulement

b) Period and Amount of default as on the Balance sheet

The company has made a default in repayment as follows:

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in repayment of Interest	Period of default (Days)
Rupee Term Loan From Bank	2011-12	124.63	2920-3196	119.65	2920-3257
	2012-13	149.56	2555-2831	119.65	2555-2892
	2013-14	149.56	2190-2466	119.65	2190-2527
	2014-15	149.56	1825-2101	119.65	1825-2162
	2015-16	149.56	1460-1736	119.65	1460-1797
	2016-17	149.56	1095-1370	119.65	1095-1431
	2017-18	149.56	730-1005	-	(*)
	2018-19	149.56	365-640	-	(*)
	2019-20	24.92	1-270	-	(*)

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in repayment of Interest	Period of default (Days)
Rupee Term Loan From Financial Institutions	2011-12	66.96	2920-3196		
	2012-13	80.35	2555-2831	56.24	2555-2892
	2013-14	80.35	2190-2466	56.24	2190-2527
	2014-15	80.35	1825-2101	56.24	1825-2162
	2015-16	80.35	1460-1736	56.24	1460-1797
	2016-17	80.35	1095-1370	56.24	1095-1431
	2017-18	80.35	730-1005	-	(*)
	2018-19	80.35	365-640	-	(*)
	2019-20	13.39	1-270	-	(*)
Funded Interest Term Loan	2010-11			40.47	3286-3530
	2011-12			40.48	2921-3165
	2012-13			40.47	2556-2800
	2013-14	139.35	2190-2281	40.47	2191-2435
	2014-15	278.70	1825-1916	40.47	1826-2070
	2015-16	278.70	1460-1551	40.48	1461-1704
	2016-17	278.70	1095-1186	40.47	1096-1339
	2017-18	278.70	730-821	-	(*)
	2018-19	139.36	365-455	-	(*)
TOTAL		3232.76		1282.40	

(*) Refer Note No 33 of Notes forming part of Standalone Financial Statements

NOTE NO : 15 Trade Payable	31.03.2020 Amount	31.03.2019 Amount
Trade Payables	1591.65	1725.78
TOTAL	1591.65	1725.78
(Refer Note No.18a of Notes forming part of Standalone financial Statement)		

NOTE NO : 16 Long term provisions :	31.03.2020 Amount	31.03.2019 Amount
Provision for Gratuity	151.43	138.16
TOTAL	151.43	138.16

NOTE NO : 17 Non-current liabilities :	31.03.2020 Amount	31.03.2019 Amount
(a) Advances from Customer	-	-
(b) Other Liabilities	-	-
TOTAL	-	-

NOTE NO : 18 Trade payables :	31.03.2020 Amount	31.03.2019 Amount
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No 18a)	14541.45	11589.13
TOTAL	14541.45	11589.13

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

	31.03.2020 Amount	31.03.2019 Amount
Note No. :18a Trade Payables - Total outstanding dues of Micro & Small Enterprises*		
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-
*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.		

NOTE NO : 19 Other financial liabilities :	31.03.2020 Amount	31.03.2019 Amount
(a) Current maturities of long-term debt;	3835.00	8129.32
(b) Interest accrued and due on borrowings;	1552.65	10640.80
(c) Unpaid Matured Debentures	1000.00	8812.50
(d) Unpaid Foreign Currency Convertible Bonds (FCCB)	-	7237.88
(e) Other Payables to Banks & Financial Institutions	3232.76	3304.50
(f) Deferred sales tax Liability	-	143.49
TOTAL	9620.41	38268.49

NOTE NO : 20 Other Current Liabilities :	31.03.2020 Amount	31.03.2019 Amount
Advance from customers	259.21	52.21
Duties and taxes	476.80	417.21
Credit baalance in current account with Schedule banks	352.39	-
TOTAL	1088.40	469.42

NOTE NO : 21 Provision for Employee Benefits	31.03.2020 Amount	31.03.2019 Amount
- Gratuity	53.94	53.25
- Others	853.71	673.76
TOTAL	907.65	727.01

NOTE NO : 22 Revenue from operations	31.03.2020 Amount		31.03.2019 Amount	
I. Sale of Products				
Direct Export Turnover	294.10		-	
Domestic Turnover	48446.97	48741.07	56940.10	56940.10
II. Sale of service				
Technical Consultancy Service Income (TDS Rs 18.00 Lakhs PY Rs. NIL)	180.00		-	
- Job work Income (TDS Rs 1.28 Lakhs PY Rs 6.09 Lakhs)	-	180.00	62.15	62.15
III. Other Operating Revenues				
Export Incentives- Duty Draw Back		12.88		-
Total Revenue from operations		48933.95		57002.25

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

NOTE NO : 23 Other Income :	31.03.2020 Amount	31.03.2019 Amount
Interest Income (TDS Rs 1.55 Lakhs P Y Rs 1.36 Lakhs)	18.53	17.24
Profit on Sale of Fixed Assets	-	-
Foreign exchange fluctuation Gain (Net)	68.97	165.61
Sundry balances written back (Net)	-	350.35
VAT Refund	9.96	130.74
TOTAL	97.45	663.95

NOTE NO : 24 Cost of Materials Consumed:	31.03.2020 Amount	31.03.2019 Amount
Opening Stock of Raw Material	1367.82	500.12
Add : Purchases	35142.22	43956.30
	36510.05	44456.42
Less : Closing Stock of Raw Material	757.15	1367.82
TOTAL	35752.90	43088.60

NOTE NO : 25 Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	31.03.2020 Amount		31.03.2019 Amount	
Opening Stock				
Finished Goods	4354.52		2203.85	
Stock-in-Progress	2985.80	7340.32	2148.96	4352.81
Less : Closing Stock				
Finished Goods	4952.28		4354.52	
Stock-in-Progress	2319.56	7271.84	2985.80	7340.32
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		68.48		-2987.51

NOTE NO : 26 Employee benefits expenses	31.03.2020 Amount	31.03.2019 Amount
Salary & Bonus	1991.72	1882.36
Contribution to Provident Fund etc.	70.83	77.39
Staff welfare expenses	49.09	48.03
TOTAL	2111.63	2007.77

NOTE NO : 27 Finance Costs	31.03.2020 Amount	31.03.2019 Amount
Interest to Others	45.40	10.13
TOTAL	45.40	10.13

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

NOTE NO : 28 Other Expenses	31.03.2020 Amount		31.03.2019 Amount	
Stores & Spares Consumed :				
Opening Stock	3802.67		3589.71	
Add : Purchases	6463.16		6202.57	
	10265.83		9792.29	
Less: Closing Stock	500.20	9765.63	3802.67	5989.62
Power & fuel		4671.01		7450.75
Factory Labour expense		1122.33		770.28
Factory Expenses		61.23		71.38
Repairs & Maintenance :				
Machinery	162.88		178.49	
Building	8.43		8.92	
Others	0.29	171.60	0.61	188.02
Selling costs		52.75		35.83
Packing Cost		6.63		0.99
Freight outward expenses		331.73		86.40
Travelling, Conveyance and Vehicle Expenses		36.98		25.30
Legal, Consultancy and Professional Fees		114.64		91.47
Miscellaneous expenses		32.40		34.20
Advertisement, Stationery and Communication		22.30		19.75
Payment to Auditors #		8.00		8.00
Rent		9.60		9.60
Rates and Taxes		144.10		10.19
Insurance		17.41		11.11
Bank Charges		3.57		12.09
Donation		-		2.50
TOTAL		16571.92		14817.48

#	31.03.2020 Amount		31.03.2019 Amount	
As auditors - Statutory audit		8.00		8.00
For other Services		-		-
		8.00		8.00

NOTE NO : 29 Earning Per Share	31.03.20 Amount	31.03.19 Amount
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year (Lakhs)	197.98	197.98
Number of Equity Shares allotted during the year (Lakhs)	-	-
Number of Equity Shares at the end of the year (Lakhs)	197.98	197.98
Weighted average number of equity shares		
Profit for the year (after tax,available for equity shareholders)	-1448.70	74.93
Basic and Diluted Earnings Per Share in Rs.	-7.32	0.38

30. Financial and derivative instruments

- Capital Management

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes to financial statements.

(i) Categories of Financial Instruments

Amount (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	2414.12	2856.42
(ii) Cash and Cash Equivalents	23.75	35.16
(iii) Loans	17.83	8.38
(iv) Investments at amortised Cost	520.42	1503.77
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	17023.23	15691.73
(ii) Trade Payables	16133.10	13314.91
(iii) Other Financial Liabilities	9620.41	38268.49

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

Interest Rate Risk

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

Amount (₹ in Lakhs)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2020				
Borrowings	—	17023.23	—	17023.23
Trade Payables	14541.45	1591.65	—	16133.10
Other Financial Liabilities	9620.41	—	—	9620.41
Total	24161.86	18614.88	-	42776.74
As at 31st March, 2019				
Borrowings	—	14765.23	926.50	15691.73
Trade Payables	11589.13	1725.78	—	13314.91
Other Financial Liabilities	38268.49	—	—	36268.49
Total	49857.62	16491.01	926.50	67275.13

Credit Risk

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

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 4 and 8, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Amount (₹ in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2020				
Investments	—	—	520.42	520.42
Loans	17.83	—	—	17.83
Cash & Cash Equiv	23.75	—	—	23.75
Trade Receivables	2414.12	—	—	2414.12
Total	2455.70	—	520.42	2976.12
As at 31st March, 2019				
Investments	—	—	1503.77	1503.77
Loans	8.38	—	—	8.38
Cash & Cash Equiv	35.16	—	—	35.16
Trade Receivables	2856.42	—	—	2856.42
Total	2899.96	—	1503.77	4403.73

31. Disclosures Regarding Employee Benefits

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

Particulars	2019-20 (Amount Rs in Lakhs)	2018-19 (Amount Rs in Lakhs)
Employers contribution to provident fund	70.83	77.39

- (i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

- (ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

- (iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected.

Since there is no condition of vesting on the death benefit, the acceleration of

Cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

- (iv) **Defined Benefit Cost**

Particulars	For the year ended 31st March 2020 (Amount Rs in Lakhs)	For the year ended 31st March 2019 (Amount Rs in Lakhs)
Current Service Cost	42.11	37.14
Interest Expense on Defined Benefit Obligation (DBO)		
Defined Benefit Cost included in Profit and Loss	-	-
Remeasurements - Due to Financial Assumptions	(0.56)	1.09
Remeasurements - Due to Experience Assumptions	(2.66)	-
Remeasurements - Due to Experience Adjustments	(17.42)	(7.37)
Return on plan assets excluding amounts included in interest income		
Defined Benefit Cost included in Other Comprehensive Income	(20.64)	(6.28)
Total Defined Benefit Cost in Profit and Loss and OCI	21.47	30.86

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

(v) **Movement in Defined benefit liability:**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening Defined Benefit Obligation	191.41	169.61
Interest Expense on Defined Benefit Obligation (DBO)	11.86	10.61
Current Service Cost	30.24	26.52
Total Remeasurements included in OCI		
Less: Benefits paid	7.51	9.06
Less: Contributions to plan assets	20.64	6.27
Closing benefit obligation	205.36	191.41
Current Liabilities of Closing benefit obligation	53.94	53.25
Non-Current Liabilities of Closing benefit obligation	151.42	138.16

(vi) **Sensitivity Analysis of Defined Benefit Obligation:**

(Amount Rs in Lakhs)

	2019-20	2018-19
(A) Discount rate Sensitivity		
Increase by 0.5%	199.92	186.10
(% change)	-2.65%	-2.77%
Decrease by 0.5%	211.14	197.05
(% change)	2.81%	2.95%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	211.11	197.03
(% change)	2.80%	2.93%
Decrease by 0.5%	199.89	186.07
(% change)	-2.67%	-2.79%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	204.59	190.93
(% change)	-0.38%	-0.25%
W.R. x 90%	206.16	191.89
(% change)	0.38%	0.25%

(vii) **Actuarial assumptions:**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Discount Rate (per annum)	6.25%	7.20%
Salary Growth Rate (per annum)	6.00%	7.00%
Withdrawal rate	30% at younger ages reducing to 5% at older ages	15% at younger ages reducing to 3% at older ages

(viii) The above details are certified by the actuary.

32. Inventories are as taken, valued and certified by the management

33. **For the year ending on 31st March, 2020, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding loans assigned to various ARCs) amounting to Rs 325.74 lakhs.**

34. The Company has long term investment in the shares of SAL Steel Limited amounting to Rs 3,994.96 Lakhs. There is no major movement in the prices of stock in share market. such circumstances indicate that there is decline, other than temporary, in the value of a long term investment. And as a result, we have accounted for investment in shares of SAL Steel Ltd at market rate of shares @ Rs 1.72 per share reducing the value of investment to Rs. 520.42 Lakhs and provided for Rs. 3474.54 Lakhs as diminution other than temporary in the value of investment in books of accounts.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

35: RELATED PARTY DISCLOSURES

i) Concern where significant interest exists.

Sr. no	Name of the Concern	Nature of Relationship
1	SAL Steel Limited	Associate
2	SAL Corporation Pvt. Ltd	Enterprise with significant influence
3	SAL Care Pvt Ltd	Enterprise with significant influence
4	SAL Pharmacy (A Division of SAL Corporation Pvt. Ltd.)	Enterprise with significant influence
5	SAL Hospital & Medical Institute (A Division of SAL Care Pvt Ltd.)	Enterprise with significant influence
6	SAL Institute of Technical & Engineering Research (A Division of Adarsh Foundation)	Enterprise with significant influence
7	SAL Institute of Pharmacy (A Division of Adarsh Foundation)	Enterprise with significant influence
8	SAL Institute of Management (A Division of Adarsh Foundation)	Enterprise with significant influence
9	SAL College of Engineering (A Division of Adarsh Foundation)	Enterprise with significant influence

(RELATED PARTIES HAVE BEEN IDENTIFIED BY THE MANAGEMENT)

1	Mr. Rajendra V. Shah	Chairman
2	Mr. K. S. Kamath	Jt. Managing Director
3	Mr. Ashok Sharma	Whole Time Director & CFO
4	Mr. Vinay Kumar Mishra	Company Secretary

iii) Disclosure of Related Party Transactions

(Amount Rs in Lakhs)

Sr. no	Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
		2019-20	2018-19	2019-20	2018-19
1	Purchase of goods & Services	13,699.67	24,754.60		
2	Purchase of Power	3,524.55	4,135.52		
3	Purchase of MEIS Licence	71.82	-		
4	Sales of Goods & Services	1,493.44	480.94		
5	Rent paid	11.33	11.33		
6	Interest Paid	9.48	-		
7	Loan Availed	300.00	-		
8	Loan Repaid	300.00	-		
9	Remuneration			31.90	26.60

(iv) Disclosures of material transactions with related parties during the year:

Amount Rs in Lakhs

S.N	Description	Related Parties	2019-20 (PY 2018-19)	Balance outstanding as at 31/03/2020 (PY 31.3.2019)
1	Purchase of Goods & Services	SAL Steel Ltd	13,699.54	11,216.67
			(24,748.76)	(8,215.93)
		SAL Pharmacy	0.13	26.61
			(0.15)	(26.48)
2	Purchase of power	SAL Steel Ltd	3,524.55	-
			(4,135.52)	(-)
		SAL Hospital & Medical Institute	-	7.45
			(5.69)	(7.45)
3	Purchase of MEIS Licence	SAL Steel Ltd	71.82	-
			(-)	(-)
		SAL Steel Ltd	504.96	-
			(480.71)	(-)
4	Sales of goods & Services	SAL Corporation Pvt.Ltd	988.48	134.86
			(-)	(-)
		SAL Institute of Technical & Engineering Research	-	-
			(0.23)	(-)
5	Rent paid	SAL Steel Ltd	11.33	-
			(11.33)	(-)
6	Interest Paid	SAL Care Pvt. Ltd	9.48	8.53
			(-)	(-)

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

7	Remuneration to Key Management Personnel	Mr. K S Kamath	12.92	
			(12.92)	
		Mr. Ashok Sharma	12.00	
			(12.00)	
		Mr. Vinaykumar Mishra	6.98	
			(1.68)	
8	Loan Availed	SAL Care Pvt. Ltd.	300.00	-
			(-)	(-)
		Mr. Rajendra V Shah	-	367.73
			-	(367.73)
9	Loan Repaid	SAL Care Pvt. Ltd.	300.00	-
			(-)	(-)

The remuneration of directors and other members of Key management personal during the year is as follows : (Amount In lakhs)

Particulars	2019-20	2018-19
Short term Benefits	31.90	26.60

36. Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	As at 31-03-2020	As at As at 31-03-2019
Advance Payment to Suppliers		
Rupees in Lakhs	56.05	535.82
US Dollar in Lakhs	0.78	7.73
FCCB Payable (Including Interest)		
Rupees in Lakhs	-	7237.88
US Dollar in Lakhs	-	148.25

37. Contingent liabilities :

(1) Claims against the Company not acknowledged as debts

Particulars

- Disputed Excise, Service Tax Demand Matter Under Appeal Rs 1999.63 Lakhs (P.Y.Rs 2023.06 Lakhs)
- Claim against the company not acknowledged as debt – Claim by parties Rs 26509.56 Lakhs (P.Y 26509.56 Lakhs) Bank / Financial Institutions Rs.82486.23 Lakhs (P Y Rs 82486.23 Lakhs)

Note:

- It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(2) Corporate Guarantee given to consortium Bank for SAL Steel Ltd. Rs 20750.00 Lakhs (P.Y. Rs 20750.00 Lakhs)

38. Certain Balance of Debtors, Creditors, Loans & Advances for Capital expenditures are non- moving / sticky . However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.

39. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

40. Balances of sundry debtors, sundry creditors, and loans and advances are subject to confirmation from respective parties.

41. The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company for the year ended on 31st March 2020 and considering the view of the management, the financial results of the Company have been prepared on a "going concern basis".

42. The Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same, if any, on the financial results is not identifiable.

43. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

- 44.** On the basis of legal opinion obtained by the company, the Debt in respect of Foreign Currency Convertible Bonds (FCCB) of Rs 7237.88 lakhs and Non Convertible Debentures (NCD) of Rs 8000.00 lakhs being time barred under the limitation Act, 1963, and being regarded as no longer payable has been credited to capital reserve account in the Statement of Assets and Liabilities as at 31st March, 2020. In view of the management, there is no prescribed procedural requirement to be followed for seeking approval from the regulatory authorities for writing back of the FCCB amount as above. Further the Interest Liability of Rs 9198.20 lakhs being interest payable on Non Convertible Debentures has also been written back and has been shown as income in the Statement of Profit and loss and has been reflected as an Exceptional Item in the Statement of Profit and loss for the year ended on 31st March, 2020.
- 45.** The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slow down of economic activity, COVID 19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realisable to the extent shown in the financial results. The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor the development.
- 45A.** The company's operation falls under single segment namely "IRON & STEEL-" and hence segment information as required by INDAS 108 "Operating Segment is not applicable. All assets are located in the company's country of domicile)
Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount Rs in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from		
- Outside India	294.10	-
- In India	48,639.85	57,002.25

No Single customer contributed 10% or more to the company's revenue for 2019-20 and 2018-19.

46 IND AS 115- Illustrative disclosures

The Company has recognised the following amounts relating to revenue in the statement of profit or loss: (Amount Rs in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from contracts with customers	48,933.95	57,002.25
Total revenue	48,933.95	57,002.25

Revenue is recognized upon transfer of control of products to customers

(a) Disaggregation of revenue from contract with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount Rs in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from		
- Outside India	294.10	-
- In India	48,639.85	57,002.25

No Single customer contributed 10% or more to the company's revenue for 2019-20 and 2018-19.

(b) Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities (Amount Rs in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Contract Assets	2,414.12	2,856.42
Total contract assets	2,414.12	2,856.42
Contract liability	259.21	52.21
Total contract liabilities	259.21	52.21

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

B) OTHER EQUITY

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	(62643.62)	(17,134.83)
Addition During the year	-	-	-	-	-
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	4.09	4.09
Profit for the year	-	-	-	74.94	74.94
Balance at the end of the reporting period	6,000.00	502.61	39,006.18	(62,564.60)	(17,055.81)

Reconciliation of Other Equity as at 31st March 2019

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	(62,564.60)	(17,055.81)
Addition/ Deduction During the year	(5,400.00)	-	15,237.88	5,400.00	15,237.88
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	(13.43)	(13.43)
Profit for the year	-	-	-	(1,448.70)	(1,448.70)
Balance at the end of the reporting period	600.00	502.61	54,244.06	(58,599.87)	(3,253.20)

NOTE NO - 48 TAX RECONCILIATION

Income taxes recognised in Statement of Profit and Loss

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
Deferred tax(credit) /Charged	2,846.71	(1,323.70)
Total income tax expense recognised in respect of continuing operations	2,846.71	(1,323.70)
Tax reconciliation		

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before taxes	-	-
Enacted tax rate in India	34.944%	34.944%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Effect of:-		
Deferred tax(credit) /Charged	2,846.71	(1,323.70)
Income taxes recognised in the Statement of Profit and Loss	2,846.71	(1,323.70)

The tax rate used for the 2019-20 and 2018-19 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

Income tax recognised in other comprehensive income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(7.21)	(2.20)
Total income tax recognised in other comprehensive income	(7.21)	(2.20)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(7.21)	(2.20)
Income tax recognised in other comprehensive income	(7.21)	(2.20)

Note: Deferred tax liability has been calculated using effective tax rate of 34.944%

Components of deferred tax assets and liabilities

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(A) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	1,267.20	4,460.56
Unabsorbed loss	20,463.35	20,350.46
	21,730.55	24,811.02
(B) Deferred tax Liabilities		
Difference between book and tax depreciation	2,082.02	2,308.57
	2,082.02	2,308.57
Deferred Tax Assets (Net)	19,648.53	22,502.45

49. The Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-grouped / rearranged, wherever necessary to make them comparable with those of current year.

50. The financial statements were authorized for issue by the directors on 30th July 2020.

Signatures to Notes - 1 to 50.

Notes referred to herein above form an integral part of the Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn. No. 107525W)
UDIN: : 20040230AAAAGB5942

Sd/-
CA Dr. Hiten Parikh
Partner
M.No.040230

Place : Ahmedabad
Date : 30th July,2020

**For and on behalf of the Board of Directors,
Shah Alloys Limited**

Sd/-
Rajendra V. Shah
Chairman
(DIN- 0020904)

Sd/-
K. S. Kamath
Jt. Managing Director
(DIN- 0261544)

Sd/-
Ashok Sharma
Whole Time Director & CFO
(DIN-0038360)

Sd/-
Vinay Kumar Mishra
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of **SHAH ALLOYS LIMITED**

Report on the Audit of the Consolidated IND AS Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated IND AS Financial Statements of

M/s SHAH ALLOYS LIMITED ("the Holding Company"), and its Associate (the Holding Company and its Associate together referred to as 'the Group'), which comprise the Consolidated balance sheet as at March 31, 2020, and the Consolidated statement of profit and loss (including other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for *Qualified Opinion* Section of our report, and based on the consideration of the reports of the other auditors on separate Consolidated IND AS Financial Statements and on the other financial information of the Associate, the aforesaid Consolidated IND AS Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting standards (Ind AS) specified under section 133 of the Act, of the Consolidated state of affairs (Consolidated financial Position) of the Group as at March 31, 2020, and its Consolidated losses (Consolidated financial performance including other comprehensive income), its Consolidated Cash flows and Consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. For the Year ending on 31st March ,2020, the holding company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding on the settlement entered with ARCs for specific loans which are assigned to them and also on the loans which are time barred under the law of limitation).Had the holding company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March, 2020, the loss for the year would have been higher by Rs 325.74 lacs and current liabilities would have been higher to that extent. (Refer Note No 33 of notes forming part of consolidated IND AS financial statements)
2. The Holding Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2020. (Refer Note No 42 of notes forming part of consolidated IND AS financial statements)
3. The Holding Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2020. (Refer Note No 43 of notes forming part of consolidated IND AS financial statements)

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated IND AS Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated IND AS Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

The Holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the management, the Holding Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Holding Company have been prepared on a "going concern basis". (Refer Note no 41 of notes forming part of Consolidated IND AS Financial Statements)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate Consolidated IND AS Financial Statements and on the other financial information of the Associate were of most significance in our audit of the consolidated IND AS Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated IND AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter:

Description of Key audit Matter	Our response and results
<p>Litigations and claims (Refer note 37) to the Consolidated IND AS Financial Statements)</p> <p>The cases are pending with multiple tax authorities like Excise and Service tax and there are claims against the Holding company & its Associate company which have not been acknowledged as debt by the Holding Company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the Holding Company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the Consolidated IND AS Financial Statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the Consolidated IND AS Financial Statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the management. - Evaluated the management’s judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management’s correspondence/response including on the claims lodged by customers, were used to assess the appropriateness of management’s best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity’s assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the Consolidated IND AS Financial Statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management’s assertions and treatment, presentation & disclosure of the subject matter in the Consolidated IND AS Financial Statements.</p>

Emphasis of Matter

1. **The Holding Company’s current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. However, in view of the management, the Holding Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Holding Company have been prepared on a “going concern basis”.. (Refer Note no 41 of notes forming part of Consolidated IND AS Financial Statements)**
2. **On the basis of legal opinion obtained by the Holding company, the Debt in respect of Foreign Currency Convertible Bonds (FCCB) of Rs 7237.88 lakhs and Non Convertible Debentures (NCD) of Rs 8000.00 lakhs being time barred under the limitation Act, 1963, and being regarded as no longer payable has been credited to capital reserve account in the Statement of Assets and Liabilities as at 31st March, 2020. In view of the management of the holding company, there is no prescribed procedural requirement to be followed for seeking approval from the regulatory authorities for writing back of the FCCB amount as above. Further the Interest Liability of Rs 9198.20 lakhs being interest payable on Non Convertible Debentures has also been written back and has been shown as income in the Statement of Profit and loss and has been reflected as an Exceptional Item in the Statement of Profit and loss for the year ended on 31st March, 2020. (Refer Note No 44 of notes forming part of Consolidated IND AS financial statements)**
3. **The financial results describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard – 108 ‘Operating Segments’ by the associate company . As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the consolidated financial results due to non disclosure. (Refer Note No 49 of notes forming part of consolidated IND AS financial statements)**
4. **We draw attention to Note 45 of notes forming part of consolidated Ind AS Financial statement which describes the management’s assessment of the likely impact of uncertainties related to outbreak of COVID 19 global pandemic on the operations of the Company.**

Our opinion is not modified on the above matters.

Information other than the Financial Statements and Auditor’s Report thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated IND AS Financial Statements and our auditor’s report thereon.

Our opinion on the consolidated IND AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated IND AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated IND AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated IND AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated IND AS Financial Statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated Profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS Financial Statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated IND AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These Consolidated IND AS Financial Statements have been used for the purpose of preparation of the consolidated IND AS Financial Statements by the Directors of the Holding Company, as aforesaid.

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

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated IND AS Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the Holding company and associate company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us..
2. As required by Section 143(3) of the Act, we report, to the extent applicable ,that:
 - a. We have sought and except for the matters described in the Basis for Qualified opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated IND AS Financial Statements,
 - b. Except for the possible effects of the matter described in the Basis for Qualified opinion, paragraph above, In our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books .
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the. books of account.
 - d. *Except for the possible effects of the matter described in Basis of Qualified opinion paragraph In our opinion, the aforesaid standalone Consolidated IND AS Financial Statements comply with the Indian 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 of the Holding Company and taken on record by the Board of Directors of the Holding and the reports of the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on March 31,2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, & its Associate covered under the Act, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".Our report express an unmodified opinion on the adequacy and operating effectiveness of the Holding Company & its Associate's internal financial control over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Consolidated IND AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note No 37 to the Consolidated IND AS Financial Statements.)
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts .
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Associate company during the year ended 31st March 2020.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230
UDIN: 20040230AAAAGD5598

Place: Ahmedabad
Date: 30/07/2020

Annexure A to the Independent Auditor's Report off Even Date to the Members of Shah Alloys Limited on the Consolidated Ind AS financial Statements for the year ended on 31st March, 2020

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS financial statements of M/s Shah Alloys LIMITED ("the Holding Company") and its associates (the Holding company and its associates together referred to as the Group) as at and for the year ended 31st March 2020, We have audited the internal financial controls over financial reporting of the Holding company and its associates, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its associate company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding company and its associate as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate which are companies covered under the Act, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Holding Company and its associate as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER

Membership No. 40230
UDIN: 20040230AAAAGD5598

Place: Ahmedabad
Date : 30/07/2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount ₹ in Lakhs)

	Note No	As At 31st March 2020	As At 31st March 2019
ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	10620.07	11917.98
b) Capital work-in-progress	2	900.50	900.50
c) Financial Assets			
(i) Investments	3	-	-
(ii) Trade receivables	4	-	-
(iii) Loans		-	-
d) Deferred tax Assets (net)	5	19648.53	22502.45
e) Other non-current assets	6	780.45	464.42
2) Current assets			
a) Inventories	7	8529.19	12510.81
b) Financial Assets			
(i) Trade receivables	8	2414.12	2856.42
(ii) Cash and cash equivalents	9	23.75	35.16
c) Loans	10	17.83	8.38
d) Other current assets	11	195.92	833.77
TOTAL ASSETS		43130.35	52029.89
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	12	1979.75	1979.75
b) Other Equity	13	-3773.62	-18559.58
LIABILITIES :			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	17023.23	15691.73
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		1591.65	1725.78
(b) Provisions	16	151.43	138.16
(c) Non-current liabilities	17	-	-
(d) Other non-current liabilities		-	-
2) Current liabilities			
(a) Borrowings		-	-
(b) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		14541.45	11589.13
(c) Other financial liabilities	19	9620.41	38268.49
(d) Other current liabilities	20	1088.40	469.42
(e) Provision for Employee Benefits	21	907.65	727.01
Total Equity and Liabilities		43130.35	52029.89
The accompanying Notes 1 to 51 are integral part of these Consolidated Ind AS Financial Statements.			

As per our report of even date attached.

For Parikh & Majmudar

Chartered Accountants
(Firm Regn. No. 107525W)
UDIN: : 20040230AAAAGB5942

Sd/-

CA Dr. Hiten Parikh

Partner
M.No.040230Place : Ahmedabad
Date : 30th July,2020For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-

Rajendra V. Shah

Chairman
(DIN- 0020904)

Sd/-

K. S. Kamath

Jt. Managing Director
(DIN- 0261544)

Sd/-

Ashok Sharma

Whole Time Director & CFO
(DIN-0038360)

Sd/-

Vinay Kumar Mishra

Company Secretary

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

(Amount ₹ in Lakhs)

	Note No	As At 31st March 2020	As At 31st March 2019
I Revenue from Operations	22	48933.95	57002.25
II Other Income	23	97.45	663.95
III Total Income (I +II)		49031.40	57666.20
IV Expenses:			
Cost of Materials Consumed	24	35752.90	43088.60
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	25	68.48	-2987.51
Employee Benefits Expense	26	2111.63	2007.77
Finance Costs	27	45.40	10.13
Depreciation and Amortization Expense		1297.91	1300.75
Other Expenses	28	16571.92	14817.48
Total Expenses (IV)		55848.24	58237.21
V Profit before tax and Exceptional Item (III- IV)		-6816.84	-571.01
VI Share of Loss of Associate Concern		-983.35	-677.76
VI Exceptional Item (Refer Note No 44)		8214.85	-677.76
VII Profit before tax (V+VI)		2381.36	-571.01
VIII Tax expense :			
(1) Current Tax		-	-
(2) Deferred Tax		2846.71	-1323.70
Total Tax Expenses (VIII)		2846.71	-1323.70
IX Profit /(loss) for the period (VII -VIII)		-465.35	752.68
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		20.64	6.28
(ii) Income tax relating to items that will not be reclassified to profit or loss		-7.21	-2.20
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (X)		13.43	4.09
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)		-451.92	756.77
XII Earnings per equity share (Face Value of Rs 10/- each)			
Basic & Diluted	29	-2.35	3.80

The accompanying Notes 1 to 51 are integral part of these Consolidated Ind AS Financial Statements.

As per our report of even date attached.**For Parikh & Majmudar**

Chartered Accountants
(Firm Regn. No. 107525W)
UDIN: : 20040230AAAAGB5942

Sd/-

CA Dr. Hiten Parikh

Partner
M.No.040230

Place : Ahmedabad

Date : 30th July,2020

**For and on behalf of the Board of Directors,
Shah Alloys Limited**

Sd/-

Rajendra V. Shah

Chairman
(DIN- 0020904)

Sd/-

K. S. Kamath

Jt. Managing Director
(DIN- 0261544)

Sd/-

Ashok Sharma

Whole Time Director & CFO
(DIN-0038360)

Sd/-

Vinay Kumar Mishra

Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

(Amount ₹ in Lakhs)

Particulars	2019-20		2018-19	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax		2,402.00		(564.73)
Adjustments for :				
Depreciation	1,297.91		1,300.75	
Loss / (Profit) on Sale of Assets	-		0.04	
Interest expenses	45.40		10.13	
Interest Reversal	(9,198.21)		-	
Interest Income	(18.53)		(17.24)	
		(7,873.42)		1,293.68
		(5,471.42)		728.95
Operating Profit Before Working Capital Changes				
Adjustments for :				
Trade and other receivables	1,070.70		(2,329.15)	
Inventories	3,981.62		(4,068.17)	
Trade Payable and others (including non current liabilities)	3,631.07		6,903.05	
		8,683.39		505.73
Cash Generated From Operations		3,211.98		1,234.68
Direct Taxes Paid				
Net Cash from Operating Activities before Extra Ordinary Items		3,211.98		1,234.68
Extra-ordinary Items				
Changes in non current assets	(316.03)		190.32	
Interest Reversal	9,198.21		-	
Provision for diminution in value of long term investments	-		-	
		8,882.18		190.32
Net Cash from Operating Activities after Extra Ordinary Items(A)		12,094.16		1,425.00
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed assets	-		(162.82)	
Sale of Fixed Assets	-		0.65	
Interest Income	18.53		17.24	
		18.53		(144.93)
Net Cash from Investing Activities(B)		18.53		(144.93)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term and Short Term Borrowings (Net)	(12,078.70)		(1,336.81)	
Interest Paid	(45.40)	(12,124.10)	(10.13)	(1,346.94)
Net Cash from Financing Activities(C)		(12,124.10)		(1,346.94)
Net Increase in Cash and Equivalent.(A+B+C)		(11.41)		(66.87)
Cash And Cash Equivalents as at the Beginning of the year		35.16		102.03
Cash And Cash Equivalents as at the Close of the year		23.75		35.16

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020 [Contd...]

(Amount ₹ in Lakhs)

Particulars	2019-20		2018-19	
Note:				
As per our Report of even date				
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Consolidated Statement of Cashflows.				
Cash & Bank balances:				
a) Balance with Banks :				
- In Current accounts		23.37		35.06
b) Cash on hand		0.38		0.10
Total		23.75		35.16
As per our report of even date attached.	For and on behalf of the Board of Directors, Shah Alloys Limited			
For Parikh & Majmudar	Sd/- Rajendra V. Shah		Sd/- Ashok Sharma	
Chartered Accountants (Firm Regn. No. 107525W) UDIN: : 20040230AAAAGB5942	Chairman (DIN- 0020904)		Whole Time Director & CFO (DIN-0038360)	
Sd/- CA Dr. Hiten Parikh	Sd/- K. S. Kamath		Sd/- Vinay Kumar Mishra	
Partner M.No.040230	Jt. Managing Director (DIN- 0261544)		Company Secretary	
Place : Ahmedabad Date : 30th July,2020				

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020:**A. DISCLOSURE OF ACCOUNTING POLICIES****1.1 CORPORATE INFORMATION**

The Holding Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The Holding company is engaged in manufacturing and sale of Wide range of Stainless Steel, Alloys & Special Steel, Carbon / Mild Steel in Flat and Long products. The Holding Company presently has manufacturing facilities at Santej, District : Gandhinagar (Gujarat)

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

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

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Holding Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the Consolidated financial statements.

The consolidated financial statements are presented in Indian Rupees ('INR'). Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

1.2 USE OF ESTIMATES :

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit available) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013)
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.
- vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
 - Buildings - 30 to 60 years
 - Plant and Equipments - 15 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
 - Others – Computer Hardware 3 to 6 years

1.4 INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) Intangible assets are amortised on straight-line method as follows :
Computer Software - 5 years
- iv) At each balance sheet date, the Holding Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 Revenue Recognition

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Holding Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Holding Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss are excluding, returns, trade discounts, cash discounts, Goods & Service Tax.
- iii) Services: Revenue from Services are recognized as and when the services are rendered.
- iv) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) Export Benefits are accounted on accrual basis.

1.6 EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Holding Company pays provident fund contributions to publicly administered provident funds as per local regulations. The holding Company has no further payment obligations once the contributions have been paid.

1.7 Valuation of Inventories

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts are valued at cost; and of those in transit and at port related to these items are valued at cost.
- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value.

1.8 Cash flow statement

Cash flows are reported using indirect method, whereby 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. The cash flow from regular revenue generating, financing and investing activities of the Holding Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

1.9 FINANCIAL ASSETS:

- i) The Holding Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.
- ii) Trade receivables represent receivables for goods sold by the Holding Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Holding Company has transferred the rights to receive cashflows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.
- v) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current /Long-term investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-current investments are at lower of cost or market value on individual investment basis.

1.10 FINANCIAL LIABILITIES:

- i) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- ii) Borrowings are classified as current liabilities unless the holding company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iii) Trade Payables represent liabilities for goods and services provided to the holding Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially and subsequently measured at amortized cost.
- iv) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.11 FAIR VALUE MEASUREMENT:

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Holding Company.
- ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv) The holding Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.12 FOREIGN CURRENCY TRANSACTIONS:

- i) The Holding Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.
- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Holding Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

1.13 BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

1.14 ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, 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.
- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any un used tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward un used tax credits and un used tax losses can be utilized.
- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- v) Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Holding Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted nor disclosed.

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Holding Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Holding Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

- i) A related party is a person or entity that is related to the reporting entity preparing its consolidated financial statements
 - (a) A person or a close member of that person's family is related to reporting entity if that person;
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is member of the key management personnel of the reporting entity or of a parent of the reporting entity.
 - (b) An entity is related to a reporting entity if any of the following conditions applies;
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
- ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
 Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.
 Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.
 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
- iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Consolidated Financial Statements.

1.18 EARNINGS PER SHARE:

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) 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.

1.19 LEASE**Operating Lease**

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Holding Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

On transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

1.20 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Holding Company operates ("the functional currency") is Indian Rupee (Rs) in which the company primarily generates and expends cash. Accordingly, the Management of the holding company has assessed its functional currency to be Indian Rupee (Rs).

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management of the holding company reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(ii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the holding company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Holding Company has tax losses carried forward on which deferred tax asset is created, based on probability that future profits will be available against which the deductible temporary difference can be realized.

(iv) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Holding Company.

(v) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

1.21 INVESTMENTS

Investment in quoted equity shares are stated at its fair value through Profit and loss account

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

Note 2 : PROPERTY, PLANT AND EQUIPMENT**Tangible Assets :**

(Amount ₹ in lakhs)

Particulars	Freehold Land	Factory Building	Office Building	Plant and Machinery	Laboratory Equipments	Vehicles	Office Equipments	Furniture & Fixtures	TOTAL
Cost of Assets									
As at 1st April 2018	527.17	2,276.72	326.92	51,672.69	49.17	320.37	210.23	197.24	55,580.50
Addition	162.82	-	-	-	-	-	-	-	162.82
Disposal / Adjustments	-	-	-	-	-	14.27	-	-	14.27
As at 31st March 2019	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Addition	-	-	-	-	-	-	-	-	-
Disposal / Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March 2020	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Depreciation									
As at 1st April 2018	-	1,155.27	53.88	40,577.91	46.71	304.35	199.72	186.04	42,523.87
Charge for the year 2018	-	64.00	5.16	1,230.26	-	-	-	1.34	1,300.75
Disposal / Adjustments	-	-	-	-	-	-13.56	-	-	-13.56
As at 31st March 2019	-	1,219.27	59.04	41,808.17	46.71	290.79	199.72	187.38	43,811.07
Charge for the year 2020	-	64.00	5.16	1,228.76	-	-	-	-	1,297.91
Disposal / Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March 2020	-	1,283.27	64.20	43,036.93	46.71	290.79	199.72	187.38	45,108.98
Net Block									
As at 31st March 2019	689.99	1,057.45	267.88	9,864.52	2.46	15.31	10.51	9.86	11,917.98
As at 31st March 2020	689.99	993.45	262.72	8,635.76	2.46	15.31	10.51	9.86	10,620.07

Capital work-in-progress	31.03.2020	31.03.2019
Plant & Machinery	900.50	900.50
Total	900.50	900.50

Notes:

- 1) Cost of Fixed Assets and pre-operative expenses, being technical matter, are capitalized or allocated to Capital work in progress on the basis of data certified by technical person & the Management.
- 2) Borrowing cost includes interest and other bank charges to the extent that they are regarded as an adjustment to interest costs which are directly related to the acquisition & construction of a qualifying asset.

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

NOTE NO : 3 Investments	31.03.2020 Amount	31.03.2019 Amount
Trade Investments Quoted Investment in Equity instruments of Associate Company 3,02,56,989 Equity shares of Face value Rs 10/- each in SAL Steel Limited (P.Y: 3,02,56,989 Equity shares) Less : Provision for Diminution in value of Investment	3994.96	3994.96
TOTAL	520.42	1503.77
Less : Share of Loss of Associate	520.42	1503.77
TOTAL	-	-
Aggregate amount of Quoted Investment and Market Value Rs 520.42 Lakhs as at 31st March 2020 (P.Y. Rs 1503.77 Lakhs)		
NOTE NO : 4 Trade Receivables :	31.03.2020 Amount	31.03.2019 Amount
Non-current Trade Receivable Unsecured, considered Doubtful less : Provision for Doubtful Debts	10.84	107.24
TOTAL	0.00	0.00
NOTE NO : 5 Deferred tax Assets (Net)	31.03.2020 Amount	31.03.2019 Amount
Deferred tax Assets (Net)	19648.53	22502.45
TOTAL	19648.53	22502.45
DEFERRED TAX ASSETS		
Unabsorbed Depreciation and Business Loss	20463.35	20350.46
On account of disallowances under the Income tax act, 1961	1267.20	4460.56
Gross deferred tax asset (A)	21730.55	24811.02
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	2082.02	2308.57
Gross deferred tax liability (B)	2082.02	2308.57
Net Deferred tax (A-B)	19648.53	22502.45
NOTE NO : 6 Other non-current assets :	31.03.2020 Amount	31.03.2019 Amount
(a) Loans & Advance Recoverable in cash or in kind	77.48	73.47
(b) Security Deposit Unsecured, considered good	304.50	304.50
(c) Advances to Supplier Unsecured, considered good	9.46	-
(d) Advance Income Tax, TDS & TCS	21.95	14.50
(e) Balance with Govt. Authorities Unsecured, considered good	367.06	71.95
TOTAL	780.45	464.42
NOTE NO : 7 Inventories :	31.03.2020 Amount	31.03.2019 Amount
(Inventories are taken, valued and certified by the management)		
(a) Raw Materials	757.15	1367.82
(b) Work in progress	2319.56	2985.80
(c) Finished goods	4952.28	4354.52
(d) Stores and spares	500.20	3802.67
TOTAL	8529.19	12510.81

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

NOTE NO : 8 Trade receivables :	31.03.2020 Amount	31.03.2019 Amount
Un Secured, considered good	2414.12	2856.42
TOTAL	2414.12	2856.42

NOTE NO : 9 Cash and cash equivalents	31.03.2020 Amount	31.03.2019 Amount
(a) Balances with Scheduled Banks On current Account	23.37	35.06
(b) Cash on hand	0.38	0.10
TOTAL	23.75	35.16

NOTE NO : 10 Loans	31.03.2020 Amount	31.03.2019 Amount
Loans & Advance Recoverable in cash or in kind	17.83	8.38
TOTAL	17.83	8.38

NOTE NO : 11 Other current assets :	31.03.2020 Amount	31.03.2019 Amount
Balance with government authorities	75.13	244.47
Advance to Suppliers	119.78	588.12
Prepaid Expenses	1.01	1.18
TOTAL	195.92	833.77

NOTE NO : 12 Share Capital :	31.03.2020 Amount	31.03.2019 Amount
Authorised : 3,50,00,000 Equity Shares of Rs 10/- each (Previous year : 3,50,00,000 Equity Shares of Rs 10/- each)	3500.00	3500.00
	3500.00	3500.00
Issued & Subscribed and Paid up : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up (Previous year : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up)	1979.75	1979.75
TOTAL	1979.75	1979.75

a) Reconciliation of Number of Shares:				
Equity Shares:	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (Rs In Lakhs)	Number of shares	Amount (Rs In Lakhs)
Shares outstanding at the beginning of the year	1 97 97 540	1979.75	1 97 97 540	1979.75
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	1 97 97 540	1979.75	1 97 97 540	1979.75

b) Rights, Preferences and restrictions attached to shares

Equity Shares

The company has one class of equity share having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

c) Details of Shares held by Shareholders holding more than 5% in the Company				
Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares held	% of Shares held	No of shares held	% of Shares held
Mr. Rajendra V. Shah #	94 44 364	47.71%	94 44 364	47.71%
Mrs. Ragini R. Shah	11 46 006	5.79%	11 46 006	5.79%

including 7.74 % shares held as Karta of HUF

NOTE NO : 13 Other Equity :	31.03.2020 Amount		31.03.2019 Amount	
Securities Premium Account				
Opening Balance	502.61		502.61	
Add : Addition during the year	-		-	
		502.61		502.61
Capital Reserve				
Opening Balance	39006.18		39006.18	
Add : Addition during the year	15237.88		-	
		54244.06		39006.18
Debenture Redemption Reserve:				
Opening Balance	6000.00		6000.00	
Less : Transfer to Retained Earnings	-5400.00	600.00	-	6000.00
Retained Earnings				
Balance Brought Forward From Previous Year	-64068.37		-64825.14	
Add : Transfer From Debenture Redemption Reserve	5400.00		-	
Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-13.43		-4.09	
	-58654.94		-64821.05	
Add: Profit/(Loss) for the year	-465.35	-59120.29	752.68	-64068.37
TOTAL		-3773.62		-18559.58

NOTE NO : 14 Borrowings :	31.03.2020 Amount		31.03.2019 Amount	
(A) SECURED :				
I) Debentures				
- Non Convertible Debentures	-		-	
II) Term Loans				
a) From Banks	-		-	
b) From Financial Institutions	16655.50	16655.50	15324.00	15324.00
(B) UNSECURED:				
Loans & Advances from related parties				
- From Director		367.73		367.73
TOTAL		17023.23		15691.73

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

(A) SECURED :

- a) Nature of security and terms of repayment for secured borrowings

I) Non Convertible Debentures

First Mortgage and charge on the company's all immovable and movable properties (other than working capital assets), both present and future, ranking pari-passu with all term lenders. Second charges on Working Capital assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all Corporate Debts Restructuring lenders. Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

Non Convertible Debentures is repayable in equal monthly installment starting from June 2011 till May 2019.

- b) Period and Amount of default as on the Balance sheet

Financial Year	Default in repayment of principal	Period of default (Days)	Default in repayment of Interest	Period of default (Days)
2011-12	104.17	2920-3196		
2012-13	125.00	2555-2831		
2013-14	125.00	2190-2466		
2014-15	125.00	1825-2101	90.00	1825-2162
2015-16	125.00	1460-1736	90.25	1460-1797
2016-17	125.00	1095-1370	90.00	1095-1431
2017-18	125.00	730-1005	0.00	(*)
2018-19	125.00	365-640	0.00	(*)
2019-20	20.83	1-270	0.00	(*)
Total	1000.00		270.25	

(*) Refer Note No 33 of Notes forming part of Consolidated Ind AS Financial Statements

II) Term Loan from Bank / Financial Institution:

First Mortgage and charge on the company's all immovable and movable properties (other than working capital assets), both present and future, ranking pari-passu with all term lenders.(except Punjab National Bank's Corporate loan which has exclusive charge on 26,00,000 shares of Shah Alloys Limited. Thus First charge on fixed assets is not extended to Punjab national bank over the Corporate loan) Second charges on WC assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all CDR lenders except for 26,00,000 shares on which Punjab national bank has exclusive charge . Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

Terms of repayment for term loans are as set out below (*):

Particulars / Financial Year	2021-22	2022-23	2023-24
Term Loans from Financial Institution	9534.25	6194.75	926.50
Total	9534.25	6194.75	926.50

(*) During the year reschedulement of dues of Holding company acquired from State Bank of india in Invent /1415//S21 Trust was done on 16th October 19 the above repayment is after considering the said reschedulement

- b) Period and Amount of default as on the Balance sheet

The company has made a default in repayment as follows:

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in repayment of Interest	Period of default (Days)
Rupee Term Loan From Bank	2011-12	124.63	2920-3196	119.65	2920-3257
	2012-13	149.56	2555-2831	119.65	2555-2892
	2013-14	149.56	2190-2466	119.65	2190-2527
	2014-15	149.56	1825-2101	119.65	1825-2162
	2015-16	149.56	1460-1736	119.65	1460-1797
	2016-17	149.56	1095-1370	119.65	1095-1431
	2017-18	149.56	730-1005	-	(*)
	2018-19	149.56	365-640	-	(*)
	2019-20	24.92	1-270	-	(*)

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in repayment of Interest	Period of default (Days)
Rupee Term Loan From Financial Institutions	2011-12	66.96	2920-3196		
	2012-13	80.35	2555-2831	56.24	2555-2892
	2013-14	80.35	2190-2466	56.24	2190-2527
	2014-15	80.35	1825-2101	56.24	1825-2162
	2015-16	80.35	1460-1736	56.24	1460-1797
	2016-17	80.35	1095-1370	56.24	1095-1431
	2017-18	80.35	730-1005	-	(*)
	2018-19	80.35	365-640	-	(*)
	2019-20	13.39	1-270	-	(*)
Funded Interest Term Loan	2010-11			40.47	3286-3530
	2011-12			40.48	2921-3165
	2012-13			40.47	2556-2800
	2013-14	139.35	2190-2281	40.47	2191-2435
	2014-15	278.70	1825-1916	40.47	1826-2070
	2015-16	278.70	1460-1551	40.48	1461-1704
	2016-17	278.70	1095-1186	40.47	1096-1339
	2017-18	278.70	730-821	-	(*)
	2018-19	139.36	365-455	-	(*)
TOTAL		3232.76		1282.40	

(*) Refer Note No 33 of Notes forming part of Consolidated Ind AS Financial Statements

NOTE NO : 15 Trade Payable	31.03.2020 Amount	31.03.2019 Amount
Trade Payables	1591.65	1725.78
TOTAL	1591.65	1725.78
(Refer Note No.18a of Notes forming part of Consolidated Ind AS financial Statement)		

NOTE NO : 16 Long term provisions :	31.03.2020 Amount	31.03.2019 Amount
Provision for Gratuity	151.43	138.16
TOTAL	151.43	138.16

NOTE NO : 17 Non-current liabilities :	31.03.2020 Amount	31.03.2019 Amount
(a) Advances from Customer	-	-
(b) Other Liabilities	-	-
TOTAL	-	-

NOTE NO : 18 Trade payables :	31.03.2020 Amount	31.03.2019 Amount
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No 18a)	14541.45	11589.13
TOTAL	14541.45	11589.13

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

	31.03.2020 Amount	31.03.2019 Amount
Note No. :18a Trade Payables - Total outstanding dues of Micro & Small Enterprises*		
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-
*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.		

NOTE NO : 19 Other financial liabilities :	31.03.2020 Amount	31.03.2019 Amount
(a) Current maturities of long-term debt;	3835.00	8129.32
(b) Interest accrued and due on borrowings;	1552.65	10640.80
(c) Unpaid Matured Debentures	1000.00	8812.50
(d) Unpaid Foreign Currency Convertible Bonds (FCCB)	-	7237.88
(e) Other Payables to Banks & Financial Institutions	3232.76	3304.50
(f) Deferred sales tax Liability	-	143.49
TOTAL	9620.41	38268.49

NOTE NO : 20 Other Current Liabilities :	31.03.2020 Amount	31.03.2019 Amount
Advance from customers	259.21	52.21
Duties and taxes	476.80	417.21
Credit baalance in current account with Schedule banks	352.39	-
TOTAL	1088.40	469.42

NOTE NO : 21 Provision for Employee Benefits	31.03.2020 Amount	31.03.2019 Amount
- Gratuity	53.94	53.25
- Others	853.71	673.76
TOTAL	907.65	727.01

NOTE NO : 22 Revenue from operations	31.03.2020 Amount		31.03.2019 Amount	
I. Sale of Products				
Direct Export Turnover	294.10		-	
Domestic Turnover	48446.97	48741.07	56940.10	56940.10
II. Sale of service				
Technical Consultancy Service Income (TDS Rs 18.00 Lakhs PY Rs. NIL)	180.00		-	
- Job work Income (TDS Rs 1.28 Lakhs PY Rs 6.09 Lakhs)	-	180.00	62.15	62.15
III. Other Operating Revenues				
Export Incentives- Duty Draw Back		12.88		-
Total Revenue from operations		48933.95		57002.25

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

NOTE NO : 23 Other Income :	31.03.2020 Amount	31.03.2019 Amount
Interest Income (TDS Rs 1.55 Lakhs P Y Rs 1.36 Lakhs)	18.53	17.24
Profit on Sale of Fixed Assets	-	-
Foreign exchange fluctuation Gain (Net)	68.97	165.61
Sundry balances written back (Net)	-	350.35
VAT Refund	9.96	130.74
TOTAL	97.45	663.95

NOTE NO : 24 Cost of Materials Consumed:	31.03.2020 Amount	31.03.2019 Amount
Opening Stock of Raw Material	1367.82	500.12
Add : Purchases	35142.22	43956.30
	36510.05	44456.42
Less : Closing Stock of Raw Material	757.15	1367.82
TOTAL	35752.90	43088.60

NOTE NO : 25 Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	31.03.2020 Amount		31.03.2019 Amount	
Opening Stock				
Finished Goods	4354.52		2203.85	
Stock-in-Progress	2985.80	7340.32	2148.96	4352.81
Less : Closing Stock				
Finished Goods	4952.28		4354.52	
Stock-in-Progress	2319.56	7271.84	2985.80	7340.32
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		68.48		-2987.51

NOTE NO : 26 Employee benefits expenses	31.03.2020 Amount	31.03.2019 Amount
Salary & Bonus	1991.72	1882.36
Contribution to Provident Fund etc.	70.83	77.39
Staff welfare expenses	49.09	48.03
TOTAL	2111.63	2007.77

NOTE NO : 27 Finance Costs	31.03.2020 Amount	31.03.2019 Amount
Interest to Others	45.40	10.13
TOTAL	45.40	10.13

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

NOTE NO : 28 Other Expenses	31.03.2020 Amount		31.03.2019 Amount	
Stores & Spares Consumed :				
Opening Stock	3802.67		3589.71	
Add : Purchases	6463.16		6202.57	
	10265.83		9792.29	
Less: Closing Stock	500.20	9765.63	3802.67	5989.62
Power & fuel		4671.01		7450.75
Factory Labour expense		1122.33		770.28
Factory Expenses		61.23		71.38
Repairs & Maintenance :				
Machinery	162.88		178.49	
Building	8.43		8.92	
Others	0.29	171.60	0.61	188.02
Selling costs		52.75		35.83
Packing Cost		6.63		0.99
Freight outward expenses		331.73		86.40
Travelling, Conveyance and Vehicle Expenses		36.98		25.30
Legal, Consultancy and Professional Fees		114.64		91.47
Miscellaneous expenses		32.40		34.20
Advertisement, Stationery and Communication		22.30		19.75
Payment to Auditors #		8.00		8.00
Rent		9.60		9.60
Rates and Taxes		144.10		10.19
Insurance ¹		7.41		11.11
Bank Charges		3.57		12.09
Donation		-		2.50
TOTAL		16571.92		14817.48

#	31.03.2020 Amount		31.03.2019 Amount	
As auditors - Statutory audit		8.00		8.00
For other Services		-		-
		8.00		8.00

NOTE NO : 29 Earning Per Share	31.03.20 Amount	31.03.19 Amount
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year (Lakhs)	197.98	197.98
Number of Equity Shares allotted during the year (Lakhs)	-	-
Number of Equity Shares at the end of the year (Lakhs)	197.98	197.98
Weighted average number of equity shares		
Profit for the year (after tax,available for equity shareholders)	-465.35	752.68
Basic and Diluted Earnings Per Share in Rs.	-2.35	3.80

30. Financial and derivative instruments**- Capital Management**

The holding company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the holding Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The holding company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

Disclosures

This section gives an overview of the significance of financial instruments for the holding Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes to consolidated financial statements.

(i) Categories of Financial Instruments

Amount (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	2414.12	2856.42
(ii) Cash and Cash Equivalents	23.75	35.16
(iii) Loans	17.83	8.38
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	17023.23	15691.73
(ii) Trade Payables	16133.10	13314.91
(iii) Other Financial Liabilities	9620.41	38268.49

(ii) Fair Value Measurement

This note provides information about how the holding Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet holding Company's operational requirements, the holding Company's financial management committee also monitors and manages key financial risks relating to the operations of the holding Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The holding Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The holding Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the holding Company.

Interest Rate Risk

The holding Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The holding Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The holding Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the holding Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in Lakhs)

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

Amount (₹ in Lakhs)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2020				
Borrowings	—	17023.23	—	17023.23
Trade Payables	14541.45	1591.65	—	16133.10
Other Financial Liabilities	9620.41	—	—	9620.41
Total	24161.86	18614.88	-	42776.74
As at 31st March, 2019				
Borrowings	—	14765.23	926.50	15691.73
Trade Payables	11589.13	1725.78	—	13314.91
Other Financial Liabilities	38268.49	—	—	36268.49
Total	49857.62	16491.01	926.50	67275.13

Credit Risk

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

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 4 and 8, as the holding Company does not hold collateral as security. The holding Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The holding Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Amount (₹ in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2020				
Loans	17.83	—	—	17.83
Cash & Cash Equiv	23.75	—	—	23.75
Trade Receivables	2414.12	—	—	2414.12
Total	2455.70	—	—	2455.70
As at 31st March, 2019				
Loans	8.38	—	—	8.38
Cash & Cash Equiv	35.16	—	—	35.16
Trade Receivables	2856.42	—	—	2856.42
Total	2899.96	—	—	2899.96

31. Disclosures Regarding Employee Benefits

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

Particulars	2019-20 (Amount Rs in Lakhs)	2018-19 (Amount Rs in Lakhs)
Employers contribution to provident fund	70.83	77.39

- (i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

- (ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the holding Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

- (iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected.

Since there is no condition of vesting on the death benefit, the acceleration of

Cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

- (iv) **Defined Benefit Cost**

Particulars	For the year ended 31st March 2020 (Amount Rs in Lakhs)	For the year ended 31st March 2019 (Amount Rs in Lakhs)
Current Service Cost	42.11	37.14
Interest Expense on Defined Benefit Obligation (DBO)		
Defined Benefit Cost included in Profit and Loss	-	-
Remeasurements - Due to Financial Assumptions	(0.56)	1.09
Remeasurements - Due to Experience Assumptions	(2.66)	-
Remeasurements - Due to Experience Adjustments	(17.42)	(7.37)
Return on plan assets excluding amounts included in interest income		
Defined Benefit Cost included in Other Comprehensive Income	(20.64)	(6.28)
Total Defined Benefit Cost in Profit and Loss and OCI	21.47	30.86

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

(v) **Movement in Defined benefit liability:**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening Defined Benefit Obligation	191.41	169.61
Interest Expense on Defined Benefit Obligation (DBO)	11.86	10.61
Current Service Cost	30.24	26.52
Total Remeasurements included in OCI		
Less: Benefits paid	7.51	9.06
Less: Contributions to plan assets	20.64	6.27
Closing benefit obligation	205.36	191.41
Current Liabilities of Closing benefit obligation	53.94	53.25
Non-Current Liabilities of Closing benefit obligation	151.42	138.16

(vi) **Sensitivity Analysis of Defined Benefit Obligation:**

(Amount Rs in Lakhs)

	2019-20	2018-19
(A) Discount rate Sensitivity		
Increase by 0.5%	199.92	186.10
(% change)	-2.65%	-2.77%
Decrease by 0.5%	211.14	197.05
(% change)	2.81%	2.95%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	211.11	197.03
(% change)	2.80%	2.93%
Decrease by 0.5%	199.89	186.07
(% change)	-2.67%	-2.79%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	204.59	190.93
(% change)	-0.38%	-0.25%
W.R. x 90%	206.16	191.89
(% change)	0.38%	0.25%

(vii) **Actuarial assumptions:**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Discount Rate (per annum)	6.25%	7.20%
Salary Growth Rate (per annum)	6.00%	7.00%
Withdrawal rate	30% at younger ages reducing to 5% at older ages	15% at younger ages reducing to 3% at older ages

(viii) The above details are certified by the actuary.

32. The Holding Company's share of losses in the Associate has been recognized in the books of accounts to the extent of the carrying amount of the value of Investment. This is in accordance with Indian Accounting Standard 28, "Accounting for Investment in Associates and Joint Venture" which state that If Investor's share of losses in associate equal or exceed the carrying amount of investment, the investor discontinues recognizing its share of further losses and investment is reported at nil.

33. **For the year ending on 31st March, 2020, the holding company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding loans assigned to various ARCs) amounting to Rs 325.74 lakhs.**

34. The Holding company's operation falls under single segment namely "IRON & STEEL" and hence segment information as required by INDAS 108 "Operating Segment is not applicable. All assets are located in the holding company's country of domicile)

Revenue from sale of products represents revenue generated from external customers which is attributable to the holding company's country of domicile i.e. India and external customers outside India as under: (Amount Rs in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from		
- Outside India	294.10	-
- In India	48,639.85	57,002.25

No Single customer contributed 10% or more to the company's revenue for 2019-20 and 2018-19.

35: RELATED PARTY DISCLOSURES

i) Concern where significant interest exists.

Sr. no	Name of the Concern	Nature of Relationship
1	SAL Steel Limited	Associate
2	SAL Corporation Pvt. Ltd	Enterprise with significant influence
3	SAL Care Pvt Ltd	Enterprise with significant influence
4	SAL Pharmacy (A Division of SAL Corporation Pvt. Ltd.)	Enterprise with significant influence
5	SAL Hospital & Medical Institute (A Division of SAL Care Pvt Ltd.)	Enterprise with significant influence
6	SAL Institute of Technical & Engineering Research (A Division of Adarsh Foundation)	Enterprise with significant influence
7	SAL Institute of Pharmacy (A Division of Adarsh Foundation)	Enterprise with significant influence
8	SAL Institute of Management (A Division of Adarsh Foundation)	Enterprise with significant influence
9	SAL College of Engineering (A Division of Adarsh Foundation)	Enterprise with significant influence

(RELATED PARTIES HAVE BEEN IDENTIFIED BY THE MANAGEMENT)

1	Mr. Rajendra V. Shah	Chairman
2	Mr. K. S. Kamath	Jt. Managing Director
3	Mr. Ashok Sharma	Whole Time Director & CFO
4	Mr. Vinay Kumar Mishra	Company Secretary

iii) Disclosure of Related Party Transactions

(Amount Rs in Lakhs)

Sr. no	Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
		2019-20	2018-19	2019-20	2018-19
1	Purchase of goods & Services	13,699.67	24,754.60		
2	Purchase of Power	3,524.55	4,135.52		
3	Purchase of MEIS Licence	71.82	-		
4	Sales of Goods & Services	1,493.44	480.94		
5	Rent paid	11.33	11.33		
6	Interest Paid	9.48	-		
7	Loan Availed	300.00	-		
8	Loan Repaid	300.00	-		
9	Remuneration			31.90	26.60

(iv) Disclosures of material transactions with related parties during the year:

Amount Rs in Lakhs

S.N	Description	Related Parties	2019-20 (PY 2018-19)	Balance outstanding as at 31/03/2020 (PY 31.3.2019)
1	Purchase of Goods & Services	SAL Steel Ltd	13,699.54	11,216.67
			(24,748.76)	(8,215.93)
		SAL Pharmacy	0.13	26.61
			(0.15)	(26.48)
2	Purchase of power	SAL Steel Ltd	3,524.55	-
			(4,135.52)	(-)
		SAL Steel Ltd	71.82	-
			(-)	(-)
4	Sales of goods & Services	SAL Steel Ltd	504.96	-
			(480.71)	(-)
		SAL Corporation Pvt.Ltd	988.48	134.86
			(-)	(-)
5	Rent paid	SAL Institute of Technical & Engineering Research	-	-
			(0.23)	(-)
		SAL Steel Ltd	11.33	-
			(11.33)	(-)
6	Interest Paid	SAL Care Pvt. Ltd	9.48	8.53
			(-)	(-)

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

7	Remuneration to Key Management Personnel	Mr. K S Kamath	12.92	
			(12.92)	
		Mr. Ashok Sharma	12.00	
			(12.00)	
		Mr. Vinaykumar Mishra	6.98	
			(1.68)	
8	Loan Availed	SAL Care Pvt. Ltd.	300.00	-
			(-)	(-)
		Mr. Rajendra V Shah	-	367.73
			-	(367.73)
			-	
			-	
9	Loan Repaid	SAL Care Pvt. Ltd.	300.00	-
			(-)	(-)

The remuneration of directors and other members of Key management personal during the year is as follows : (Amount In lakhs)

Particulars	2019-20	2018-19
Short term Benefits	31.90	26.60

36. Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	As at 31-03-2020	As at As at 31-03-2019
Advance Payment to Suppliers		
Rupees in Lakhs	56.05	535.82
US Dollar in Lakhs	0.78	7.73
FCCB Payable (Including Interest)		
Rupees in Lakhs	-	7237.88
US Dollar in Lakhs	-	148.25

37. Contingent liabilities :

(1) Claims against the holding Company not acknowledged as debts

Particulars

- Disputed Excise, Service Tax Demand Matter Under Appeal Rs 1999.63 Lakhs (P.Y.Rs 2023.06 Lakhs)
- Claim against the holding company not acknowledged as debt – Claim by parties Rs 26509.56 Lakhs (P.Y 26509.56 Lakhs) Bank / Financial Institutions Rs.82486.23 Lakhs (P Y Rs 82486.23 Lakhs)

Note:

- It is not practicable for the holding company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.
- The holding Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The holding Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(2) Corporate Guarantee given to consortium Bank for SAL Steel Ltd. Rs 20750.00 Lakhs (P.Y. Rs 20750.00 Lakhs)

38. Certain Balance of Debtors, Creditors, Loans & Advances for Capital expenditures are non- moving / sticky . However in view of the management of the holding company , the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.

39. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

40. Balances of sundry debtors, sundry creditors , and loans and advances are subject to confirmation from respective parties.

41. The holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company for the year ended on 31st March 2020 and considering the view of the management, the financial results of the Company have been prepared on a "going concern basis".

42. The holding Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable.

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

- 43.** The holding Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable.
- 44.** On the basis of legal opinion obtained by the holding company, the Debt in respect of Foreign Currency Convertible Bonds (FCCB) of Rs 7237.88 lakhs and Non Convertible Debentures (NCD) of Rs 8000.00 lakhs being time barred under the limitation Act, 1963, and being regarded as no longer payable has been credited to capital reserve account in the Statement of Assets and Liabilities as at 31st March, 2020. In view of the management of the holding company, there is no prescribed procedural requirement to be followed for seeking approval from the regulatory authorities for writing back of the FCCB amount as above. Further the Interest Liability of Rs 9198.20 lakhs being interest payable on Non Convertible Debentures has also been written back and has been shown as income in the Statement of Profit and loss and has been reflected as an Exceptional Item in the Statement of Profit and loss for the year ended on 31st March, 2020.
- 45.** The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slow down of economic activity, COVID 19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Holding Company and associate company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, the holding Company and associate company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the holding Company and associate company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the holding Company and associate company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realisable to the extent shown in the financial results. The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the holding Company and associate company will continue to closely monitor the development.

46 IND AS 115- Illustrative disclosures

The Company has recognised the following amounts relating to revenue in the statement of profit or loss:

(Amount Rs in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from contracts with customers	48,933.95	57,002.25
Total revenue	48,933.95	57,002.25

Revenue is recognized upon transfer of control of products to customers

(a) Disaggregation of revenue from contract with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount Rs in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from		
- Outside India	294.10	-
- In India	48,639.85	57,002.25

No Single customer contributed 10% or more to the company's revenue for 2019-20 and 2018-19.

(b) Contract assets and liabilities

The Holding Company has recognised the following revenue-related contract assets and liabilities

(Amount Rs in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Contract Assets	2,414.12	2,856.42
Total contract assets	2,414.12	2,856.42
Contract liability	259.21	52.21
Total contract liabilities	259.21	52.21

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

NOTE NO - 47 STATEMENT OF CHANGES IN EQUITY

B) OTHER EQUITY

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	(64825.14)	(19,316.35)
Addition During the year	-	-	-	-	-
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	4.09	4.09
Profit for the year	-	-	-	752.68	752.68
Balance at the end of the reporting period	6,000.00	502.61	39,006.18	(64,068.37)	(18,559.58)

Reconciliation of Other Equity as at 31st March 2019

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	(64,068.37)	(18,559.58)
Addition/ Deduction During the year	(5,400.00)	-	15,237.88	5,400.00	15,237.88
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	(13.43)	(13.43)
Profit for the year	-	-	-	(465.35)	(465.35)
Balance at the end of the reporting period	600.00	502.61	54,244.06	(59,120.29)	(3,773.62)

NOTE NO - 48 TAX RECONCILIATION

Income taxes recognised in Statement of Profit and Loss

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
Deferred tax(credit) /Charged	2,846.71	(1,323.70)
Total income tax expense recognised in respect of continuing operations	2,846.71	(1,323.70)
Tax reconciliation		

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before taxes	-	-
Enacted tax rate in India	34.944%	34.944%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Effect of:-		
Deferred tax(credit) /Charged	2,846.71	(1,323.70)
Income taxes recognised in the Statement of Profit and Loss	2,846.71	(1,323.70)

The tax rate used for the 2019-20 and 2018-19 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Notes forming part of the Consolidated Ind AS Financial Statements

(Amount ₹ in lakhs)

Income tax recognised in other comprehensive income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(7.21)	(2.20)
Total income tax recognised in other comprehensive income	(7.21)	(2.20)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(7.21)	(2.20)
Income tax recognised in other comprehensive income	(7.21)	(2.20)

Note: Deferred tax liability has been calculated using effective tax rate of 34.944%

Components of deferred tax assets and liabilities

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(A) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	1,267.20	4,460.56
Unabsorbed loss	20,463.35	20,350.46
	21,730.55	24,811.02
(B) Deferred tax Liabilities		
Difference between book and tax depreciation	2,082.02	2,308.57
	2,082.02	2,308.57
Deferred Tax Assets (Net)	19,648.53	22,502.45

49. The associate company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the associate company in its power plant is used for captive as well as trading purpose. In view of this, the associate company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Indian Accounting Standard - 108 'Operating Segments'. Reporting. However, due to substantial competition, risk, on-going position of associate Company and largely in the interest of the associate Company as well as interest of the stake holders involved, management has not made disclosure of Primary Reportable segment as per Indian Accounting Standard - 108 'Operating Segments'. All the assets are located in the associate company's country of domicile.

Revenue from sale of products represents revenue generated from external customers which is attributable to the associate company's country of domicile i.e. India and external customers outside India as under:

(Rs. in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from		
- Outside India	2,422.04	6,273.23
- In India	38,361.87	51,161.82

Single customer contributed 10% or more to the company's revenue for 2019-20 Amounting to Rs.17282.09 Lakh (Including GST) and in 2018-19 amounting to Rs. 28898.11 Lakh. (Including GST)

49A. Holding company's accumulated share of losses in the Associate since the date of being an Associate till March 31, 2020 exceeds its investment value in shares of SAL Steel Limited (Associate). Hence Holding Company's Share of accumulated losses in the Associate completely reduces the Investment value and hence, adjustment of share of loss can be made to the carrying value of investment to the extent of the balance of Investment only in F Y 2019-20. This is in accordance with Indian Accounting Standard 28, "Accounting for Investment in Associates and Joint Venture" which states that If Investor's share of losses in associate equal or exceed the carrying amount of investment, the investor discontinues recognizing its share of further losses and investment is reported at nil value.

49B. The holding Company has long term investment in the shares of SAL Steel Limited amounting to Rs 3,994.96 Lakhs. As there is no major movement in the prices of stock in share market. Such circumstances indicate that there is decline, other than temporary, in the value of a long term investment. And as a result, we have accounted for investment in shares of SAL Steel Ltd at market rate of shares @ Rs 4.97 per share reducing the value of investment to Rs. 1503.77 Lakhs and provided for Rs. 2491.19 Lakhs as diminution other than temporary in the value of investment in books of accounts

- 50.** The holding Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-grouped / rearranged, wher-ever necessary to make them comparable with those of current year.
- 51.** The consolidated financial statements were authorized for issue by the directors on 30th July 2020.

Signatures to Notes - 1 to 51.

Notes referred to herein above form an integral part of the Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar

Chartered Accountants
(Firm Regn. No. 107525W)
UDIN: : 20040230AAAAGB5942

Sd/-

CA Dr. Hiten Parikh

Partner
M.No.040230

Place : Ahmedabad

Date : 30th July,2020

**For and on behalf of the Board of Directors,
Shah Alloys Limited**

Sd/-

Rajendra V. Shah

Chairman
(DIN- 0020904)

Sd/-

K. S. Kamath

Jt. Managing Director
(DIN- 0261544)

Sd/-

Ashok Sharma

Whole Time Director & CFO
(DIN-0038360)

Sd/-

Vinay Kumar Mishra

Company Secretary



SHAH ALLOYS LTD.

If undelivered please return to

Corporate Office

Shah Alloys Corporate House, Sola-Kalol Road,
Santej, Ta. Kalol, Dist.-Gandhinagar- 382 721.

www.shahalloys.com

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