



# Steel Exchange India Limited

**Regd. Office :** D.No:1-65/K/60, Plot No:60, Abhis Hiranya, 1<sup>ST</sup> Floor, Kavuri Hills, Hyderabad- 81, TS.

Phone: +91-40-23403725, 23413267, 40033501

**Corp. Office :** Block-A, Green City Towers, Green City, Vadlapudi , Visakhapatnam-530049, A.P

Phone: +91-891-2587175, 2749215, [www.seil.co.in](http://www.seil.co.in), **E-mail :** info@seil.co.in

**GSTIN :** 36AABCP9362L1ZX & 37AABCP9362L1ZV

**CIN :** L74100TG1999PLC031191

1<sup>st</sup> June, 2022

To  
The Manager,  
Department of Corporate Services,  
BSE Limited  
P.J. Towers, Dalal Street,  
Port, Mumabi – 400001

To  
The Manager,  
Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

**Scrip Code: 534748**

**Scrip ID: STEELXIND**

Dear Sir,

**Sub:** - Submission of Annual Report under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report 2021-22 of Steel Exchange India Limited for your reference and records. The said Annual Report for Financial Year 2021-22, has been sent through electronic mode to the shareholders of the Company.

Yours Faithfully,

For Steel Exchange India Limited

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



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

Encl: Annual Report 2021-22 of the Company

## WORKS

**Integrated Steel Plant :** Sreerampuram, L.Kota Mandal, Vizianagaram District-535161. Phone : +91 - 8966-267218, 267111

**Power Plant & SMS :** Opp. Mandapalli New Bridge, Kothapeta, East Godavari District-533223.

**Re-Rolling Unit :** Plot No : 1, I.D.A. Edulapaka Bonangi, Paravada Mandal, Visakhapatnam-531201, Phone: +91 - 8924-247055

# STEEL EXCHANGE INDIA LIMITED

CIN : L74100TG1999PLC031191

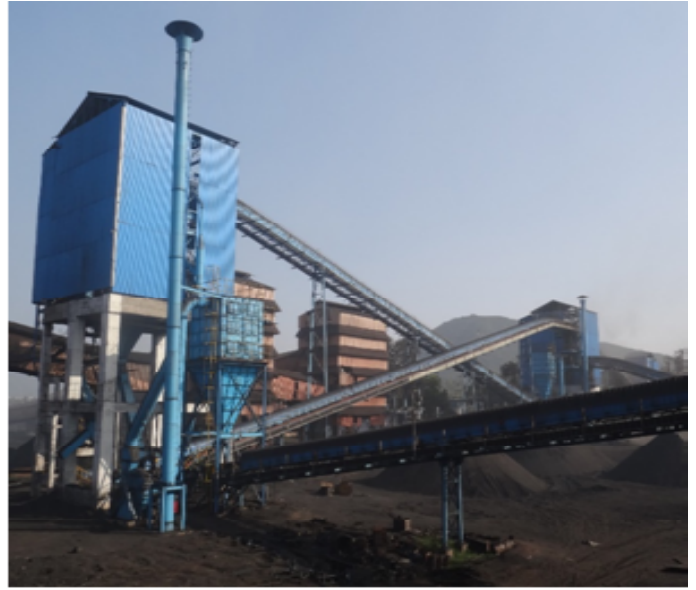


**Simhadri TMT**   
WORLD CLASS STEEL BARS

**23rd ANNUAL REPORT**  
**2021 - 2022**



60 MW Captive Power Plant



Material Handling



Rolling Mill



132KVA Sub Station



**Simhadri TMT**  
WORLD CLASS STEEL BARS

**STEEL EXCHANGE INDIA LTD**  
Strengthening Our Planet



Simhadri TMT

Simhadri TMT





## **BOARD OF DIRECTORS**

B. SATISH KUMAR	Chairman & Managing Director
B. RAMESH KUMAR	Joint Managing Director, CFO
B. SURESH KUMAR	Joint Managing Director
V. V. KRISHNA RAO	Director
B. SURESH	Director
R. RAMACHANDRA RAO	Independent Director
C. SIVA PRASAD	Independent Director
K. KRISHNA RAO	Independent Director
E. SANKARA RAO	Independent Director
SUJATA CHATTOPADHYAY	Independent Director
SHYAM JAGETIYA	Nominee Director

**CHIEF FINANCIAL OFFICER**  
B RAMESH KUMAR

**STATUTORY AUDITORS**  
M/s. Bhavani & Co.,  
Chartered Accountants,

Plot No-48, Flat No-301, 3rd Floor, Micasa, Phase-1,  
Kavuri Hills, Hyderabad-500033

**COST AUDITORS**  
D Zitendra Rao,

Cost and Management Accountants, Hyderabad.

**COMPANY SECRETARY**  
RAVEENDRA BABU M

**SECRETARIAL AUDITORS**  
M/s. B S S & Associates  
Company Secretaries  
Hyderabad.

**BANKERS & FINANCIAL INSTITUTIONS**  
Edelweiss Alternative Asset Advisors Limited  
Kotak Mahindra Bank Limited

### **REGISTRARS & SHARE TRANSFER AGENTS**

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

### **REGISTERED OFFICE**

D. No:1-65/K/60, Plot No: 60, 01st Floor, Abhi's Hiranya,  
Kavuri Hills, Hyderabad, Telangana, 500081.  
Telephone No: +91-40-23403725 Fax No: +91-40-23413267  
www.seil.co.in email: cs@seil.co.in CIN: L74100TG1999PC031191

### **CORPORATE OFFICE:**

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

### **PLANT LOCATIONS**

**Integrated Steel Plant (ISP) - Sponge Iron Division, Rolling Division, SMS Billet Unit and  
60 MW Power Plant :** Malliveedu, L. Kota Mandal, Vizianagaram District - 533 301.

**Power Plant & Steel Ingot Division:** Opp: Mandapalli New Bridge, Kothapeta (V & M) - 533 223 East Godavari (Dt).

**Bobbili Wire Drawing Division (Galvanising Wire Products):** S. No. 295 to 300, APIIC Growth Centre,  
Bobbili- 535 558



## Manufacturing Facilities and Products

S. No.	Facility	Location	Capacity
1.	<b>Integrated Steel Plant</b>		
	<i>Sponge Iron Unit (Acquired from GSAL)</i>	<i>Sreerampuram, L. Kota Mandal, Vizianagaram District, Andhra Pradesh</i>	<i>220000 TPA</i>
	<i>Billet / Steel Melting Shop (SMS)</i>		<i>250000 TPA</i>
	<i>Rolling Mill</i>		<i>225000 TPA</i>
	<i>Captive Thermal Power Plant</i>		<i>60 MW</i>
2.	<b>Ingot Division</b>	<i>Kothapeta, East Godavari District, Andhra Pradesh</i>	<i>90000 TPA</i>
3.	<i>Captive Natural Gas Power Plant</i>		<i>11.64 MW</i>



**Sponge Iron**



**Billets**



**Rebars**



**Coal Power**



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## 23<sup>rd</sup> ANNUAL GENERAL MEETING

Date	: 24 <sup>th</sup> June, 2022
Day	: Friday
Time	: 11.30 A.M.
Mode of meeting	: Through Video Conferencing (VC) / other Audio Visual Means (OAVM)

## **NOTICE**

Notice is hereby given that the **23rd Annual General Meeting (AGM)** of the Members of Steel Exchange India Limited (the Company) will be held on **Friday, the 24th Day of June, 2022 at 11.30 A.M.** (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, to transact the businesses mentioned below:

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

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022 and Reports of Board and Auditors thereon.

**"RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2022, the report of the auditors thereon and the report of the Board of Directors for the financial year ended March 31, 2022 be and are hereby received, considered and adopted."

2. To appoint a director in the place of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation and being eligible, offers himself for re-appointment

**"RESOLVED THAT** Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

3. To appoint a director in the place of Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider, and if thought fit, pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 152 and all other applicable provisions of Companies Act, 2013 read with rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884), a Non-Executive Non-Independent Director of the Company, who is liable to retire by rotation at this Annual General Meeting of the Company, and being eligible, has offered himself for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, notwithstanding that he has attained the age of 75 years."

### **Special Business:**

4. **Issuance of securities upto an aggregate amount of 600 Crore (Six Hundred Crores Only)**

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

**"RESOLVED THAT** in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and pursuant to the provisions of Sections 23, 42, 62, 71 another applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force ("the Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Foreign Exchange Management Act, 1999, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, as amended and replaced from time to time, the relevant regulations of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, including any amendment(s), modification(s), variation or re-enactment thereof (the "ICDR Regulations"), the applicable listing agreement(s) entered into by the Company with the Stock Exchange(s) where the equity shares of the Company (the "Equity Shares") are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable, and all other applicable statutes, clarifications, rules, regulations, circulars, notifications, directions, guidelines, as may be applicable, and as amended from time to time, issued by the Government of India (the "GOI"), Ministry of Corporate Affairs (the "MCA"), Reserve Bank of India (the "RBI"), Securities and Exchange Board of India (the "SEBI"), BSE Limited and National Stock Exchange of India



Limited (collectively referred to as "Stock Exchanges") and/or any other regulatory/statutory authorities in India or abroad from time to time, to the extent applicable and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from any regulatory/statutory authorities and guidelines and clarifications issued thereon from time to time, including by the GOI, MCA, RBI, SEBI and the Stock Exchanges (hereinafter singly or collectively referred to as the "Appropriate Authorities") as may be required and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (the "Board") (which term shall be deemed to include any committee constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the best interest of the Company, the consent of the Members of the Company be and is hereby accorded to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash at such price that may be decided by the Board in terms of the applicable regulations and as permitted under the applicable law, in one or more tranches, with or without green shoe option for an aggregate amount of up to Rs.600 Crore (Rupees Six Hundred Crore only) to such investors, whether Indian or foreign, that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers (the "QIBs") as defined in the ICDR Regulations, by way of private placement, including a qualified institutions placement (the "QIP") in accordance with the provisions of Chapter VI of the ICDR Regulations, or through any other permissible mode and/or combination thereof as may be considered appropriate, by way of issue of equity shares or by way of issue of any instrument or security including fully/partly/optionally convertible debentures, warrants, securities convertible into Equity Shares, or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for equity shares and/ or any other eligible securities which may or may not be listed (instruments mentioned above collectively with the Equity Shares to be hereinafter referred to as the "Securities") or any combination of Securities, with or without premium or discount (as may be permitted), to be subscribed to in Indian and/or any foreign currency(ies) by all eligible investors, including resident and/or non-resident/foreign investors (whether institutions and/ or incorporated bodies and/or trusts or otherwise)/ foreign portfolio investors/mutual funds/ pension funds/venture capital funds/banks/ alternate investment funds/Indian and/or multilateral financial institutions, insurance companies and any other category of persons or entities who/which are authorised to invest in Securities of the Company as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company (collectively referred to as the "Investors"), to all or any of them, jointly and/or severally through an offer/placement document and/or other letter or circular and/or on private placement basis, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, including securities premium, or its equivalent amount in such foreign currencies as may be necessary inclusive of any premium and green shoe option attached thereto, in one or more tranche or tranches, at such price or prices, (whether at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) and on such terms and conditions at the Board's absolute discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company and where necessary in consultation with the book running lead managers and/or underwriters and/or stabilizing agent and/ or other advisors or otherwise on such terms and conditions, including making of calls and manner of appropriation of application money or call money, in respect of different class(es) of Investor(s) and/ or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be issued and allotted on conversion/redemption/ extinguishment of debt(s), rights attached to the warrants, terms of issuance, period of conversion, fixing of record date or book closure dates, if any, as the Board may in its absolute discretion decide, in each case, subject to the applicable laws.

**RESOLVED FURTHER THAT** the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such Securities, in terms of the Companies Act, the (ICDR) Regulations, the FCCB Scheme, and other applicable laws, regulations and guidelines; in the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of QIP, the

relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board.

**RESOLVED FURTHER THAT** in case of an issue and allotment of Securities by way of a QIP in terms of Chapter VI of the ICDR Regulations:

- (i) the allotment of Securities, or any combination of Securities as may be decided by the Board, shall be completed within 365 days from the date of the resolution of the members of the Company or such other time as may be allowed under the ICDR Regulations;
- (ii) the Equity Shares (including issuance of the Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) issued shall rank pari passu in all respects including entitlement to dividend with the existing Equity Shares of the Company as may be provided under the terms of issue and in accordance with the placement document(s);
- (iii) any issue of Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations (the "QIP Floor Price"). The Board may, however, in its absolute discretion, issue Equity Shares at a discount of not more than five percent or as may be in accordance with the applicable law on such QIP Floor Price;
- (iv) the allotment to a single Qualified Institutional Buyer (QIB) in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law; and
- (v) the Securities shall not be sold for a period of one year from the date of allotment, except on a recognised Stock Exchange or except as may be permitted from time to time by the ICDR Regulations.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to prospectus and/or letter of offer and/or circular and/or offering circular and/or placement memorandum and/or preliminary placement documents and/or placement document, registration statement and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise with regard to the issue, offer or allotment of Securities and take all such steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion, deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred by this resolution to any Committee duly authorised by the Board or subject to applicable law to any one or more director and/or any one or more officers of the Company to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto."

5. **SUB - DIVISION OF EQUITY SHARES**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rules framed thereunder (including any statutory modifications or reenactments thereof for the time being in force) and the provision of Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and subject to such other approvals, consents, permissions and sanctions as may be required from the appropriate authorities, consent of the members of the Company be and is hereby accorded for sub-division of each Equity Share of face value of Rs. 10/- into Ten (10) Equity Shares of face value of Rs. 1/- each, with effect from the record date to be determined by the Company for the said purpose.

**RESOLVED FURTHER THAT** pursuant to provision of Section 13 and other applicable provisions, if any, of the Act and the Rules framed thereunder, consent of the members of the Company be and is hereby accorded to delete and substitute the existing Clause V of the Memorandum of Association of the Company with the following new Clause.

"V. The Authorized Share Capital of the Company is Rs. 332, 00,00,000/- (Rupees Three Hundred and Thirty-Two Crores only) divided into 258,00,00,000 (Two Hundred and Fifty-Eight Crores only) equity shares of Rs. 1/- (One only) each, and 7,40,00,000 (Seven Crore Forty Lakhs only) preference shares of Rs. 10/- (Ten only) each and the said preference shares may be redeemable/non-redeemable, cumulative/non-cumulative, convertible/non-convertible, participating/non-participating or otherwise at the option of the Company, in the share capital of the Company with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential/deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company"

**RESOLVED FURTHER THAT** pursuant to the sub-division of equity shares of the Company with effect from the record date, each Equity Share of the Company having a face value of Rs. 10/- (Rupees Ten only) in the issued, subscribed and paid-up Equity Share capital shall stand sub-divided into 10 (Ten only) Equity Shares of a face value of Rs. 1/- (Rupee One only) each and upon division, the shares shall rank pari-passu in all respects with each other and carry the same rights as to the existing fully paid-up Equity Share of Rs. 10/- (Rupees Ten only) each of the Company.;

**RESOLVED FURTHER THAT** upon sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Share of the face value of Rs. 10/- (Rupees Ten only) each held in the physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date of the subdivision and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing issued Share Certificate(s) subject to the provisions of the Companies (Share Capital and Debenture) Rules, 2014 and in the case of the Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

**RESOLVED FURTHER THAT** Mr. Bandi Satish Kumar (DIN:00163676), Chairman & Managing Director, Mrs. Bandi Suresh kumar (DIN: 00206473), Whole Time Director, and Mr. Raveendra Babu M, Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to file any form, application, return, disclosure and other necessary documents with the Registrar of Companies, Stock Exchanges or any other regulatory or statutory authority as may be required and to do all such acts, deed and things as may be necessary or incidental to give effect to the aforesaid resolution."



6. **Ratification of remuneration of the Cost Auditors for the Financial Year ending 31st March, 2022**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 148 and 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), the Company hereby ratifies the remuneration of Rs.6.00 lakh plus applicable taxes payable to Dendukuri & Co., Cost Accountants (Proprietor Mr. D Zitendra Rao Cost Accountant with Membership Number: 10087), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company, for the Financial Year ending March 31, 2022."

7. **To appoint Mr. Siva Sagar Rao Yendamuri (DIN: 00210188), as an Independent Director (Non-Executive) of the company:**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")(including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Siva Sagar Rao Yendamuri (DIN: 00210188), who was appointed as an Additional Director of the Company with effect from May 16, 2022, pursuant to Section 161 of and who has submitted a declaration that he meets the criteria of Independence as provided under the Act and the SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from May 16, 2022 to May 15, 2027."

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

Place: Hyderabad  
Date: 16.05.2022

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

**Notes:**

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, Circular No. 18/2020 dated April 21, 2020 Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2020 dated January 13, 2021 and Circular no. 21/2021 dated December 14, 2021 ("MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, dated May 12, 2020 & SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars"). The forthcoming Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the 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 and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with 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 AGM will be provided by CDSL .
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will

not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. 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 through VC/OAVM and cast their votes through e-voting.
6. Voting during the AGM: Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by CDSL in the Video Conferencing platform during the e-AGM. Kindly refer below for instruction for e-voting during the AGM.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.seil.co.in](http://www.seil.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/) i.e., [www.evotingindia.com](http://www.evotingindia.com).
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to the item no. 3 of Ordinary Business and Special Business under Item **Nos. 3, 4, 5, 6 and 7** of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-2, of the persons seeking appointment/re-appointment as Directors / Independent Directors, are also annexed.
9. Brief profile of Mr. V V Krishna Rao, Mr. B Suresh and Mr. Siva Sagar Rao Yendamuri, Directors proposed to be appointed / reappointed along with the names of the Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard on General Meetings and Regulation 36(3) of the SEBI Listing Regulations are also annexed to this notice.
10. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
11. The registers i.e., Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which directors are interested maintained under Section 170 and Section 189 of the Act respectively will be available electronically for inspection by members during the AGM. All documents referred to in this Notice and the Explanatory Statement annexed hereto will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e., June 24, 2022. Members seeking to inspect such documents can send an email to [cs@seil.co.in](mailto:cs@seil.co.in).
12. As per Regulation 40 of the Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, M/s. Venture Capital & Corporate Investments Private Limited, Hyderabad for assistance in this regard.
13. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with their Depository participants (DPs), in case the shares are held by them in electronic form/Demat form and with Venture Capital & Corporate Investments Private Limited, in case the shares are held by them in physical form for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the

Company electronically. Alternatively, members holding shares in physical form are requested to send their email address and mobile number to the company mail id [cs@seil.co.in](mailto:cs@seil.co.in) .

14. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc to their Depository Participants with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to Venture Capital & Corporate Investments Private Limited in case the shares are held by them in physical form.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar. SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.
16. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 18th day of June, 2022 to Friday, the 24th day of June, 2022 (both days inclusive).
17. Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency with M/s. Central Depository Services (India) Limited (CDSL) Only those Members, whose names appear in Register of Members / List of beneficial owners as on Friday, June 17, 2021 ("Cut-off Date") shall be entitled to vote (through remote e-voting and during AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a member as on the Cut-off Date should treat this Notice for information only.
18. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at [cs@bssandassociates.com](mailto:cs@bssandassociates.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and company's email id at [cs@seil.co.in](mailto:cs@seil.co.in).
19. The Board of Directors has appointed M/s B S S & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
20. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within two working days from the conclusion of the AGM at the Registered Office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e., June 24, 2022.
21. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility
22. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to M/s. Venture Capital and Corporate Investments Private Limited/ Investor Service Department of the Company immediately.



23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
24. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
25. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be convened through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The remote e-voting period begins on Tuesday the 21st June, 2022 at 9:00 am and ends on Thursday the 23rd June, 2022 at 5:00 pm. 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 17th June, 2022 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
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"> <li>• 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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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@seil.co.in](mailto:cs@seil.co.in) or [csravindra.seil@gmail.com](mailto:csravindra.seil@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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.
10. If any Votes are cast by the shareholders through the e-voting available during the 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. 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.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, AS AMENDED ('ACT')****Item No 3**

Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884) is a Non-Executive Non-Independent Director on the Board of the Company and is liable to retire by rotation at the ensuing 23rd Annual General Meeting of the Company. Being eligible, he has offered himself for re-appointment.

As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a Special Resolution is passed to that effect. Therefore, continuance of Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884) as a Non-Executive Non-Independent Director requires consent of the members by way of a Special Resolution. Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884) is active and is keeping good health. His brief profile is given in the annexure and forms part of this Notice.

Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884) has more than 41 years of experience in Steel industry. The Nomination and Remuneration Committee of the Board of Directors has recommended the continuation of appointment of Mr. Veeramachaneni Venkata Krishna Rao as a Non-Executive Non-Independent Director of the Company, considering his rich experience, expertise and immense contribution in the growth of the Company

Having regard to his qualifications, knowledge and experience, his re-appointment on the Board of the Company as a Non-Executive Non-Independent Director will be in the interest of the Company. Accordingly, the Board of Directors recommend passing of the Special Resolution at Item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884) is concerned or interested in the Resolution.

**Item No. 4**

Pursuant to Sections 23, 42, 62, 71 of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of members is required to be obtained by a special resolution for making any further issue of Equity Shares or Securities (defined hereinafter) to any person(s) other than the existing members of the Company.

As the Members are aware, the Company, is engaged in the business of Iron & Steel and power. The Company requires additional funding including for servicing and/or repayment of existing debts, capital expenditure, working capital requirements of the Company, and / or general corporate purposes. It is therefore necessary that the Company should have necessary approvals for accessing various opportunities for capital / fund raising going forward. Accordingly, the Board of Directors, at its meeting held on May 16, 2022 has approved, raising of funds by way of preferential allotment, private placement, Rights Issue, Further Public Offering (FPO), including a qualified institutions placement (QIP) or through any other permissible mode or by way of issue of equity shares or by way of issue of any instruments or securities including securities convertible into equity shares, convertible bonds, convertible debentures, share warrants, and / or nonconvertible debentures including non-convertible debentures along with warrants, which may or may not be listed or a combination thereof up to an aggregate amount of Rs.600 Crore through private placement, qualified institutions placement or through any other permissible mode in one or more tranches.

For the above purpose, the Company has been exploring various avenues for raising funds by way of issue of Equity Shares or by way of issue of any instrument or security including fully/partly/optionally convertible debentures, warrants, securities convertible into Equity Shares, for an aggregate amount of up to Rs.600 Crore (Rupees Six Hundred Crore only) including through qualified institutions placement (the "QIP") to qualified institutional buyers (the "QIBs") as defined in (ICDR Regulations) or private placement or through any other permissible mode and/or combination thereof as may be considered appropriate under the applicable laws. The issue of Securities may be consummated in one or more tranches at such time or times at such price as may be determined by the Board in its absolute discretion, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and such other authority or authorities as may be necessary and subject, as applicable, to the (ICDR Regulations), and other applicable law, guidelines, notifications, rules and regulations, each as amended.

The proposed Special Resolution seeks to confer upon the Board (including any Committee thereof) the absolute discretion to determine the terms of the aforementioned issuance of Securities, including the exact price, proportion and timing of

such issuance, based on an analysis of the specific requirements. The detailed terms and conditions of such issuance will be determined by the Board or any Committee duly authorised by the Board, considering prevailing market conditions, practices and in accordance with the applicable laws. Accordingly, the Board (including a committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

The relevant date for the purpose of pricing the Securities shall be the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such Securities, subsequent to receipt of Members' approval in terms of the applicable laws. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board.

In the event of issuance of Securities by way of a QIP, as per the provisions of Chapter VI of the ICDR Regulations, an issue of Securities shall be made at a price not less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations. The Board or any Committee duly authorised by the Board may offer a discount of not more than five percent on such price determined in accordance with the pricing formula provided under the said Chapter, in accordance with the applicable laws. Further, in the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the Members.

In view of the above, the Board recommends the resolution as set out at Item No. 4 of this Notice, for the approval of the members as Special Resolution.

None of the Directors and Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution except to the extent of their shareholding, if any.

#### **Item No. 5**

The Equity Shares of your Company are listed and traded on BSE Ltd and National Stock Exchange of India Ltd.

Presently, the Authorized Share Capital of the Company is Rs.332,00,00,000/- (Rupees Three Hundred and Thirty-Two Crores only) divided into 25,80,00,000 (Twenty-Five Crores Eighty Lakhs only) equity shares of Rs.10/- (Rupees Ten only) each, and 7,40,00,000 (Seven Crore Forty Lakhs only) preference shares of Rs.10/- (Rupees Ten only) each.

With an aim to encourage wider participation of investors and improve the liquidity of the Equity Shares in the stock market, the Board of Directors at its meeting held on May 16, 2022 has considered and recommended the Sub-division of each Equity Share of the Company of the face value of Rs.10/- (Rupees Ten only) into 10 (Ten only) Equity Shares of Rs. 1/- (Rupees One only) each fully paid up subject to approval of the Members and other statutory and regulatory approvals, as applicable.

The record date for the aforesaid sub-division of equity shares shall be fixed by the Board after the approval of the members is obtained for the proposed sub-division.

In the opinion of the Board, proposed sub-division of the equity shares is in the best interest of the Company and its small shareholders and therefore the Board at its meeting held on May 16, 2022, approved the aforesaid sub-division subject to requisite approval of the members. There will not be any change in the amount of authorized, subscribed and paid-up share capital of the Company on account of sub-division of equity shares.

The sub-division of equity shares proposed under business item No. 5 of this Notice shall also require amendment to the existing Clause V of the Memorandum of Association of the Company as set out under item no. 5 of this Notice. Pursuant to Sections 13, 61 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval of the members by way of Special Resolution is required for the aforesaid sub-division and carrying out amendment to the Memorandum of Association of the Company.

In view of the above, the Board recommends the resolution as set out at Item No. 5 of this Notice, for the approval of the members as Special Resolution.

None of the Directors or Key Managerial Personnel or any relative of any of the Directors/ Key Managerial Personnel of the Company are, in any way, concerned or interested, financially or otherwise, in resolution as set out at Item No. 5 of the accompanying Notice.

#### **Item No. 6**

The Company is required cost audit under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the

Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in Practice. Based on the documents available and the discussions held at the meeting of the Audit Committee, it considered and recommended the appointment and remuneration of the Cost Auditor to the Board of Directors ('Board'). The Board has, on the recommendation of the Audit Committee, approved the appointment and remuneration to DENDUKURI & CO., Cost Accountants (proprietor Mr. D Zitendra Rao, Cost and Management Accountants) as the Cost Auditor of the Company for the FY2022-23.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. The Board of Directors has fixed the remuneration payable to the Cost Auditors for FY2022-23 at Rs.6.00 lakh plus applicable taxes. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2023.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at the Notice.

#### **Item No. 7**

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors in their meeting held on May 16, 2022 appointed Mr. Siva Sagar Rao Yendamuri (DIN: 00210188) as an Additional Director in the category of Independent. In terms of the provisions of Section 161 of the Act, Mr. Siva Sagar Rao Yendamuri holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

The Bank has received from him all statutory disclosures/declarations including, (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations. Notices under the provisions of Section 160 of the Act have been received from members signifying their intention to propose the candidature of Mr. Siva Sagar Rao Yendamuri as Director of the Company.

In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company. In view of the above provisions, the proposal for appointment of Mr. Siva Sagar Rao Yendamuri as an Independent Director not liable to retire by rotation for a period of five consecutive years with effect from May 16, 2022.

Mr. Siva Sagar Rao Yendamuri is not related to any other Director and Key Managerial Personnel of the Company.

A brief profile of the Independent Director to be appointed is given below:

#### **Professional Experience**

1. In Bokaro Steel Ltd, during the period 1969-1983 as Junior Manager to Dy Manager.
2. In Visakhapatnam Steel Plant during the period 1983-2007 in various capacities from Dy Manager to General Manager (Operations) to Director (commercial) to Chairman and Managing Director.

As Chairman cum Managing Director, took up the challenging task of initiating the proposal for expansion of the plant so as to position Vizag Steel on a strong footing to capitalize on the opportunities of the growing Indian economy. Through meticulous follow-up, was instrumental in obtaining the Government approval for the expansion of the plant to 6.3 Mt from its present 3.6 Mt at a cost of Rs.8692 Crs in a record time of 10 months.

During the tenure, the company has grown up progressively registering a growth of 48% in sales and the company has become a net positive company having wiped off all its accumulated losses. The company has deposits of over Rs.7,000 Crs at time of laying down office on strong footing to meets its growing expansion requirements on its own.

3. In JSW Steel Ltd Vijayanagar Karnataka during the period 2007-2009 as Joint Managing Director and CEO and responsible the plant operations and successfully expanded the plant from 2.8 MT to 10 MT.
4. In Atbir Steel Industries Giridi Jharkhand as Advisor Steel

The other disclosures as required under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standards-2 are provided in Annexure to this.

In the opinion of the Board, Mr. Siva Sagar Rao Yendamuri meets the fit and proper criteria and has the necessary knowledge and experience for being reappointed as an Independent Director.

None of the Directors, Key Managerial Personnel and their relatives, except, Mr. Siva Sagar Rao Yendamuri is in any way, concerned or interested in the said resolution.



The Board of Directors, therefore, recommend the resolution as set out in item No. 7 of this Notice for approval of the shareholders by way of a special resolution.

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

<b>Name of the Director</b>	<b>Bavineni Suresh</b>	<b>V.V. Krishna Rao</b>	<b>Siva Sagar Rao Yendamuri</b>
<b>Category</b>	Non-Executive and Non-Independent	Non-Executive and Non-Independent	Non-Executive and Independent Director
<b>DIN</b>	00181832	00206884	00210188
<b>Date of Birth</b>	30.08.1968	10.06.1948	01/05/1947
<b>Age</b>	54 Years	74 Years	75 Years
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of Appointment</b>	28.02.2000	12.01.2000	16.05.2022
<b>Qualification</b>	B. Tech. M.B. A	M.A.	B.E Mechanical
<b>Occupation</b>	Business	Business	Business
<b>Nature of expertise in specific functional areas</b>	Having more than 21 years of Experience in Finance and Steel Industries	Having More than 41 years of Experience in Steel industry.	More than 40 Years' experience in management and Steel Industry
<b>Terms and conditions</b>	Appointment is subject to retires by rotation and being eligible, offers himself for re-appointment	Appointment is subject to retires by rotation and being eligible, offers himself for re-appointment	Appointment as a Non executive Independent Director of the company subject to approval of members.
<b>Remuneration sought to be paid</b>	Except sitting fee no remuneration will be paid	Except sitting fee no remuneration will be paid	Except sitting fee no remuneration will be paid
<b>Remuneration last drawn by such person</b>	Except sitting fee no remuneration was paid	Except sitting fee no remuneration was paid	Except sitting fee no remuneration was paid
<b>Relationship with Directors</b>	None	None	None
<b>Directorships in other companies as on</b>	1.Vizag Profiles Pvt Ltd 2.Umashiv Garments Pvt. Ltd 3.Simhadri Wires Pvt. Ltd 4.Satyatej Vyapaar Pvt. Ltd	1.Vizag Profiles Pvt Ltd	1. Arkashree Freezers and Exports Private limited 2. Frozen Frostlines Private Limited
<b>Chairman/Member of the committee of the Board of Directors</b>	Nil	Nil	Nil
<b>Shareholding including shareholding as a beneficial owner</b>	2420401	643736	Nil
<b>Number of Meetings of the Board attended during the year</b>	6	6	NA
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	Nil	Nil	Nil
<b>Names of listed entities from which the person has resigned in the past three years</b>			Nil
<b>In case of Independent Director, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b>	NA	NA	YES

**Important Communication to Members:**

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

Registrars and Share Transfer Agents: M/s Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharatnagar, Hyderabad - 500 018, Telephone: +91 - 40 - 23818475 / 76, Fax: +91 - 40 - 23868024, Email: info@vccipl.com.

Company: The Company Secretary, Steel Exchange India Limited, D.NO:1-65/K/60, Plot No:60 Abhis Hiranya, 1st Floor, Kavuri Hills, Hyderabad TG 500081, Telephone: +91 - 40 - 23403725 or 040-40033501 Email: cs@seil.co.in, or csravindra.seil@gmail.com or seilsecretarial@gmail.com.

## BOARD'S REPORT

### To the Members,

Your Directors have pleasure in presenting the 23rd Annual Report on the business & operations of the Company together with the Audited Financial Statement for the year ended 31st March 2022.

### 1. FINANCIAL RESULTS:

The performance of the Company for the Financial Year ended March 31, 2022 is as under:

PARTICULARS	31-Mar-22	31-Mar-21
Total Revenue	111974.56	92204.77
Profit/ (Loss) before finance cost, depreciation and tax expense	12635.39	16995.54
Finance cost	8811.83	262.42
Profit / (Loss) before depreciation and tax expense	3823.56	16733.12
Depreciation	2375.23	2469.85
Profit/(Loss) before tax expense	1448.33	14263.27
<b>Tax expense</b>		
i. Tax expense of prior years	0.00	(0.76)
ii. Deferred Tax	10199.67	(265.30)
<b>Profit/(Loss) for the year</b>	<b>11648.01</b>	<b>13997.20</b>
Add: Other Comprehensive Income	(11.45)	12.44
<b>Total Comprehensive Income/ (Loss) for the year</b>	<b>11636.55</b>	<b>14009.64</b>

### 2. REVIEW OF PERFORMANCE:

During the year under review, the total revenue of the company stood at Rs.1119.74 Crores as against the Rs.922.05 Crores in FY 21. Net Profit recorded at Rs.116.48 Crores as against Net Profit of Rs.139.97 Crores in the Previous Year.

The Manufacturing Sales including power sales were Rs.959.80 Crores in the current year compared to Rs.736.27 Crores in the previous year. The trading sales during the year amounted to Rs.139.65 Crores compared to Rs.162.13 Crores in the previous year.

### 3. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Members are informed that, during the year the management of the Company was evaluated various options for Corporate Restructuring to re-align the business vertical interests for better business by way of Synergies / Strategic Value Unlocking / Investments in the identified Organic & Inorganic Assets of the Company for value creation to all stakeholders of the Company under Corporate Restructuring Strategy.

After implementation of One Time Settlement with Consortium of Banks during 4th Quarter of previous financial year 2020-21 and after Raising of funds by way of CCDs and Warrants of the Company during the 3rd quarter of financial year 2021-22, the company is assessing the core strengths and assets of the company and wants to utilise the strengths and assets of the company to start the Logistics Business under corporate restructuring strategy which includes multiple options to evaluate the business verticals of the company.

During the Current financial year 2022-23, the management will assess underutilized and the unutilized infra-assets of the company and will unlock the value of these underutilized assets by way of a new Logistics & Warehousing services business model (Logistics & Warehousing Hub) which can complement and add value to the SEIL operations and all the stakeholders. In this regard the management of the company is looking to appoint a reputed consultant/advisor to make a feasibility report with various options of the business model to unlock the value of the unutilized and underutilized infra-assets of the company.

#### **4. DIVIDEND**

The Board of Directors of the Company has not recommended Dividend for the financial year ended March 31, 2022.

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the Company's website at [www.seil.co.in](http://www.seil.co.in).

#### **5. SHARE CAPITAL AND LISTING OF SHARES**

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

The Authorized Share Capital of the Company is Rs.332,00,00,000/- (Rupees Three Hundred and Thirty-Two Crores only) divided into 25,80,00,000 (Twenty-Five Crores Eighty Lakhs only) equity shares of Rs.10/- (Ten only) each, and 7,40,00,000 (Seven Crore Forty Lakhs only) preference shares of Rs.10/- (Ten only) each.

There was change in Paid up Share Capital of the Company during the year under review:

During the year, the Company has allotted 76,92,306 equity shares of the face value of Rs.10/- each at an issue price of Rs.39/- per share (including share premium of Rs.29/- per share) on preferential basis.

During the year, the company has allotted 2,34,60,000 unsecured 12% Compulsorily Convertible Debentures ("CCDs") of Rs.72.50 /- each convertible in to 2,34,60,000 shares of Rs.10/- each at a price of Rs.72.50/- per share (inclusive of a premium of Rs.62.50 /- per share) on preferential basis.

During the year, the company has allotted 58,22,150 Convertible Warrants of Rs.72.50/- each convertible in to 58,22,150 equity shares of Rs.10/- each at a price of Rs.72.50/- per share inclusive of premium of Rs.62.50/- per share) on preferential basis.

The Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Companies Act, 2013 (hereinafter referred as "the Act") read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished and the Company has not issued any stock options to its employees.

The Equity Shares of your Company are listed on BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees. The company has paid the listing fee for the financial year 2021-22.

#### **6. NON-CONVERTIBLE DEBENTURES**

During the financial year 2020-21, the Company issued and allotted 3,828 secured, rated, listed, redeemable, non-convertible debentures bearing a face value of INR 10,00,000 (Rupees Ten Lakh only) each, aggregating up to an amount of INR 382,80,00,000/- (Rupees Three Hundred and Eighty-Two Crores Eighty Lakhs only) ("Debentures") in dematerialized form on a private placement basis to Group of Investors led by Edelweiss as a part fundraising for one time settlement of all dues of the company with existing lenders. The said NCDs are listed on BSE.

#### **7. NAME OF THE DEBENTURE TRUSTEE(S) WITH FULL CONTACT DETAILS:**

VISTRA ITCL (INDIA) LIMITED

The IL&FS Financial Centre

Plot No. C-22, G Block, 7th Floor

Bandra Kurla Complex, Bandra (East)

Mumbai 400051, India

Tel: +91 99104 96860, Tel: +91 22 2659 3535

Cell: +91 98206 61411, Email: [mumbai@vistra.com](mailto:mumbai@vistra.com)

#### **8. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ISSUE:**

During the FY2021-22 the company raised Rs.10.55 Crores (25% of total consideration) by issue and allotment of 58,22,150 Convertible Warrants of Rs.10/- each an issue price of Rs.72.50 per Warrant.

Further, the company raised Rs.170.08 Crores by issue and allotment of 2,34,60,000 - 12% Compulsorily Convertible Debentures (CCDs) of face value of Rs.72.50 per CCD.



The funds raised from issuance of Convertible Warrants and 12% Compulsorily Convertible Debentures were used for partial redemption of existing Non-Convertible Debentures, repayment of Unsecured Loans and Working Capital requirement of the company.

Further, the company has issued and allotted 76,92,306 Equity Shares of Rs.10/- each at a premium of Rs.29/- per share aggregating to Rs.29.99 Crores against the unsecured loan received from the promoters.

During the financial year under review, there was no deviation of utilization of funds raised through preferential allotment.

#### **9. DEVIATIONS IN THE USE OF PROCEEDS FROM THE OBJECTS STATED IN THE OFFER DOCUMENT:**

During the year under review, there were no deviations in the use of proceeds from the objects stated in the offer document.

#### **10. CREDIT RATING**

Instrument Type	Tenor	Amount (Rs. Cr)	Rating
unsecured 12% Compulsorily Convertible Debentures ("CCDs")	Long Term	400.00	BWR D Assigned
Total		400.00	(INR Four Hundred Crores Only)

#### **11. ANNUAL RETURN**

As required by Section 92(3) of the Act read with Section 134(3)(a) of the Act the Annual Return in Form MGT-7 is placed at the company website [http://www.seil.co.in/annual\\_reports.html](http://www.seil.co.in/annual_reports.html)

#### **12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the financial year ended March 31, 2022, Six Board Meetings were held.

The dates on which the Board Meetings were held are 28th May, 2021, 9th August, 2021, 15th October, 2021, 14th November, 2021, 24th December, 2021 and 12th February, 2022.

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

#### **13. DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms for the year ended 31st March, 2022:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of Profit and Loss Account of the Company for that period;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2022 on a going concern basis;
- v. that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **14. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

All Independent Directors of the Company have given declarations as required under the provisions of Section 149(7) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that they meet the eligibility criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board all our Independent Directors possess requisite qualifications experience expertise and hold high standards of integrity for the purpose of Rule 8(5) (iiia) of the Companies (Accounts) Rules 2014.

#### **15. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors held their separate meeting on February 12th, 2022 inter alia, to discuss:

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

#### **16. AUDITORS**

##### **Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter M/s. Bhavani & Co., Chartered Accountants (FRN 012139S) were appointed as Statutory Auditors of the Company in the Annual General Meeting held on 30th September, 2019, for a term of 5 (five) consecutive years. M/s. Bhavani & Co., Chartered Accountants, have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

##### **Cost Auditors:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules, 2014, Mr. D Zitendra Rao, Practicing Cost Accountant has been appointed as Cost Auditors for conducting Cost Audit for the financial year 2021-22 under review.

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

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of DENDUKURI & CO., Cost Accountants (Proprietor D Zitendra Rao, Practicing Cost Accountant) as the Cost Auditors of the Company for the financial year ending March 31, 2023.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of Rs.6.00 lakh plus applicable taxes payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, a resolution to this effect forms part of the Notice convening the AGM.

##### **Internal Auditors:**

M/s. Pavuluri & Co., Chartered Accountants were appointed as Internal Auditors for the Financial Year 2021-22 under review.

##### **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. B S S & Associates, Practicing Company Secretaries, Hyderabad

to undertake the Secretarial Audit of your Company for the financial year 2021-22.

## 17. AUDIT REPORTS:

### Statutory Audit Report

There are no qualifications, reservations, adverse remarks or disclaimers in the Statutory Auditor's Report on the financial statements of the Company for the Financial Year 2021-22 and hence does not require any explanations or comments by the Board. No frauds have been reported by the Auditor under Section 143(12) of the Companies Act, 2013 during the Financial Year 2021-22.

### Internal Audit Reports

Internal Auditors has performed internal audit of the operations of the Company for the Financial Year 2021-22 and the Internal Auditors have presented the observations to the Audit Committee at their meetings of the Committee held on 28th May, 2021, 9th August, 2021, 14th November, 2021, and 12th February, 2022 respectively for the financial year 2021-22.

### Secretarial Audit

The Secretarial Audit Report received from the Secretarial Auditor of the Company for the Financial Year 2021-22 and Secretarial Compliance Report for the Financial Year are annexed herewith as Annexure - 1.

The Managements' Comments on observations made in Secretarial Audit Report and Secretarial Audit Report Secretarial Compliance Report are as under:

Observation	Management's comment
<p>The Board of Directors of the Company was not comprised of requisite number of Independent Directors as prescribed under Regulation 17(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 from 12.02.2022.</p>	<p>The Company had received a notice from M/s. Vishwa Samudra Holdings Private Limited, Investor of the Company, to appoint Mr. Shyam Jagetiya its Nominee on the Board of Directors of the Company and the Board decided to appoint Mr. Shyam Jagetiya immediately i.e. w.e.f. February 12, 2022. With the appoint of said Nominee Director, the composition of the Board was changed and adversely resulted into non-compliance of Regulation 17(1)(b) i.e. at least half of the board of directors shall comprise of Independent Directors.</p> <p>On obtaining Shareholders' approval, through postal ballot on 12.05.2022, for appointment of Mr. Shyam Jagetiya as Nominee Director, immediately the Board in its meeting held on 16.05.2022, appointed Mr. Siva Sagar Rao Yendamuri as an Additional Director in independent category to comply Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), 2015.</p>

## 18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Your Company has not given any Loans / Guarantees and not made any Investments during the FY 2021-22, as specified under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

## 19. TRANSFER OF AMOUNT TO GENERAL RESERVES

Your Company doesn't propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2022.

## 20. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI

Listing Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. There were no materially significant transactions with related parties during the financial year, which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS-24) has been made in the notes to the financial statements.

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

## **21. DEPOSITS**

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet, in terms of Section 73 of the Companies Act, 2013 during the year ended 31st March, 2022.

## **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 (ACT) READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

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

## **23. RISK MANAGEMENT POLICY**

The Company has an adequate risk management policy in place. The risk management process is reliable and broad based, ensuring that the Company is well guarded against foreseeable risks and aptly prepared for future contingencies. Risk management encompasses risk identification, evaluation, reporting and resolution to ensure the smooth functioning of operations and business sustainability. Risk Management has become an integral part of business decision making.

## **24. CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities during the year are given in the Annual Report on CSR activities in Annexure - 4 to this Report.

## **25. COMMITTEES OF THE BOARD**

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance forming part of the Annual Report.

## **26. CORPORATE GOVERNANCE**

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

## **27. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI Listing Regulations, is annexed herewith which forms part of this report.

## **28. VIGIL MECHANISM / WHISTLE BLOWER POLICY AND MECHANISM**

The Board of Directors has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.



A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

## **29. BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI Listing Regulations. The performance of the Board was evaluated by the board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of the board processes, in formation and functioning etc. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

## **30. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Venkata Narayana Reddy Godi, Non-Executive Independent Director of the Company has left for heavenly abode on May 06, 2021.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has approved the appointment of Mr. E Sankara Rao as Independent (Additional) Director for a period of five consecutive years on 28th May, 2021 and approval of shareholders by way of Special resolution was taken in the AGM held on 27.09.2021.

Shri Bavineni Suresh (DIN: 00181832) and Shri Veeramachaneni Venkata Krishna Rao (DIN: 00206884) retired and re-elected at the last Annual General Meeting of the Company held on September 27, 2021.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Bavineni Suresh (DIN: 00181832) and Shri Veeramachaneni Venkata Krishna Rao (DIN: 00206884) will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Accordingly, the resolutions seeking the approval of the members for the said re-appointments have been incorporated in the Notice of the Annual General Meeting.

Further that, on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 12, 2022, approved the re-appointment of Mr. Bandi Satish Kumar (DIN: 00163676) as the Chairman & Managing Director for a period of three years with effect from March 01, 2022. Later, the Company has obtained approval of shareholders by way of special resolution through the postal ballot dated May 12, 2022.

Further that, on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 12, 2022, appointed Mr. Shyam Jagetiya (DIN: 02581262) as Additional Non-Executive (Nominee) Director of the company with effect from February 12th, 2022, subject to approval of members of the company, pursuant to the nomination received from the M/s. Vishwa Samudra Holdings Private Limited, Investor of the company. Later, the Company has obtained approval of shareholders through the postal ballot dated May 12, 2022 for the regularization of appointment of Mr. Shyam Jagetiya.

After the financial year 2021-22, on the recommendations of the Nomination and Remuneration Committee, the Board, in its meeting held on May 16, 2022, appointed Mr. Siva Sagar Rao Yendamuri (Din: 00210188) as an Additional Director in independent category. The Board believes that Mr. Siva Sagar Rao Yendamuri has appropriate skills, professional expertise, experience, knowledge, and experience in industry and management of the Company. The resolution seeking the approval of the members for the above said appointment has been incorporated in the Notice of the AGM.

During the financial year under review, there was no change in Key Managerial Personnel of the Company. However, after the financial year 2021-22, on the recommendations of the Audit Committee and the Nomination and Remuneration Committee, the Board appointed Mr. Suresh Babu Anubrolu as Chief Financial Officer (CFO) in the place of Mr. B.Ramesh Kumar, who had resigned from the office of CFO.

### **31. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Act have been disclosed in the corporate governance report. Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has adopted a policy for nomination, remuneration and other related matters for Directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

Company's Policy on Directors Appointment and Remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013 is also placed at the website of the Company at [http://seil.co.in/Code\\_and\\_Policies.html](http://seil.co.in/Code_and_Policies.html)

### **32. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The Board of Directors of the Company is responsible for ensuring that Internal Financial Control has been laid down by the Company and that such controls are adequate and operating effectively. The internal financial control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorisation and ensuring compliance with corporate policies.

The scope and authority of the Internal Auditor is well defined in the company. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

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

### **33. MAINTENANCE OF COST RECORDS**

The Company is required to maintain cost records of the Company as specified under Section 148(1) of the Companies Act, 2013. Accordingly, the Company has properly maintained cost records and accounts during the financial year ended 31.03.2022.

### **34. PARTICULARS OF EMPLOYEES**

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

During the financial year 2021-22, there were no employees in the Company whose details are to be given pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **35. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

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

### **36. SECRETARIAL STANDARDS**

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

### **37. DELISTING OF EQUITY SHARES FROM CALCUTTA STOCK EXCHANGE LIMITED (CSE)**

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

**38. UNCLAIMED SUSPENSE ACCOUNT/ESCROW ACCOUNT:**

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

Company is doing transfer of Equity shares in Dematerialised form to respected shareholders of GSAL (India) Limited upon receipt of communication from time to time.

**39. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

Your company incorporated a wholly owned subsidiary company SEIL (Hong Kong) Ltd on 02nd June, 2015 which was in dormant stage due to non-commencement of business operations since its incorporation. Your company has closed SEIL (Hong Kong) Ltd and the same was strike off by respective authority in the origin of the company.

As on 31.03.2022, the Company has no Subsidiary, Joint Venture or Associate Company.

**40. INSURANCE**

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

**41. CHANGE IN THE NATURE OF BUSINESS**

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

**42. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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

**43. MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT;**

There were no material changes that affecting the financial position of the company.

**44. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:** Not Applicable**45. DETAILS OF APPLICATIONS MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016:**

There are no applications made during the financial year 2021-22 by or against the company and there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

**46. BOARD POLICIES:**

The details of the policies approved and adopted by the Board as required under the Companies Act, 2013 and SEBI Listing Regulations are provided in Annexure - 6.

**47. BUSINESS RESPONSIBILITY REPORT:**

The 'Business Responsibility Report' (BRR) of your Company for the year 2021-22 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI Listing Regulations is given as separate annexure which forms part of the report. Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting targets and improving economic performance to ensure business continuity and rapid growth.

**48. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The company has complied with provisions relating to the constitution of Internal Complaints Committee to redress complaints received regarding sexual harassment. During the financial year 31st March, 2022, the company has not received any complaints pertaining to sexual harassment.

**49. INDUSTRIAL RELATIONS AND HUMAN RESOURCES**

Your company believes that its employees are one of the most valuable assets of the Company and the Board appreciates the employees across the cadres for their dedicated service to the company and expects their continuous support and higher level of productivity for achieving the targets set for the company. During the year under review, the company organized various training programmes at all levels to enhance skills of employees. The total employee strength is 805 and strength of trainees is 269 on 31st March, 2022.

**50. ACKNOWLEDGEMENT**

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

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

**Place: Hyderabad**

**Date : 16.05.2022**

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

## REPORT ON CORPORATE GOVERNANCE

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") for the financial year 2021-2022 is given herein below: X

### 1. **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Your Company prides itself on being a responsible corporate citizen, which is committed to running its business in the best possible manner while being completely transparent, complying with all relevant rules & regulations and contributing to society at large. The Company believes that maintenance of Code of Corporate Governance is essential for economic growth of the Company and protecting the interest of all the Stakeholders. Therefore, the Company is trying its best to follow the Code of Corporate Governance. The Companies Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing regulations with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Corporate Governance is based on the principal of truth, transparency, accountability, equity and responsibility in all our dealings with our employees, shareholders, customers, suppliers, government, lenders and community at large.

### 2. **BOARD OF DIRECTORS :**

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

The Board of Directors has a combination of Executive and Non-Executive Directors. As on 31.03.2022, the Board of Directors have eleven (11) members, of whom three (03) are Executive Directors, three (03) are Non-Executive Directors and five (5) are Independent Directors one of whom is a Woman Director. Except the Independent Directors and Executive Directors all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013. As the Chairperson of the Board of Directors is an Executive Promoter Director, at least half of the Board of Directors of the Company should consist of Independent Directors. With the appoint of Nominee Director on 12.02.2022, the number of Independent Directors fell less than 50% of total number of Directors. On obtaining Shareholders' approval, through postal ballot on 12.05.2022, for appointment of Nominee Director, immediately the Board in its meeting held on 16.05.2022, appointed an Additional Director in independent category to comply Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

The names and categories of the Directors on the Board, attendance at the Board Meetings and Annual General Meeting of the Company and also the number of Directorships and Committee Memberships and Chairmanship held by them during 2021-22 in other Companies are as under:

S. No.	Name of the Director	Category	No. of Board Meetings attended out of 6 meetings held 2021-22	Whether attended last AGM	No. of Other Directorships and Committee Membership/Chairmanship as on 31.03.20 22		
					Directorships@	Committee Memberships^	Committee Chairmanships
1	Bandi Satish Kumar	Executive Director (Promoter)	6	YES	1	Nil	Nil
2	Bandi Suresh Kumar	Executive Director (Promoter)	6	YES	1	Nil	Nil
3	Bandi Ramesh Kumar	Executive Director (Promoter)	6	YES	1	Nil	Nil
4	Veeramachaneni Venkata Krishna Rao	Non-Executive Director (Promoter)	6	YES	0	Nil	Nil
5	Bavineni Suresh	Non-Executive Director (Promoter)	5	YES	0	Nil	Nil
6	Ramineni Ramachandra Rao	Independent Director	5	YES	0	Nil	Nil
7	Kodali Krishna Rao	Independent Director	6	YES	0	Nil	Nil
8	G Venkata Narayana Reddy#	Independent Director	0	NO	0	Nil	Nil
9	Siva Prasad Chivukula	Independent Director	6	YES	1	Nil	Nil
10	Emandi Sankara Rao*	Independent Director	6	YES	5	3	Nil
11	Sujata Chattopadhyay**	Independent Director	6	YES	4	3	Nil
12	Shyam Jagetiya***	Nominee Director	0	NO	Nil	Nil	Nil



# Mr. G Venkata Narayana Reddy was ceased as director of the company with effect from 6th May, 2021 on account of death.

\*On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has approved the appointment of Mr. E Sankara Rao as Independent (Additional) Director on 28th May, 2021.

Further, at 22nd Annual General Meeting of the Company Mr. E. Sankara Rao (DIN: 005184747), who was appointed as an Additional Director (Independent and Non-Executive) of the Company, with effect from May 28, 2021, be appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from May 28, 2021 to May 27, 2026

Mr. E Sanakara Rao is Director in other 2 listed Companies, list of those Companies and category of Directorship are as follows:

Sl. No.	Name of the listed Company	Category of Directorship
1	GMR Infrastructure Limited	Independent Director
2	Coastal Corporation Limited	Independent Director

\*\* Ms. Sujata Chattopadhyay is Director in other 3 listed Companies, list of those Companies and category of Directorship are as follows:

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

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

Further that, on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 12, 2022, appointed Mr. Shyam Jagetiya (DIN: 02581262) as Additional Non-Executive (Nominee) Director of the company with effect from February 12th, 2022, subject to approval of members of the company, pursuant to the nomination received from the M/s. Vishwa Samudra Holdings Private Limited, Investor of the company.

@ This excludes Directorships held in Private & Foreign Companies and Companies incorporated under section-8 of the Companies Act, 2013.

^ in Audit and Stakeholders Relationship Committee Excluding this Listed Entity

**b) Changes in the Composition of Directors during the Year:**

During the year Mr. G. Venkata Narayana Reddy was ceased as director of the company with effect from 6th May, 2021 on account of death. During the period under review, the consent of the shareholders has been accorded at their Annual General Meeting held on 27.09.2021 for appointment of Mr. E. Sankara Rao, as Independent Director of the company for a period of 5 years with effect from 28th May, 2021.

Further, during the year under review Mr. Shyam Jagetiya (DIN: 02581262) has been appointed as Additional Non-Executive (Nominee) Director of the company with effect from February 12th, 2022. Other than this there has been no change in composition of the Directors of the Company.

**c) Number of Board Meetings held during the Financial Year 2021-22 and dates on which held:**

In compliance with the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015, the intervening period between two Board meetings was within the maximum gap of one hundred and twenty days.

During the year ended March 31, 2022, Six Board Meetings were held as against the minimum requirement of Four meetings. The dates on which Meetings of the Board of Directors were held and the number of directors present in each meeting are given below:

S No	Date of Meeting	Board Strength	No. of Directors Present
1	28.05.2021	10	10
2	09.08.2021	10	10
3	15.10.2021	10	10
4	14.11.2021	10	9
5	24.12.2021	10	9
6	12.02.2022	11	10

**c) Relationship between Directors inter-se:**

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

**d) Number of Shares and Convertible Instruments held by the Non-Executive Directors:**

There are no outstanding Convertible Instruments that were allotted to the Non-Executive Directors.

The total number of Equity Shares held by the Non-Executive Directors of the Company as on 31st March, 2022 as follows:

S No	Name of the Director	No of Equity Shares Held	% On Paid Up Capital
1	Veeramachaneni Venkata Krishna Rao	643736	0.73
2	Bavineni Suresh	2420401	2.75
3	Ramineni Ramachandra Rao	Nil	0.00
4	Kodali Krishna Rao	Nil	0.00
5	Siva Prasad Chivukula	Nil	0.00
6	Emandi Sankara Rao*	Nil	0.00
7	Sujata Chattopadhyay**	Nil	0.00
8	Shyam Jagetiya***	Nil	0.00

**e) Familiarization program imparted to Independent Directors:**

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

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

During the year, a separate meeting of the Independent Directors was held on February 12, 2022 without the present of Non-Executive Directors /Managing Director and Joint Managing Directors to discuss the matter as required/agreed among them.

Further familiarization programs and the terms & conditions of appointment of the Independent Directors as required under the Companies Act, 2013 & Listing Regulations are updated on the Company's website at [http://www.seil.co.in/Code\\_and\\_Policies.html](http://www.seil.co.in/Code_and_Policies.html)

**f) Formal annual evaluation:**

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

**g) Function and Procedure of Board:**

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

**h) Directors' skills/expertise/competencies**

**Board Skill Matrix:**

In terms of the requirement of the Listing Regulations, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill/expertise/competence, are given below: -

Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimizing the development in the industry for improving Company's business
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilization, Understanding of Financial policies and accounting statement and assessing economic conditions
Governance & Compliance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values

S. No	Name of the Director	skill/expertise/competence
1	Bandi Satish Kumar	Business & Industry, Financial Expertise, Governance & Compliance
2	Bandi Suresh Kumar	Business & Industry, Financial Expertise, Governance & Compliance
3	Bandi Ramesh Kumar	Business & Industry
4	Veeramachaneni Venkata Krishna Rao	Business & Industry
5	Bavineni Suresh	Financial Expertise, Governance & Compliance
6	Ramineni Ramachandra Rao	Business & Industry, Financial Expertise, Governance & Compliance
7	Kodali Krishna Rao	Business & Industry, Financial Expertise, Governance & Compliance
8	Siva Prasad Chivukula	Financial Expertise, Governance & Compliance
9	Emandi Sankara Rao*	Financial Expertise, Governance & Compliance
10	Sujata Chattopadhyay**	Financial Expertise, Governance & Compliance
11	Shyam Jagetiya***	Financial Expertise, Governance & Compliance

**h) Confirmation of Independence of the Independent Director:**

The Board of Directors hereby confirm that in the opinion of the Board, all Independent Directors are independent of the management of the Company and have given declarations as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

**i) Reason for resignation of Independent Directors:**

During the period, none of Independent Director of the Company have resigned, before the expiry of their term of appointment

**j) Particulars of Directors seeking re-appointment:**

Details of the Director seeking appointment / re-appointment in the ensuing AGM in pursuance to Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meetings are given in the annexure of the notice of AGM, which forms an integral part of this Annual Report

**3. Audit Committee:**

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

- (a) Brief description of terms of reference: The role of the Audit Committee is as prescribed under the Act and Listing Regulations and includes the following:
- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  - ii. Recommendation of appointment etc., of the statutory auditors and their fee for audit and other services;
  - iii. Examination and review of Annual financial statements/audit report with particular reference to directors' responsibility statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;
  - iv. Discussions with internal auditors on significant findings and with Statutory Auditors on the nature and scope of audit and on areas of concern;
  - v. Review of quarterly financial statements, uses and application of funds raised, performance of statutory and internal auditors, adequacy of internal control system and internal audit function;
  - vi. Review of management discussion and analysis report on financial condition and results of operations, significant related party transactions, internal control weaknesses reported by the statutory auditors and internal auditors and the appointment and remuneration of internal auditors;
  - vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - viii. Approval or any subsequent modification of transactions of the company with related parties;
  - ix. Scrutiny of inter-corporate loans and investments;
  - x. Evaluation of internal financial controls and risk management systems; and
  - xi. Review of the functioning of the Whistle Blower mechanism.
  - xii. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  - xiii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**Composition and attendance details of the Committee meetings are as follows:**

The Audit Committee consists of Four Independent Directors. The Audit Committee has met Six times during the financial year 2021-22 on 28.05.2021, 09.08.2021, 15.10.2021, 14.11.2021, 12.02.2022, 28.03.2022.

The constitution of the Audit Committee and attendance details during the financial year ended 31st March, 2022 are given below:

Name of the Director	Designation	Number of Meetings	
		Entitled to attend	Attended
Siva Prasad Chivukula	Chairman, Independent Director	6	6
Kodali Krishna Rao	Member, Independent Director	6	6
Ramineni Ramachandra Rao	Member, Independent Director	6	5
Emandi Sankara Rao~	Member, Independent Director	5	5

~ The board of Directors appointed Mr. E Sanakara Rao as member of the audit committee at their meeting held on 28.05.2021

The representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings. The representatives of Statutory Auditors, Executives from Accounts, Finance and Secretarial department(s) attends the Audit Committee meetings. The Internal Auditors attend the Audit Committee meeting where internal audit report is discussed. The Internal Auditor reports directly to the Audit Committee.

**4. Nomination and Remuneration Committee**

**Brief description of terms of reference**

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

**Composition, name of members and Chairperson**

The Nomination and Remuneration Committee has met Two times during the financial year 2021-22 i.e., on 28.05.2021 and 11.02.2022. The constitution of the Committee and attendance details during the financial year ended 31st March, 2022, are given below:

Name of the Director	Designation	No. of Meeting Held	No. of Meeting attended
Siva Prasad Chivukula	Chairman, Independent Director	2	2
Kodali Krishna Rao	Member, Independent Director	2	2
Ramineni Ramachandra Rao	Member, Independent Director	2	2

**Performance evaluation of Director**

Pursuant to applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairperson of the Board.

Performance Evaluation of Independent Directors, Board of Directors, Committees of Board, Individual Directors, Managing Director, Non-Executive Directors and Chairperson of the Board.



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

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company has adopted the recommended criteria by SEBI.

The Directors were given 6 Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

#### **5. Meeting of Independent Directors**

A Separate meeting of the Independent Directors was held on 12.02.2022, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole and Chairman of the Company. Inputs and suggestions received from the Directors were considered at the Board meeting.

#### **6. Remuneration of Directors**

Remuneration to Non-Executive Directors: Non-Executive Directors are not paid any remuneration other than the sitting fee of for each meeting of the Board and Committees thereof attended by them. Sitting fees payable to the nominee director are paid directly to the institution represents.

The Remuneration paid to the Managing and Joint Managing Directors during the year and the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2022 and number of shares held by all the Directors are as follows:

Name of the Director and Designation	Salary	Benefits/ allowance/ perquisites	Bonus/ Commission	Pension	Stock Option*	Sitting Fees	No. of Shares held
Mr. Bandi Satish Kumar, Managing Director	68,00,000	7,14,180	-	-	-	-	6,45,944
Mr. Bandi Suresh Kumar, Joint Managing Director	60,00,000	-	-	-	-	-	41,14,052
Mr. Bandi Ramesh Kumar, Joint Managing Director cum CFO	60,00,000	-	-	-	-	-	16,01,469
Mr. Veeramachaneni Venkata Krishna Rao, Non-Executive Director	-	-	-	-	-	-	6,43,736
Mr. Bavineni Suresh, Non-Executive Director	-	-	-	-	-	-	24,20,401
Mr. Ramineni Ramachandra Rao, Independent Director	-	-	--	-	-	2,10,000	-
Mr. Kodali Krishna Rao, Independent Director	-	-	--	-	-	2,60,000	-
Mr. G V N Reddy# Independent Director	-	-	-	-	--	-	-
Mr. Siva Prasad Chivukula, Independent Director	-	-	-	--	-	2,30,000	-
Mr. Emandi Sankara Rao* Independent Director	-	-	-	--	-	2,60,000	-
Ms. Sujata Chattopadhyay, Independent Director**	-	-	-	-	-	2,60,000	-
Mr. Shyam Jagetiya*** Nominee Director	-	-	--	-	-	-	-

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

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

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

None of the Non-executive directors has any pecuniary relationship or transactions with the company except as per requirements of Ind AS 24 are disclosed in the notes to accounts annexed to the financial statements.

#### 7. Stakeholders' Relationship Committee

The Committee comprises of three Members Mr. Ramineni Ramachandra Rao, Chairman, Mr. Bandi Satish Kumar, Member and Mrs. Sujata Chattopadhyay, Member. The responsibilities of the Committee include Redressal of all shareholders complaints and grievances.

During the year ended 31.03.2022, One Stakeholders Relationship Committee Meeting was held on 28th March, 2022.

The constitution of the Stakeholders Relationship Committee and attendance details during the financial year ended 31st March, 2022 are given below:

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

Mr. Siva Prasad Chivukula, member of the committee was replaced by Mrs. Sujata Chattopadhyay with effect from 28th May, 2021 and the same was approved by Board of Directors of the company at their meeting held on 28th May, 2022

• **Terms of Reference**

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

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

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

• **Number of Shareholders complaints received so far:**

- During the year ended March 31, 2022, the Company has received 9 complaints and resolved all 9 complaints and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

**8. Corporate Social Responsibility (" CSR") Committee:**

The CSR Committee provides guidance on CSR activities to be undertaken by the Company. The terms of reference for the CSR Committee include:

1. Formulate a CSR policy which shall indicate activities to be undertaken by the Company
2. Recommend the CSR policy to the Board
3. Recommend the amount of expenditure to be incurred on the activities
4. Monitor the policy from time to time as per the CSR policy.

During the year ended 31.03.2022, one CSR Committee Meeting was held on 28.03.2022

The constitution of the CSR Committee and attendance details during the financial year ended 31st March, 2022 are given below:

Sl. No	Name of the member	Designation	Meetings Held	Meetings Attended
1	E Sankara Rao~	Chairman, Independent Director	1	1
2	B Satish Kumar"	Member, Managing Director	1	1
3	Ramineni Ramachandra Rao	Member, Independent Director	1	1
4	Kodali Krishna Rao	Member, Independent Director	1	1

The board of Directors appointed Mr. B Satish Kumar as member of the CSR Committee at their meeting held on 28.05.2021

~The board of Directors appointed Mr. E Sanakara Rao as member of the CSR Committee at their meeting held on 28.05.2021

Mr. C Siva Prasad was terminated from the CSR Committee with effect from 28th May, 2021

## 9. Risk Management Committee

a) Brief description of terms of reference

1. To formulate a detailed Risk Management Policy which shall include:

- a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- b. Measures for risk mitigation including systems and processes for internal control of identified risks. c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

During the year ended 31.03.2022, Two Risk management Committee Meetings was held i.e., 24th December, 2021 and 11th February, 2022.

The constitution of the Risk management Committee and attendance details during the financial year ended 31st March, 2022 are given below:

Sl. No	Name of the member	Designation	Meetings Held	Meetings Attended
1.	Bandi Satish Kumar	Chairman	2	2
2.	E Sankara Rao	Member	2	2
3.	Sujata Chattopadhyay	Member	2	2

The board of Directors of the company constituted Risk Management Committee at their meeting held on 09.08.2021

## 10. Compliance Officer

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

## 11. Prevention of Insider Trading

As per the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. Raveendra Babu M, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. The Code of Conduct is applicable to all Directors and such identified employees of the Com-

pany who are expected to have access to unpublished price sensitive information relating to the Company. During the year under review there has been due compliance with the said code.

## 12. Compliance

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

## 13. Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records minutes of proceedings of each Board, Committee and General Meeting. Draft minutes are circulated to Board / Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

## 14. Compliance of Corporate Governance Requirements specified in Regulation 17 To 27 And Regulation 46(2)(b) to (i) of Listing Regulations

S No	Particulars	Regulation	Compliance Status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	YES
2	Board composition	17(1), 17(1A) & 17(1B)	YES
3	Meeting of Board of directors	17(2)	YES
4	Review of Compliance Reports	17(3)	YES
5	Plans for orderly succession for appointments	17(4)	YES
6	Code of Conduct	17(5)	YES
7	Fees/compensation	17(6)	YES
8	Minimum Information	17(7)	YES
9	Compliance Certificate	17(8)	YES
10	Risk assessment and management	17(9)	YES
11	Performance evaluation of independent directors	17(10)	YES
12	Composition of audit committee	18(1)	YES
13	Meeting of audit committee	18(2)	YES
14	Composition of nomination and remuneration committee	19(1) & (2)	YES
15	Composition of stakeholder relationship committee	20(1) & (2)	YES
16	Composition and role of risk management committee	21(1),(2),(3),(4)	YES
17	Vigil mechanism	22	YES
18	Disclosure of shareholding by non-executive directors	-	YES
19	Policy for related party transaction	23(1), (5),(6),(7) & (8)	YES
20	Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	YES
21	Approval for material related party transactions	23(4)	YES
22	Composition of board of directors of unlisted material subsidiary	24(1)	NA
23	Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
24	Maximum directorship and tenure	25(1) & (2)	YES
25	Meeting of independent directors	25(3) & (4)	YES
26	Familiarization of independent directors	25(7)	YES
27	Memberships in committees	26(1)	YES
28	Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	YES
29	Disclosure of shareholding by non-executive directors	26(4)	YES
30	Policy with respect to obligations of directors and senior management	26(2) & 26(5)	YES
31	Website Disclosure	46(2)(b)to(i) and (t)	YES



S No	Particulars of regulations	Compliance status (Yes/No)
1	Board of directors	No
2	Audit committee	Yes
3	Nomination and Remuneration committee	Yes
4	Stakeholders Relationship committee	Yes
5	Risk Management committee	Yes
6	Vigil mechanism	Yes
7	Related party transactions	Yes
8	Corporate Governance requirements with respect to Subsidiaries	NA
9	Obligations with respect to independent directors	Yes
10	Obligation with respect to Directors and Senior Management	Yes
11	Other Corporate Governance requirements	Yes
12	Disclosure on website in terms of SEBI (LODR) Regulations (Regulation 46 (2))	Yes

### 15. General Body Meetings:

(i) The details of date, location and time of the last three Annual General Meetings held areas under:

Annual General Meeting	Date	Time	Venue
2021	27.09.2021	2.00 P.M	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2020	30.09.2020	11.00A.M	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2019	30.09.2019	11.30A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016

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

- a) 22nd Annual General Meeting- September 27, 2021- The following Special Businesses were transacted by passing Special Resolution
- Re-appointment of Shri Bandi Ramesh Kumar (DIN: 00206293), as Whole time Director of the company.
  - Appointment of Mr. E. Sankara Rao (DIN: 05184747), as Independent Director of the company.
- b) 21st Annual General Meeting - September 30, 2020 - The following Special Businesses were transacted by passing Special Resolution:
- Reappointment of Ms. Sujata Chattopadhyay (DIN: 02336683) as Independent Director of the company for a further period of 5 years with effect from 27th March, 2020
  - Approve Monetization of one or more Assets of the company under proposed debt Restructuring Scheme / OneTime Settlement Scheme with Lenders of the Company.
- c) 20th Annual General Meeting - September 30, 2019 - The following Special Businesses were transacted by passing Special Resolution:
- Reappointment of Shri B Satish Kumar (DIN: 00163676) as chairman and Managing Director of the company, for a further period of 3(Three) Years with effect from March 01, 2019.
  - Reappointment of Shri B Suresh Kumar (DIN: 00206473) AS Joint Managing Director of the company, for a further period of 3(Three) Years with effect from October 27, 2019.
  - Revision in remuneration of Shri B Ramesh Kumar (DIN: 00206293), Joint Managing Director of the company with effect from 1st April, 2018 till his remaining tenure ending on 8th February, 2021

- iv) Reappointment of Shri C Siva Prasad (DIN: 01904785) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.
  - v) Reappointment of Shri R Ramachandra Rao (DIN: 00226945) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.
  - vi) Reappointment of Shri K Krishna Rao (DIN: 00382726) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.
  - vii) Reappointment of Shri G Venkata Narayana Reddy (DIN: 05358117) as an Independent Director of the company for a period of five years effective from 31st December, 2019 till 30th December, 2024.
- d) **Postal Ballot:** During the Year the company has one Postal Ballot Notice to Members on 27th May, 2021.

Person who conducted the Postal ballot exercise: The Company has appointed Ms BSS & Associates Company Secretaries as Scrutinizer to conduct the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

Procedure for Postal Ballot: Pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021 and the General issued by Ministry of Corporate Affairs ("MCA Circulars"), read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the following Special Resolutions were passed by the Members of the Company through Postal Ballot by remote e-voting process during the Financial Year ended 31st March, 2022

**Special Resolutions passed last year through Postal Ballot:**

- i) Ratification pertaining to disclosure in the explanatory statement to Item No 1 in the Notice of Extra Ordinary General Meeting (EGM) held on 18th January, 2021 vide notice dated 18th December, 2020
- ii) Ratification pertaining to disclosure in the explanatory statement to the Item No 2 in the Notice of the Extra Ordinary General Meeting (EGM) held on 18th January, 2021 vide notice dated 18th December, 2020.

**Voting Results:**

<b>Resolution-1</b>		<b>Ratification pertaining to disclosure in the explanatory statement to Item No 1 in the Notice of Extra Ordinary General Meeting (EGM) held on 18th January, 2021 vide notice dated 18th December, 2020.</b>						
Resolution Required: (Ordinary / Special)		<b>Special Resolution</b>						
Whether promoter/ promoter group are interested in the agenda/ resolution:		<b>Yes</b>						
<b>Category</b>	<b>Mode of Voting</b>	<b>No of shares held</b>	<b>No. of votes polled</b>	<b>% of Votes Polled on outstanding shares</b>	<b>No. of Votes – in favour</b>	<b>No. of Votes – against</b>	<b>% of Votes in favour on votes polled</b>	<b>% of Votes against on votes polled</b>
		1	2	$(3)=[(2)/(1)]*100$	4	5	$(6)=[(4)/(2)]*100$	$(7)=[(5)/(2)]*100$
Promoter and Promoter Group	E-Voting	36156567	36056567	99.72	36056567	0	100	0
	Poll		0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	<b>Total</b>		36156567	36056567	99.72	36056567	0	100
Public- Institutions	E-Voting	7945230	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	<b>Total</b>		7945230	0	0	0	0	0
Public- Non Institutions	E-Voting	36287074	5675397	15.64	5675270	127	100.00	0.00
	Poll		0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	<b>Total</b>		36287074	5675397	15.64	5675270	127	100.00
<b>Total</b>		<b>80388871</b>	<b>41731964</b>	<b>51.91</b>	<b>41731837</b>	<b>127</b>	<b>100.00</b>	<b>0.00</b>

<b>Resolution-2</b>		<b>Ratification pertaining to disclosure in the explanatory statement to the Item No 2 in the Notice of the Extra Ordinary General Meeting (EGM) held on 18th January, 2021 vide notice dated 18th December, 2020:</b>						
Resolution Required: (Ordinary / Special)		<b>Special Resolution</b>						
Whether promoter/ promoter group are interested in the agenda/ resolution:		<b>No</b>						
Category	Mode of Voting	No of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		1	2	$(3)=[(2)/(1)]*100$	4	5	$(6)=[(4)/(2)]*100$	$(7)=[(5)/(2)]*100$
Promoter and Promoter Group	E-Voting	36156567	36056567	99.72	36056567	0	100	0
	Poll		0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total		36156567	36056567	99.72	36056567	0	100
Public- Institutions	E-Voting	7945230	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total		7945230	0	0	0	0	0
Public- Non Institutions	E-Voting	36287074	5675397	15.64	5675270	127	100.00	0.00
	Poll		0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total		36287074	5675397	15.64	5675270	127	100.00
<b>Total</b>		<b>80388871</b>	<b>41731964</b>	<b>51.91</b>	<b>41731837</b>	<b>127</b>	<b>100.00</b>	<b>0.00</b>

**e) EGM:**

Year	Date	Time	Venue
2021	10.11.2021	11.00A.M	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

- f) Postal Ballot after 31.03.2022: A postal Ballot Notice was issued to the Shareholders in April 2022 for obtaining Shareholders' approval through Special resolution for re-appointment of Mr. Bandi Satish Kumar (DIN: 00163676) as Chairman & Managing Director of the Company.
- g) There is no proposal to pass any special resolution exclusively through postal ballot.

**16. Disclosures:**

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

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the related Party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24)

are disclosed in the Notes to Accounts - Note No.3.36.3 annexed to the financial statements

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

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

- (b) Details of non-compliance by the Company, Penalties imposed by Stock Exchanges/ SEBI: Except non-compliance under Regulation 17(1)(b) of SEBI Listing regulations, there were no other instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.
- (c) The information on Directors seeking re-appointment/appointment is provided in the notes to the notice of the Annual General Meeting under the heading "Additional information on Directors seeking Re-appointment/appointment at the ensuing Annual General Meeting".
- (d) The Board has also constituted a committee named as "Management Committee" for strategic management of the Company's business within the Board approved direction/framework. The following are the members of the Committee:

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

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

- (e) The Company has complied with all the mandatory requirements of Listing Regulations: During the year, the Company has fully complied with the mandatory requirements as stipulated Listing Regulations. Further, Company has disseminated report on compliance with corporate governance requirements as specified in regulation 17 to 27 and 46(2) on its website [www.seil.co.in](http://www.seil.co.in) and also submitted with BSE. Non-Mandatory requirements of C & E as provided in Part E of Schedule II of the Listing Regulations. Separate persons to the post of Chairman and Managing Director and Reporting of Internal Auditors to the Audit Committee have been adopted from non-mandatory requirements.
- (f) The Board of Directors of the Company had adopted the Whistle Blower Policy. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company: [www.seil.co.in](http://www.seil.co.in)
- The Chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2022.No personnel have been /will be denied access to the audit committee.
- (g) Certificate by Practicing Company Secretary: The Company has received a certificate from Mr. Srikanth, Partner, B S S & Associates, Practicing Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority.
- (h) Information on complaints in relation to Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year: Nil
  - number of complaints disposed of during the financial year: Nil
  - number of complaints pending as on end of the financial year: Nil



- (i) M/s. Bhavani&Co., Chartered Accountants (FRN 012139S) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees during the financial year ended 31.03.2022, on consolidated basis is given below:

<b>Particulars</b>	<b>Amount in Rs.</b>
For Statutory Auditors	45,00,000
For Tax Audit	5,00,000
For Tax Representations	4,50,000
For Certification & Others	4,50,000
<b>Total</b>	<b>59,00,000</b>

- (j) Web link for determining material Subsidiaries is disclosed: NIL
- (k) Web link policy on dealing with related party transactions: [www.seil.co.in](http://www.seil.co.in)
- (l) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

During the FY2021-22 the company raised Rs.10.55 Crores (25% of total consideration) by issue and allotment of 58,22,150 Convertible Warrants of Rs.10/- each an issue price of Rs.72.50 per Warrant.

Further, the company raised Rs.170.08 Crores by issue and allotment of 2,34,60,000 - 12% Compulsorily Convertible Debentures (CCDs) of face value of Rs.72.50 per CCD.

The funds raised from issuance of Convertible Warrants and 12% Compulsorily Convertible Debentures were used for partial redemption of existing Non-Convertible Debentures, repayment of Unsecured Loans and Working Capital requirement of the company.

Further, the company has issued and allotted 76,92,306 Equity Shares of Rs.10/- each at a premium of Rs.29/- per

## 17. Risk Management

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

## 18. General Code of Conduct

The Company has formulated and implemented a General Code of Conduct, which is available on company's website, for all its Directors and Senior Management of the Company in compliance with Listing Regulations. All the Board Members and Senior Management of the Company have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2022. A declaration by the Chairman & Managing Director affirming compliance with the said Code of Conduct is annexed at the end of the Report and forms part of this Report.

## 19. Means of Communication

- (i) As part of compliance with Regulation 10, 33 and 47 of the Listing Regulations, the Company furnishes its quarterly financial results to the Stock Exchanges where its shares have been listed.
- (ii) The Company's quarterly, half yearly and annual results are published in prominent daily newspapers such as 'Business Standard' (English) and 'Eenadu' (Telugu).
- (iii) The Company posts all the vital information relating to the Company and its performance on the web site [www.seil.co.in](http://www.seil.co.in) for the benefit of the shareholders and public at large.
- (iv) News releases as and when issued by the company in respect of financial results are also made available at the company's web site.
- (v) During the period under review, no presentations were made to any institutional investors or to the analysts.

- (vi) The Management Discussion and Analysis Report is attached and forms part of the Annual Report.
- (vii) Further a direct communication is also made to the shareholders by the Managing Director/Authorised person from Secretarial Department of the company as and when required.

## 20. MD/ CEO & CFO Certification

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, a Certificate from Managing Director/ CEO and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on 25.04.2022 and the same is annexed to this report, also forms part of this Annual Report.

## 21. Certificate on Corporate Governance

The Corporate Governance Report forms part of the Annual Report. A Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Listing Agreement/Listing Regulation and the same is annexed to this report, also forms part of this Annual Report.

## 22. GENERAL SHAREHOLDER' INFORMATION:

### a) 23rd Annual General Meeting:

Date : **Friday, 24th June, 2022**  
 Time : **11.30A.M.**  
 Venue : **Through VC/Other Audio Video Mode**

### b) Financial Year

: **1st April to 31st March**

### Financial Calendar for 2022-23

: The following are tentative dates:  
 First Quarter results : 2nd Week of August, 2022  
 Second Quarter results : 2nd week of November, 2022  
 Third Quarter results : 2nd week of February, 2023  
 Annual results for 2022-23 : 4th Week of May, 2023  
 AGM for the year 2022-2023 : 4th Week of September, 2023.

### c) Dates of Book Closure

: 18th June, 2022 to 24th June 2022  
 (Both days inclusive)

### d) Dividend Payment Date

: No dividend is recommended for the  
 Year ended on 31st March 2022.

### e) Listing on Stock Exchanges

: BSE Ltd,  
 National Stock Exchange of India Limited  
 The Calcutta Stock Exchange (CSE) (Delisting is under Process)  
 There are no dues against listing fee payable to these stock exchanges.

### f) Stock Code/Symbol

: BSE : 534748  
 NSE : STEELXIND  
 CSE : 26498/PYXIS

### g) Market Price Data:

The Securities of the Company are actively traded in the Bombay Stock Exchange Ltd, Mumbai. The monthly high/low prices of share of the Company and number of shares traded during each month on the Stock Exchange, Mumbai during year 2021-22, are given below:

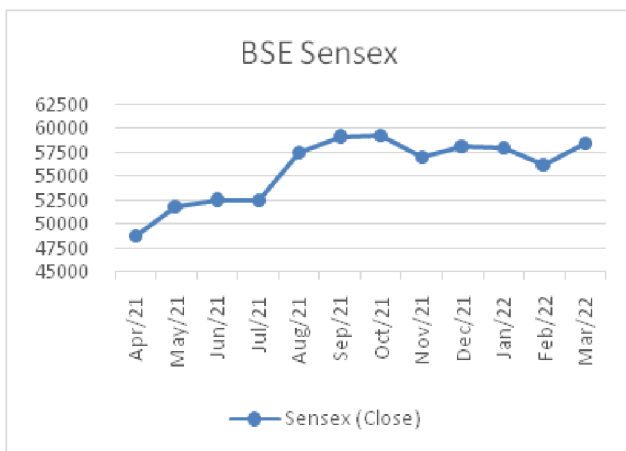
Month & Year	Price in BSE		Price in NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-2021	68.95	53.00	68.70	53.85
May-2021	71.00	56.45	70.90	56.25
Jun-2021	69.65	56.60	69.95	56.65
Jul-2021	78.00	59.50	78	66.55
Aug-2021	88.60	67.50	85.95	67.15
Sep-2021	84.90	67.50	82.55	67.50
Oct-2021	83.95	69.40	82.05	69.20
Nov-2021	95.00	74.15	96	74.10
Dec-2021	185.00	85.85	183.4	86
Jan-2022	263.50	174.45	262.6	175.30
Feb-2022	250.40	209.90	247.10	213.30
Mar-2022	259.80	221.60	257.9	221

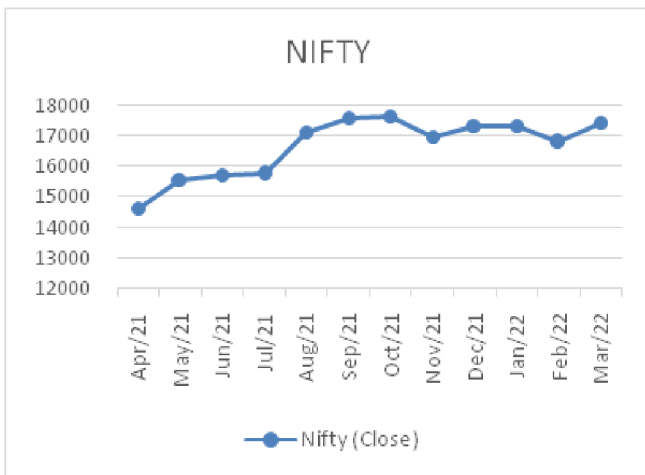


Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**h) Relative movement chart: Performance in comparison to broad - based indices BSE Sensex and NSE nifty**

The Chart below gives the relative movement of the high price of the Company's share and the closing price of the BSE Sensex and Nifty 50 between 01st April, 2021 to 31st March, 2022.





**i) Registrar & Share Transfer Agents:**

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

M/s Venture Capital and Corporate Investments Private Limited,  
12-10-167, Bharatnagar, Hyderabad - 500 018, Telephone: +91 - 40 - 23818475 / 76; Fax: +91 - 40 - 23868024,  
Email: info@vccipl.com, investor.relations@vccipl.com

**j) Share transfer System:**

The Securities & Exchange Board of India (SEBI) has notified vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/P/73 dated 20th April, 2018 and No. SEBI/HO/MIRSD/DOS3/ CIR/P/2018/115 dated 16th July, 2018 that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Essentially, the shares in physical mode cannot be transferred after 5th December 2018. SEBI has extended the said dead line upto 31st March 2019 vide its Press Release No.49/2018 dated 3rd December 2018. However, the shareholders shall hold shares in physical form but shall not be allowed to transfer the shares. In view of this regulatory amendment, it is advisable to the shareholders, to dematerialize their securities as early as possible with ISIN INE177H01013 of the Company. The Company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants. The Company's shares are compulsorily traded in the demat mode at NSE & BSE

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which SEBI has directed all the Listed Companies to mandatorily record the PAN and Bank Account details of all their shareholders holding shares in physical mode. In these connections, the company has sent letters to the shareholders, who are holding shares in physical mode. The shareholders are once again requested to update their aforesaid details with M/s Venture Capital and Corporate Investments Private Limited, if details are not yet updated.

**k) Distribution of Shareholding as on March 31, 2022:**

STEEL EXCHANGE INDIA LIMITED				
Distribution Details on Face Value for the period ended 31.03.2022 INE503B01013				
Number of equity shares	Shareholders		Equity Shares	
	Number of shareholders	shareholders %	No. of Equity Shares held	Shareholding %
Upto - 500	44720	94.87	1877616	2.13
501 - 1000	959	2.03	787790	0.89
1001 - 2000	466	0.99	711536	0.81
2001 - 3000	205	0.43	518488	0.59
3001 - 4000	102	0.22	369007	0.42
4001 - 5000	90	0.19	425360	0.48
5001 - 10000	191	0.41	1409723	1.6
10001 and above	405	0.86	81981657	93.08
<b>Total</b>	<b>47138</b>	<b>100</b>	<b>88081177</b>	<b>100</b>

**Shareholding Pattern by ownership as on 31st March 2022:**

Sl.No.	Category	No. of Shares held	Shareholding %
<b>PROMOTER AND PROMOTER GROUP SHAREHOLDING</b>			
1	Promoter and Promoter Group		
	- Indian Promoters	4,36,37,369	49.54
	- Foreign Promoters	2,11,504	0.24
	<b>Sub-Total</b>	<b>4,38,48,873</b>	<b>49.78</b>
<b>PUBLIC SHAREHOLDING</b>			
2	Mutual Funds and UTI	3,537	-
3	Alternate Investment Funds	9,19,857	1.04
4	Foreign Portfolio Investors	58,54,259	6.65
5	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	51	-
6	Central Government/ State Government	3,09,348	0.35
7	Foreign Body Corporate	30,50,197	3.46
8	India Public	3,37,74,351	38.35
9	Non-Resident Individuals	3,20,704	0.36
	<b>Sub-Total</b>	<b>4,42,32,304</b>	<b>50.22</b>
	<b>Total</b>	<b>8,80,81,117</b>	<b>100.00</b>

**l) Dematerialization of Shares & Liquidity**

As on 31st March 2022, 8,45,57,937 equity shares representing 96.00% were held in dematerialized form and 35,23,240 equity shares representing 4.00 % were in physical form. The Balance shares 1,86,08,750 are preferential shares allotted to the shareholders of Simhadri Power Limited as per the Scheme of Amalgamation approved by the Hon'ble High Court, which are in physical form.

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

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

As on 31st March 2022, there were no Outstanding GDRs/ ADRs of the Company.

During the year, the company has allotted 2,34,60,000 unsecured 12% Compulsorily Convertible Debentures ("CCDs") of Rs.72.50 /- each convertible in to 2,34,60,000 shares of Rs. 10/- each at a price of Rs. 72.50 /- per share (inclusive of a premium of Rs. 62.50 /- per share) on preferential basis.

During the year, the company has allotted 58,22,150 Convertible Warrants of Rs. 72.50 /- each convertible in to 58,22,150 equity shares of Rs. 10/- each at a price of Rs. 72.50/- per share inclusive of premium of Rs.62.50 /- per share) on preferential basis

**n) Unclaimed Dividend**

There is no unclaimed dividend, which remains unclaimed by the shareholders, to transfer to Investor Education & Protection Fund (IEPF).

**o) Commodity price risks and commodity hedging activities : NIL**

**p) Unclaimed Suspense Account for Equity Shareholders of GSAL (India) Ltd:** Your company is maintaining one unclaimed account in the name of STEEL EXCHANGE INDIA LIMITED-UNCLAIMED SUSPENSE ACCOUNT for erstwhile shareholders of M/s GSAL (India) Limited, the company merger with SEIL.

**q) Plant Locations:**

1. Integrated Steel Plant (ISP) -Sponge Iron Division, Rolling Division, SMS Billet Unit and 60 MW Power Plant: Malliveedu, L. Kota Mandal, Vizianagaram District-533301,
2. Power Plant & Steel Ingot Division: Opp: Mandapalli New Bridge, Kothapeta (V & M) - 533 223 East Godavari (Dt).
3. Bobbili Wire Drawing Division (Galvanised Wire Products): S. No. 295 to 300, APIIC Growth Centre, Bobbili- 535 558.

**r) Address for Correspondence:**

Investor correspondence may be addressed to:

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

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

Company: The Company Secretary, Steel Exchange India Limited,

D. No:1-65/K/60, Plot No: 60, 01st Floor, Abhi's Hiranya, Kavuri Hills, Hyderabad, Telangana, 500081, Telephone: +91 - 40 - 23403725 Fax: +91 - 40 - 23413267, Email: cs@seil.co.in

**s) List of all credit ratings obtained by the company along with any revisions thereto during the relevant financial year:**

Instrument Type	Tenor	Amount (Rs. Cr)	Rating
Listed, Secured NCDs	Long Term	400.00	BWR D Assigned
Total		400.00	(INR Four Hundred Crores Only)

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

**Place: Hyderabad**

**Date: 16.05.2022**

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



**DECLARATION OF COMPLIANCE WITH THE GENERAL CODE OF CONDUCT OF THE COMPANY**

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions as provided under Schedule V of SEBI (LODR) Regulations, 2015.

The Board laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended March 31, 2022.

Place: Hyderabad  
Date: 25.04.2022

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

**MD/ CEO AND CFO CERTIFICATE**

For FY ended March 31, 2022  
(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To  
The Board of Directors,  
Steel Exchange India Limited

- a) we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2022 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
- significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**For STEEL EXCHANGE INDIA LIMITED**

Place: Hyderabad  
Date: 16.05.2022

**Bandi Satish Kumar**  
Managing Director  
DIN : 00163676

**Bandi Ramesh Kumar**  
Chief Financial Officer  
DIN : 00206293

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Steel Exchange India Limited  
D. No:1-65/K/60, Plot No: 60, 01st Floor, Abhi's Hiranya,  
Kavuri Hills, Hyderabad, Telangana, 500081

1. We have examined the compliance of the conditions of Corporate Governance by Steel Exchange India Limited having CIN L74100TG1999PLC031191, for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Bhavani & Co**  
Chartered Accountants  
Firm Registration No: 012139S

**CA. S Kavitha Padmini**  
Partner  
M.No.229966  
UDIN : 21229966AAAADT8761

Place: Hyderabad  
Date : : 16.05.2022

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Company's operating and financial operations review is intended to convey the Management's perspective on the financial and operating performance of the Company during the period 2021 - 22 and outlook for the current financial year. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report. This report is an integral part of the Directors' Report.

### **COMPANY OVERVIEW**

Your company started in year 2000 as an Online Steel Trading Portal. Subsequently with the opportunities in the steel producing your company SEIL entered into the steel manufacturing in the year 2002 by acquisition of a sick steel rolling mill. This mode of acquiring the sick steel rolling mill was largely due to the very limited access to long term and low-cost finance in the financial markets ecosystem. In the years that followed during the last 20 years, the company has built an integrated steel production plant and set up a Greenfield captive coal-based power plant at the ISP and also a gas power plant and an ingot manufacturing unit in East Godavari district of Andhra Pradesh. During the same period SEIL also acquired a sponge iron unit with a railway sidings close to ISP at Visakhapatnam.

With the steel demand and markets trends various steel eco-system integration measures were taken at the sponge iron unit and established an Integrated Steel Plant (ISP), which is one of the largest private steel plant in both Andhra Pradesh and Telangana States. Presently the ISP has an installed capacity of 2,20,000 MTPA sponge iron unit, a 2,50,000 MTPA steel melt shop, a 2,25,000 MTPA rolling mill and 60 MW cogeneration captive power plant and the East Godavari SEIL unit is having a 11.84 MW gas-based captive power plant and a 90,000 MTPA steel melt shop

SEIL with the above steel producing infrastructure is producing the Billets, Ingots, TMT bars and markets its rebar products under the Brand name - Simhadri TMT, which has a strong brand value among steel consumers in AP and adjoining states of Telangana, Orissa and TN. The company is one of the few manufacturers of CRS grade rebars in the country and supply to the Indian Armed Forces as well as to other National Infrastructure projects

With growth and demand for steel due to the implementation and execution of Infrastructure projects of NIP 2021 and Make in India initiatives by Govt of India, other State Govt initiatives and the growth of Real Estate Sectors your company is having a new vision to establish a 10,00,000 MTPA rolling mill and to venture into the related Logistics & Warehousing business by unlocking the underutilised infrastructure like the existing railway sidings which is well connected to the present being implemented corridors of Raipur-Visakhapatnam and Chennai-Visakhapatnam Economic Corridors announced by the government and also the expansion going on in the PCPIR and the construction new Boghapuram International Airport

### **GLOBAL ECONOMY FOR STEEL INDUSTRY & OUTLOOK:**

The global economy was significantly impacted by the pandemic COVID-19 and led to disruptions due to regulatory lock downs during the last two financial years 2020-21 and 2021-22 resulting in contraction across the leading economies in the world. Although recovery was seen in the second half of 2021-22 with lifting of lockdowns, it has been inconsistent across countries due to resurgence of 2nd and 3rd wave Covid-19 infections, varying levels of policy support and access to medical facilities.

The World Steel Association (World Steel) on 14th October, 2021 released an update of its Short-Range Outlook (SRO) for 2021 and 2022 and world steel forecasted that steel demand will grow by 4.5% in 2021 and reach 1,855.4 Mt after 0.1% growth in 2020. In 2022, steel demand will see a further increase of 2.2% to 1,896.4 Mt. The current forecast assumes that, with the progress of vaccinations across the world, the spread of variants of the COVID virus will be less damaging and disruptive than seen in previous pandemic waves.

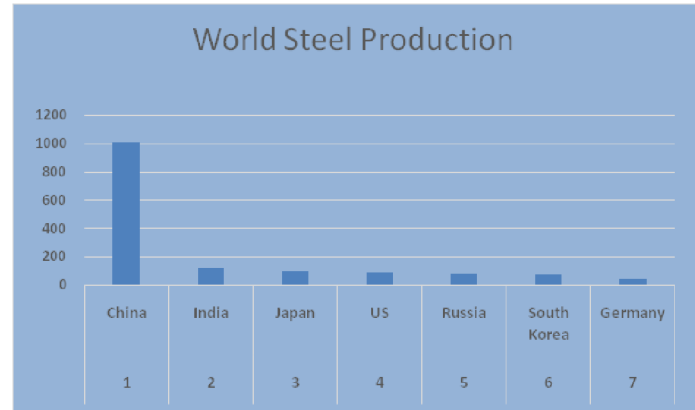
Commenting on the outlook, Mr Al Remeithi, Chairman of the World Steel Economics Committee, said, "2021 has seen a stronger than expected recovery in steel demand, leading to upward revisions in our forecast across the board except for China. Due to this vigorous recovery, global steel demand outside China is expected to return earlier than expected to its pre-pandemic level this year.

Global crude steel production was 456.6 Mt in the first three months of 2022, down by 6.8% compared to the same period in 2021. Asia and Oceania produced 331.3 Mt of crude steel in the first quarter of 2022, a decrease of 7.8% on the first quarter of 2021. The EU (27) produced 36.8 Mt of crude steel in the first quarter of 2022, down by 3.8% compared to the same quarter of 2021. North America's crude steel production in the first three months of 2022 was 28.1 Mt, a decrease of 0.9% compared to the first quarter of 2021. Russia & other CIS + Ukraine produced 24.0 Mt of crude steel in the first quarter of 2022, a decrease of 8.5% on the first quarter of 2021.

### Top steel-producing countries

During the F/y 2021-22 China produced 1007.4 Mt, India produced 117.9Mt, Japan produced 95.5 Mt, The United States produced 86.1 Mt, Russia is estimated to have produced 76.6Mt, South Korea produced 70.2Mt,Germany produced 39.6Mt,Source: <https://worldsteel.org/media-centre/press-releases/2021/>

S.No.	Name of Country	April- 2021 to 31 <sup>st</sup> March 2022 (MT)
1	China	1007.4
2	India	117.9
3	Japan	95.5
4	United State	86.1
5	Russia	76.6
6	South Korea	70.2
7	Germany	39.6



### INDIAN ECONOMY FOR STEEL INDUSTRY & OUTLOOK:

The steel industry is one of India's core industries, contributing to slightly more than 2 % of GDP. According to the National Steel Policy, India has planned to accomplish 300 MTPA installed capacity by 2030-2031 and become independent in manufacturing of a few special grades. The planned capacity expansion and demand growth is expected to leverage Rs 10 lakh crore incremental capital infusion and 30 GW power supply to the steel infrastructure eco-system. India's steel industry employs more than 20 lakh human resources through direct and indirect employment. It is expected to grow to produce 36 lakh employment by 2031 and broadly adding to the country's economic growth directly (total value creation) and indirectly by assisting with building buying power through the generation of employment.

As of October 2021, India was the world's second-largest producer of crude steel, with an output of 98 MT. In FY22 (till January), the production of crude steel and finished steel stood at 98.39 MT and 92.82 MT, respectively. In FY22, crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from steel customers. The growth in the Indian steel sector has been driven by the 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 and infrastructure output.

With R&D and Innovation 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.

Presently the Indian Steel industry is classified into three categories - major producers, main producers and secondary producers.

### INVESTMENTS TO THE STEEL INDUSTRY

The steel industry and its associated mining, metallurgy and alloys sectors have seen major investments and developments in the recent past.

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-December 2021, Indian metallurgical industries attracted FDI inflows of US\$ 16.1 billion.

### GOVERNMENT INITIATIVES

Some of the other recent Government of India initiatives in the Steel Sector are as follows:

- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- In October 2021, India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steel making).

- In July 2021, the Union Cabinet approved the production-linked incentive (PLI) scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.
- In June 2021, Minister of Steel & Petroleum & Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals. In 2020, 'Mission Purvodaya' was launched to accelerate the development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone.
- In June 2021, JSW Steel, CSIR-National Chemical Lab (NCL), Scottish Development International (SDI) and India H2 Alliance (IH2A) joined forces to commercialise hydrogen in the steel and cement sectors.
- Under the Union Budget 2022-23, the government allocated Rs. 47 crore (US\$ 6.2 million) to the Ministry of Steel. The budget's focus is on creating infrastructure and manufacturing to propel the economy.

#### MAJOR OPPORTUNITIES IN STEEL INDUSTRY:

Government focuses on strengthening the domestic manufacturing base under the Aatmanirbhar Bharat program presents a strong opportunity for steel production and consumption in India. The production linked incentive scheme, which intends to incentivise the additional steel production in India, is expected to boost special steel demand in Automobile & Auto components, consumer durables, solar equipment, telecom, etc.

Opportunities in different-different Sector like Automotive, Capital Goods, Infrastructure, Airport, Railways, Power etc.

- 1) **Automotive:** - The automotive industry is forecast to reach US\$260 to 300 billion by 2026. The industry accounts for around 10% of the demand for steel in India. With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.
- 2) **Capital goods:** - The capital goods sector accounts for 11% of the total steel consumption and is expected to increase 14-15% by 2025-26. It has the potential to increase in tonnage and market share. Corporate India's capex is expected to grow and generate greater demand for steel.
- 3) **Infrastructure:** - The infrastructure sector accounts for 9% of steel consumption and is expected to increase to 11% by 2025-26. Due to rising investment in infrastructure the demand for steel products would increase in the years ahead. 70% of the country's infrastructure, estimated at Rs.6 lakh crore (US\$89.50 billion), is yet to come up. Thus, a significant growth potential for steel sector is present. For various infrastructure sectors, including real estate and power, the Ministry of Finance has come out with a NIP 2021 with an outlay of Rs111 Lakh Crores in the next 5 years  
**Railways:** - The Dedicated Rail Freight Corridor (DRFC) network expansion is under execution and would be enhanced in the near terms across the country for the freight movement. Introduction of high-speed bullet trains and metro trains, Gauge conversion, setting up of new lines and electrification would drive demand for steel.
- 4) **Power:** - The Government has envisaged capacity addition of 58,384 MW from conventional sources between 2017-22. Also, the Government is targeting to achieve 175GW of renewable power generation capacity by 2022. This will lead to enhancement in both transmission and distribution capabilities, thereby raising steel demand from the sector.
- 5) **Telecom:** The telecom sector is going to grow from FY2022 onwards as once the 5 G spectrum auction is done during the 2022-23 and the need for more telecom towers will go up by another 1 lakh towers from the present around 4.5 Lakh towers to enhance the telecom connectivity across the country which will enhance the consumption of the steel products

#### MAJOR THREATS IN STEEL INDUSTRY:

The main challenges facing the steel industry today are capacity bottlenecks, high raw material and energy costs and end product price volatility.

Taking these in order, the industry in the last 5 years has made unplanned and over- investment in new capacity for several reasons:

- Investments in technology upgrades are often accompanied by capacity increases.

- Availability of relatively cheap capital for new investment in countries such as China.
- China, Russia and India are large, with high internal transport costs, meaning mills supplying local markets can survive.
- Producers in Russia, India and Ukraine in particular have low production costs (due to the availability of local raw materials); this is also partly true for Turkey.

#### **Way Forward and Outlook:**

Apart from the disruptions caused by the COVID-19 pandemic, in the near future, we do not foresee any major threat to the steel industry segments in which the Company operates. We have taken a number of operational and financial initiatives across the organization to enhance the quality and reduce costs which will aid in preserving and enhancing our sales and margins.

. As per the various reports of the credit rating agencies, multilateral institutions it is indicated that the Indian GDP Growth for FY2022-23 will be in the range of 6.5% to 7.5% based on the various Govt of India initiatives and the growth of latent domestic and export demand as seen during the year Fy 2021-22. With above initiatives the company with new vision will move forward with the hope of stepping into a better world post COVID-19, with the available operating infrastructure, strong human resources and Technology the Company is all set to make its contribution in the growth of the nation in the coming years..

#### **DIVISION WISE PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31.03.2022**

##### **1) Trading Division**

The company apart from its manufacturing operations also do the trading of few products to enhance the top and bottom line for the company. Currently the trading division deals in trading of a wide range of products from finished steel products to related items, semis, coal, scrap, Sponge Iron etc. The division has been primarily responsible for developing the marketing & sales base for the company throughout the coastal region of Andhra Pradesh. The trading division deals with the products manufactured by the Company, RINL (Vizag Steel), and other manufacturers for the products.

The steel trading division reported a turnover of Rs. 134.08 crores for the year ended 31st March 2022 compared to Rs. 158.64 crores in the previous year ended 31st March 2021

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

This division manufactures ingots using sponge iron and scrap / pig iron. The unit also has a power generation unit using natural gas for captive consumption. The company continued with low level of operations for the period under review. During the last year Covid-19 2nd wave regulatory lockdowns the company sold the gas from ONGC in a resale arrangement and also sold the power in March 2022.

The division reported a turnover of Rs. 5.80 Crs (previous year Rs. 3.50 Crs) of which Rs. 5.57 cr came from resale of gas and Rs. 0.23 cr from power sale respectively (Previous year Rs. Nil from sale of power).

##### **3) Integrated Steel Plant:**

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

1. Sponge Iron Unit - 220,000 TPA
2. SMS Billet Unit - 250,000 TPA
3. Rolling Unit - 225,000 TPA
4. Captive Thermal Power Plant- 60MW

The total revenue for the period 2021-22 under review from ISP stood at Rs. 896.36 crores as against Rs. 725.97 crores in the previous year 2020-21. The division reported increase in turnover on year to year compared to previous year and TMT bars produced are sold under the well-established brand name Simhadri TMT Bars.

The total revenue from the sale of surplus Power for the period under review from Power Division stood at Rs. 36.11



crores compared to Rs. 10.30 crores in the previous year. The division reported increase in turnover on year-to-year basis and the power plant was operated at 55% PLF compared to 52% in the previous year.

#### 4) **Leased Units @ Parwada & Autonagar, Visakhapatnam**

The total revenue for the period 2021-22 also includes turnover from leased units and stood at Rs 27.10 crores against Rs 49.33 crores in the previous year 2020-21.

### **FINANCIAL PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31.03.2022**

#### 1) **Share Capital**

The Authorized share capital of the Company is Rs 332.00 Crs and the paid-up share capital stood at Rs 88.08 Crs. The increase in Paid Up Capital is on account of allotment of 76,92,306 equity shares with Face Value of Rs 10 each at a premium of Rs 29 per share on preferential basis to Promoters and Promoters Group Company.

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

For the year ended 31st March 2022, the Reserves and Surplus have increased from Rs.222.04 crores to Rs.402.99 crores due to transfer of profit for the year to Profit & Loss account [Rs 116.48 Crs], Equity component of compounded financial instruments i.e., CCDs [Rs 44.62 Crs], Share Warrants [Rs 10.56 Crs], Share Premium [Rs 22.31 Crs] and reduction of Revaluation Reserves [Rs 12.90 Crs] & Others [Rs 0.12 Crs].

#### 3) **Secured Loans**

There has been a decrease of Rs 71.64 Crs in Secured Loans [21.5% Non-Convertible Debentures] from Rs.375.99 Crs to Rs.304.35 Crs due to partial redemption of NCDs

#### 4) **Unsecured Loans**

During the year, the Unsecured Loans increased by Rs 63.45 Crs (net) from Rs. 62.01 Crores to Rs. 125.46 Crores. The net increase is on account of allotment of 12% Compulsorily Convertible Debentures [Rs 125.46 Crs] and repayment of unsecured loan of Rs.62.01 Crs.

#### 5) **Fixed Assets**

During the year under review, the Fixed Assets and the total Fixed Assets (net Block) stands at Rs.602.80 crores as against Rs.618.30 crores in the previous year.

### **OPERATIONAL PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31.03.2022**

#### 1) **Income**

The total income of the company stood at Rs.1119.75 Crs for FY 2021-22 against Rs.922.05 Crs for FY 2020-21. During the year, the total operational revenue of the company increased by 21% compared to the previous financial year on account of Demand in steel & Power and increase in prices of the steel.

#### 2) **Direct Cost & Other expenses**

The Direct Costs comprising of cost material consumed, changes in inventories of finished goods, stock in trade & work-in-progress and purchases of traded goods was to Rs.882.61 Crs for FY 2021-22 against Rs.704.74 Crs for FY 2020-21 due to the increase in the prices.

Other expenses comprise of other manufacturing expenses, staff costs, administration and selling & distribution expenses etc. The same was reduced to Rs. 77.60 crores for FY 2021-22 against Rs.110.78 Crs for FY 2020-21 by adopting various operational initiatives.

#### 3) **Interest Cost**

For the year under review, the interest and financial charges were Rs.88.12 Crores representing 7.87% of the turnover as against Rs. 26.24 crores representing 2.84% of the turnover in the previous year. The increase in finance cost / interest cost is on account of payment of interest on CCDs and NCDs. The company is taking various initiatives to reduce the financial costs in the coming year to make the company more sustainable in the long run.

#### 4) Depreciation

The company has provided a sum of Rs.23.75 crores towards depreciation for the year under review as against Rs.24.70 crores in the previous year

#### 5) Provision for Tax

The Company has not provided any amount towards income tax as the Company has accumulated losses. The accumulated losses of GSAL (India) Limited were transferred to the company upon its amalgamation with the company. The deferred tax provision for the period under review is (Rs.101.99) Crores as against Rs.2.65 crores in the previous year.

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

The operations for FY 2021-22 resulted in a net profit of Rs.116.36 Crs as against Rs.140.10 Crs in FY 2020-21.

#### 7) Dividend:

No Dividend is recommended on the Equity Shares for the year ended 31st March 2022

#### 8) Details of significant changes in key financial ratios:

Details of Ratio	2021-22	2020-21	% Change	Reason / Remarks
Debtors' turnover (No of days)	24.41	18.90	29%	Due to Economy Slowdown.
Inventory turnover (No of days)	28.00	19.78	42%	Due to Economy Slowdown.
Interest coverage ratio	1.41	6.91	-80%	Due to interest paid on NCDs & CCDs for 12 months in FY'22 against interest serviced on NCDs for 2 months in FY'21
Current ratio	1.43	1.42	1%	--
Debt equity ratio	0.68	1.24	-45%	Fresh capital infusion resulted in improvement in ratio.
Operating profit margin (%)	11%	20%	-44%	Extreme volatility in steel prices due to high input cost resulted in decrease in margin
Net profit margin (%)	11%	16%	-32%	Increase in finance costs resulted in decrease in margin
Return on net worth (%)	24%	46%	-49%	Fresh capital infusion resulted in decrease in return.

#### RISKS AND CONCERNS

Risk is an integral factor in virtually in all types of businesses and have to be addressed and mitigated to minimize the risks. At Steel Exchange India Limited, risks are adequately identified, estimated and controlled by proper risk mitigations. The company has taken adequate risk minimization measures in all the business verticals and activities in the operations, finance and HR by leveraging its in-depth knowledge of the business acquired during the last 20 years by knowing the markets trends, its competitors and steel sector policies and respond accordingly towards the management of risks. However, the unpredictable challenges like inflation, liquidity crunch, slower industrial growth, depreciating rupee, political instability and volatile commodity prices may likely to affect performance of the industry in future despite the risk measures taken by the company.

During FY2022, the Company with a focused approach took initiatives in the value chain excellence, overall operational excellence, pandemic & crisis management, throughput maximization, enriching product mix, customer centricity with diversification of customer base, sustainable initiatives, employee engagement, synergy & integration and leveraging IT & digital to sustain the most critical situation in the pandemic times. As a priority the Company is taking a long term initiative for a sound robust liquidity management and working capital optimization with better planning taking all the risk parameters into consideration.

During the year 2021-22 the Board level Risk Management Committee was constituted on 9th August, 2021 in the Company. The company is planning to set up SOPs (Standard operating Procedures) in all the functional units across all locations with robust risk identification and mitigation mechanisms for management reporting as per risk governance structure.

#### **INTERNAL CONTROLS & THEIR ADEQUACY**

The Company is having adequate systems of internal control commensurate with its size and nature of its business. These internal controls have been designed to provide reasonable assurance that all company operational and financial processes are adequate to safeguard and protect against any loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

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

#### **HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS**

The Company considers the quality and commitment of its human resources to be its most important asset and places great emphasis on training and development of human resources at all levels and providing conducive working environment. The Management firmly believes that business cannot grow without utilising the potential of its human resources.

As on 31st March, 2022 the total strength of employees is 805 and Trainees is 269. Your Company maintains a cordial relationship with its employees and values the safety of its employees ensuring safe work practices and the Board of Directors and the Management record their appreciation of all its employees for their valuable contribution towards the growth of the Company.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The company as responsible citizen do the CSR activities in and around the Company location and is doing the CSR activities in the Health, Education and Livelyhood to the down trodden society and people. The Management and the company officials along with the NGO's participate in the CSR initiatives and guided by the CSR Board Committee from time to time. During the year FY2021-22 the company has spent Rs1.04 Crores towards the above CSR activities

#### **CAUTIONARY STATEMENT**

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

## Business Responsibility Report

1. Corporate Identity Number (CIN) of the Company	L74100TG1999PLC031191
2. Name of the Company	STEEL EXCHANGE INDIA LIMITED
3. Registered address	D.NO:1-65/K/60, Plot No:60 Abhis Hiranya, 1ST Floor, Kavuri Hills, Hyderabad TG 500081
4. Website	www.seil.co.in
5. E-mail id	CSRAVINDRA.SEIL@GMAIL.COM
6. Financial Year reported	2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Iron & Steel Products
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Iron, Steel and Power
9. Total number of locations where business activity is undertaken by the Company	2
a) Number of International Locations (Provide details of major 5)	NA
b) Number of National Locations	2
10. Markets served by the Company- Local/State/National/International.	Local/State/National

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	1066899270
2. Total Turnover (INR)	11,197,456,231
3. Total profit after taxes (INR)	1,164,803,719
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1,04,64,548 (2% as per CSR Calculation)
5. List of activities in which expenditure in 4 above has been incurred: -	Social Welfare, Medical and Charity

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	NA
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3. Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	NA

**SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR	
i) Details of the Director/Director responsible for implementation of the BR policy/policies	
a) DIN Number	00163676
b) Name	SATISH KUMAR BANDI
c) Designation	Managing Director
ii) Details of the BR head	
a) DIN Number (if applicable)	00163676
b) Name	SATISH KUMAR BANDI
c) Designation	Managing Director
d) Telephone number	040-23403725
e) e-mail id	satish@seil.co.in

**2. Principle-wise (as per NVGs) BR Policy/policies**

The nine principles are as under:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all its employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	No. While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	No. The policies are in compliance with the Local standards and also being reviewed and amended from time to time based on the amendments in the respective regulations.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Some of the Policies which are statutorily required have been formulated by the respective committees and Board. The Policies have been signed by MD of the company								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	As per the Corporate Governance requirements and as per the requirements of SEBI (LODR) Regulations, 2015, some of the Policies are available at <a href="http://seil.co.in/Code and Policies.html">http://seil.co.in/Code and Policies.html</a> .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	NO. Evaluation of the working of the policies shall be carried out during the current financial year by an internal or external agency								

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-



**3. Governance related to BR**

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year	The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.
b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Report shall be published annually by the Company. The BR Report which is a part of the Annual Report of the Company is available for viewing on the Company's website <a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code and Policies.html</a> .

**SECTION E: PRINCIPLE-WISE PERFORMANCE**
**Principle 1 Business Ethics**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has its own Code of Conduct extending to all the employees including the Directors of the company prescribing standards on ethics, transparency and accountability in order to develop a healthy and transparent corporate culture in the Company. It promises in adhering to the greatest governance practices in order to ensure protection of its stakeholders' interests in relation with healthy growth of the Company. The Code intends to prevent any activity / association / relationship by Directors / employees which could bring unfavourable effects to the Company's interest. The Company follows zero tolerance on any acts of bribery, corruption, etc. by any employee in association or otherwise with any outsider. The Corporate Governance framework is further supported by a Whistle Blower Policy which serves as a mechanism for its Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We have not received any stakeholder complaints during the financial year 2021-22 with respect to policy on Business Responsibility Statement.

**Principle 2 Product Responsibility**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a) Iron and Steel

b) Power

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

This information will be given from next financial year as the company is process to implement more internal control systems with respect to compliance of Business Responsibility Statement.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

In steel production, coal and iron ore are the important raw materials. The indigenous and imported Coal required for the company is adequately available for meeting the company's coal requirements. We have long term contracts with some of the Transports for ensuring timely transportation of these raw materials

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company promotes procurement of goods and services from local vendors and small producers. This is primarily done while hiring equipment and services, as well as procuring minor raw materials, stationary items and food supplies. For example, the Company has hired local contractors for hiring mining equipment, dozers, tractors, dumpers etc. It also recruits workers from local communities for construction and operation of its plants. Minor fabrication works and materials are also sourced from local suppliers. The Company is continuously builds and improves the skills and capacity of local contractors.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Wastegenerated from SEI Operations include tailings produced during extraction and beneficiation processes, slag and sludge during mineral processing, fly ash from power plant. For recycling waste, such as fines and iron dust, the Company is in process to set up its Pellet Plant. The Company is working continuously to increase its utilisation percentage.

### Principle 3 Employee Wellbeing

1	Please indicate the Total number of employees.	805
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	269
3	Please indicate the Number of permanent women employees.	9
4	Please indicate the Number of permanent employees with disabilities	2
5	Do you have an employee association that is recognized by management	NO
6	What percentage of your permanent employees is members of this recognized employee association?	NO

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of you under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees	Approx. 60%
(b) Permanent Women Employees	Approx. 30%
(c) Casual/Temporary/Contractual Employees	100%
(d) Employees with Disabilities	Nil

#### **Principle 4 Stakeholder Engagements**

1. Has the company mapped its internal and external stakeholders? Yes/No  
 Yes. The company has mapped its various key internal stakeholders and implements various mechanisms and practices for engaging fruitful discussions and maintaining a cordial relationship. Mapping of various mechanisms and practices with external stakeholders will be established formally in due course.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
 No. No such exercise has ever been done by the company. The same will be undertaken in due course of time.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.  
 No

#### **Principle 5 Human Rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
 Human rights related clauses are also covered under the Company's Code of Conduct, Whistle Blower Policy. The company has zero tolerance for discrimination based on any grounds. These policies cover only to the employees of the Company. However similar policies have also been framed and implemented by the Group Companies.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
 The Company has received no such complaint pertaining to sexual harassment during the reporting year 2021- 22.

#### **Principle 6 Environmental Protection**

1. Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?  
 An Environmental Policy outlining guiding principles and implementation procedures has been recently taken up by Management and it's in process to formulate the same in due course by the Board of Directors of the Company. The said Policy shall extend to Group Companies as well. The company and all its group companies following all Environmental Protection norms as mentioned in its Pollution Control Clearances in all its operations.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
 This information will be given from next financial year as the company is process to implement more initiatives to protect the climate change, global warming.
3. Does the company identify and assess potential environmental risks? Y/N  
 Yes, the Company assesses all the potential environmental impacts before undertaking any new project or modification activity.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?  
 The Company had a project (power generation from waste heat of Sponge Iron Kilns) registered under Clean Development Mechanism and the same was approved by respected authorities.
5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.  
 Yes, the Company is undertaking several energy efficient measures on ongoing basis. The energy efficiency measures

undertaken during the years have been provided in Directors Report under the head Energy Conservation Measures, Technology Adoption and Absorption.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/ waste generated by the Company at all its plant locations were within the permissible limits

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.

No show cause notice has been received from CPCB or SPCB during the FY 2021-22

#### **Principle 7 Public & Regulatory Policy**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, The Company is a member Sponge Iron Manufacturers Association (SIMA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Company is actively involved in the following areas for advocating public good: a) Energy and Raw Material Security; b) Logistic Management; e) Safety and Skill Development; f) Economic Reforms.

#### **Principle 8 CSR**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company undertakes various programmes/ initiatives/projects under its CSR Policy pursuant to the provisions and requirements of the Companies Act, 2013 and Rules made thereunder.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Programmes are being implemented through the CSR Wing of the company. Some of the initiatives are linked with existing government schemes and some of the CSR activities have been undertaken by the Company's internal CSR team.

3. Have you done any impact assessment of your initiative?

No. We will do the impact assessment of our initiatives formally during the current financial year

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company's direct contribution towards community development projects during the financial year 2021-22 is 104.61 Lakhs. The details of the project undertaken during the financial year 2021-22 are given below:

a) Safe drinking water supply; b) Women Empowerment; c) Education; d) Health Care including financial and other support in Covid19 pandemic; e) Plantation;

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Most of the CSR activities have been undertaken by the company itself directly. Wherever donations and contributions have been made for health care, education, Community Development Programmes etc. proper monitoring has been made to ensure proper utilisation of the funds.

**Principle 9 Customer Relation**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?  
We have not received any complaints from any of our customers during the financial year 2021-22. Hence no complaint is pending as on the end of the financial year
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)  
The Company products do not have any mandatory labelling requirements. However, the Company provides test certificates issued by in house quality control experts and sometimes from the certified third parties that contain quality parameters, as well as the chemical and physical properties of the product. The above information is also available in product brochures that are given to customers.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.  
No such case has been filed by stakeholders against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour any time during the last five years. Therefore, no such cases remain pending as on the end of the financial year 2021- 22.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?  
Yes, The Company's Management regularly reviews the feedback/suggestions received by its sales personnel.

**Form No. MR-3  
Secretarial Audit Report**

**For the Financial Year ended 31st March, 2022**

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

To,  
The Members,  
Steel Exchange India Limited,  
CIN: L74100TG1999PLC031191  
D.NO:1-65/K/60, Plot No:60 Abhis Hiranya,  
1st Floor, Kavuri Hills, Hyderabad TG 500081

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

Based on our verification of M/s. Steel Exchange India Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/sSteel Exchange India Limited ("the Company") for the financial year ended on March 31, 2022 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable to the Company during the Audit Period;
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted from any stock exchange during the financial year under review; and



- h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back its securities during the financial year under review.
- 6) Other laws applicable specifically to the Company namely:
- i- The Electricity Act, 2003
  - ii- Indian Boilers Act, 1923
  - iii- Explosives Act, 1884
  - iv- National Tariff Policy
  - v- Mines Act, 1952

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

As on March 31, 2022, the Board of Directors of the Company was not comprised of requisite number of Independent Directors as prescribed under Regulation 17(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

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

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

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. 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.

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

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

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

Place: Hyderabad  
Date: 16.05.2022

**For B S S & Associates**  
Company Secretaries  
**S.Srikanth**  
Partner  
ACS No.: 22119; C P No.: 7999  
UDIN: A022119D000328403

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

To,  
The Members,  
Steel Exchange India Limited,  
CIN: L74100TG1999PLC031191  
D.NO:1-65/K/60, Plot No:60 Abhis Hiranya,  
1st Floor, Kavuri Hills, Hyderabad TG 500081

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

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

**For B S S & Associates**  
Company Secretaries

**S.Srikanth**  
Partner

Place: Hyderabad  
Date: 16.05.2022

ACS No.: 22119; C P No.: 7999  
UDIN: A022119D000328403

**Certificate of Non-Disqualification of Directors**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of  
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Steel Exchange India Limited,  
CIN: L74100TG1999PLC031191  
D.No:1-65/K/60, Plot No:60 Abhis Hiranya,  
1st Floor, Kavuri Hills, Hyderabad Telangana - 500081

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Steel Exchange India Limited having CIN: L74100TG1999PLC031191 and having registered office at D.No:1-65/K/60, Plot No:60 Abhis Hiranya, 1st Floor, Kavuri Hills, Hyderabad Telangana - 500081 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
01	Mr.Satish Kumar Bandi	00163676	01/10/2007
02	Mr.Suresh Bavineni	00181832	28/02/2000
03	Mr.Bandi Ramesh Kumar	00206293	09/02/2015
04	Mr.Suresh Kumar Bandi	00206473	24/02/1999
05	Mr.Veeramachaneni Venkata Krishna Rao	00206884	24/01/2000
06	Mr.Ramineni Ramachandra Rao	00226945	30/01/2006
07	Mr.Kodali Krishnarao	00382726	31/01/2009
08	Mr.Sivaprasad Chivukula	01904785	10/01/2008
09	Mr.Sujata Chattopadhyay	02336683	27/03/2015
10	Mr. Emandi Sankara Rao	05184747	28/05/2021
11	Mr. Shyam Jagetiya	02581262	12/02/2022

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

**For B S S & Associates**  
Company Secretaries

**S.Srikanth**  
Partner

Place: Hyderabad  
Date: 16.05.2022

ACS No.: 22119; C P No.: 7999  
UDIN: A022119D000328458

**Secretarial Compliance Report of Steel Exchange India Limited  
for the year ended March 31, 2022**

To,  
Steel Exchange India Limited,  
D.No:1-65/K/60, Plot No:60, Abhis Hiranya,  
1st Floor, KavuriHills, Hyderabad, Telangana - 500081.

We, B S S & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Steel Exchange India Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
 The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the Review Period;
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable during the Review Period;
  - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars / guidelines issued thereunder;

**And based on the above examination, we hereby report that, during the Review Period:**

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
01	Clause (b) of Sub-regulation (1) of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non compliance related to Board composition – Half of the Board was not comprised of Independent Directors	With the appointment of a Nominee Director on the Board with effect from 12.02.2022, the Board of Directors of the Company was not comprised of requisite number of Independent Directors i.e. at least half of the Board of Directors shall comprise of Independent Directors as the Chairman is Promoter Executive Director.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of the actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

Sr. No.	Action Taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	BSE Limited	Non compliance related to Board composition – Half of the Board was not comprised of Independent Directors	Issued a notice indicating observation reference to the Corporate Governance Report submitted for the Quarter ended March 2022 - Chairperson of Board is not a non-executive director but the number of independent directors is 5 which is less than half of the Board of Directors strength.	The Company provided detailed explanation for non-compliance under Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requested not to take any action against the Company. The Company has not yet received any reply from BSE.
02	National Stock Exchange of India Limited	Non compliance related to Board composition – Half of the Board was not comprised of Independent Directors	Issued a notice to furnish the relevant details/provide explanation for non-compliance of provisions pertaining to Board Composition reference to the Corporate Governance Report submitted for the quarter ended March 31, 2022 - Half of the board is not Independent.	The Company provided detailed explanation for non-compliance under Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requested not to take any action against the Company. The Company has not yet received any reply from NSE.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
01	The company has not intimated the advance Notice of Board Meeting held on 10.02.2021 [Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]. However, the company has submitted clarification to NSE on 03.03.2021.	31.03.2021	The company has submitted clarification and paid fine of Rs.11,800/- to the NSE.	To the best of our knowledge, the non-compliance was not due to any negligence. The Company informed that secretarial department has taken all necessary steps to comply all the applicable provisions.

for **B S S & Associates**  
Company Secretaries

**S.Srikanth**  
Partner

Place: Hyderabad  
Date: 16.05.2022

ACS No.: 22119 | C.P. No.: 7999  
UDIN: A022119D000328436

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

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

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

The below material contracts or arrangement or transactions at arm's length entered into during the year ended March 31, 2022.

<b>Name of the related party</b>	Vizag Profiles Private Limited	SAWP Steel Limited.
<b>Name of the Director or KMP who is related, if any</b>	Shri B Suresh Kumar, Shri B Suresh and Shri V V Krishna Rao are the common directors in SEIL and VPPL	Mr. Mohit Sai Kumar Bandi, S/o. Mr. Bandi Ramesh Kumar, and other relatives of directors holding more than 20percent of total shareholding in M/s. SAWP Steel Limited
<b>Nature of relationship</b>	Group Company/Common Directors	Holding more than 20 percent of Shareholding by Director and immediate relative of Director.
<b>Nature of contracts /arrangements / transactions</b>	Sale, purchase or supply of goods or materials Availing or rendering of services and leasing of property	Sale, purchase or supply of goods or materials Availing or rendering of services and leasing of property
<b>Duration of the contracts / arrangements / transactions</b>	---	---
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	---	---
<b>Any other information relevant or important for the members to take a decision on the proposed resolution.</b>	Raw material available with related party in-house and of desired quality at market price.	Raw material available with related party in-house and of desired quality at market price.
<b>Date(s) of approval by the Board, if any:</b>	---	---
<b>Amount paid as advances, if any:</b>	---	---

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

Place: Hyderabad  
Date: 16.05.2022

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



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

**A. CONSERVATION OF ENERGY:**

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

**B. TECHNOLOGY ABSORPTION: Nil**

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

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

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

Particulars	March 31, 2022	March 31, 2021
Used (Outgo)	255.44	102.01
Earned	Nil	Nil

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

**Place: Hyderabad**  
**Date: 16.05.2022**

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

**Annual Report on CSR Activities**

1. Brief outline on CSR Policy of the Company: The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII of the Companies Act, 2013.

**2. Composition of CSR Committee:**

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr.E Sankara Rao	Independent Director	1	1
2	Mr.Ramineni Ramachandra Rao	Independent Director	1	1
3	Mr.Kodali Krishna Rao	Independent Director	1	1
4	Mr. Bandi Satish Kumar	Non-Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [http://seil.co.in/Code\\_and\\_Policies.html](http://seil.co.in/Code_and_Policies.html)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	Nil	Nil
2	2019-20	Nil	Nil
3	2018-19	Nil	Nil
	<b>Total</b>	Nil	Nil

6. Average net profit of the company as per section 135(5): Rs.51,32,21,052
7. (a) Two percent of average net profit of the company as per section 135(5): Rs.1,02,64,421  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs.1,02,64,421
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Amount	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
104.64	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Social Welfare	(iii)	Yes	Andhra Pradesh	Visakhapatnam	83,76,776	Yes	NA	NA
2.	Medical	(i)	Yes	Andhra Pradesh	Visakhapatnam	12,67,204	Yes	NA	NA
3.	Charity	(i) & (iii)	Yes	Andhra Pradesh	Visakhapatnam	8,20,568	Yes	NA	NA
	<b>Total</b>					<b>1,04,64,548</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 104.64 Lakhs

(g) Excess amount for set off, if any: 2.00 Lakhs

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	1,02,64,421
(ii)	Total amount spent for the Financial Year	1,04,64,548
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,00,127
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,00,127

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2017-18	NIL	NIL	NA	NIL	NA	NIL
2.	2018-19	NIL	NIL	NA	NIL	NA	NIL
3.	2019-20	NIL	NIL	NA	NIL	NA	NIL
	Total	NIL	NIL	NA	NIL	NA	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (In Rs.)	(9) Status of the project - Completed /Ongoing.
1	-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details):

- Date of creation or acquisition of the capital asset(s): NA
- Amount of CSR spent for creation or acquisition of capital asset: Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

**B. Satish Kumar**  
Managing Director  
DIN: 00163676

**[E Sankara Rao]**  
(Chairman CSR Committee)

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

Sl.No.	Name of the Director/CFO/Company Secretary	(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	(ii)The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
1	B. SATISH KUMAR, MD	30.89	3.03%
2	B. SURESH KUMAR, JMD	27.15	NIL
3	B.RAMESH KUMAR, JMD & CFO	27.15	NIL
4	V. V. KRISHNA RAO	NA	NIL
5	B. SURESH	NA	NIL
6	R. RAMACHANDRA RAO*	NA	NIL
7	C. SIVA PRASAD*	NA	NIL
8	K. KRISHNA RAO*	NA	NIL
9	E SANKARA RAO*	NA	NIL
10	SUJATA CHATTOPADHYAY*	NA	NIL
11	SHYAM JAGETIYA	NA	NIL
12	G. Venkata Narayana Reddy**	NA	NIL
13	M RAVEENDRA BABU, COMPANY SECRETARY	NA	NIL

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

\*\* Mr. G Venkata Narayana Reddy was ceased as director of the company with effect from 6th May, 2021 on account of death.

There was 3.03% increase in Remuneration paid to B. Satish Kumar, Managing Director during the Financial Year ended March 31, 2022

There was no increase in Remuneration paid to Mr. B Suresh Kumar, Joint Managing Director and Mr. B Ramesh Kumar, Joint Managing Director & CFO of the company during the Financial Year ended 31.03.2022

**The percentage increase in the median remuneration of employees in the financial year is: NIL**

**The number of employees on the rolls of company as on 31.03.2022**

There are 805 Employees and 269 Trainees on the rolls of the Company.

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

There are three Whole Time Directors i.e., B. Satish Kumar, Managing Director and B. Suresh Kumar, Joint Managing Director and B. Ramesh Kumar; Joint Managing Director. There was 3.03% increase in Remuneration paid to B. Satish Kumar, Managing Director during the Financial Year ended March 31, 2022.

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

On behalf of the Board of Directors  
For **Steel Exchange India Limited**  
**B. Satish Kumar**  
Chairman and Managing Director  
(DIN:00163676)

Place: Hyderabad  
Date: 16.05.2022

**CORPORATE POLICIES OF THE COMPANY**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandates the formulation of certain policies for all listed companies. The corporate governance policies are available on the Company's website, at [www.seil.co.in](http://www.seil.co.in). The policies are reviewed periodically by the Board and updated as needed. Key Policies of the Company are:

<b>NAME OF THE POLICY</b>	<b>BRIEF DESCRIPTION</b>	<b>WEBLINK</b>
POLICY ON FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS	The familiarization program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
ARCHIVAL POLICY	This policy deals with retention and Archival of corporate records of the company	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
NOMINATION AND REMUNERATION POLICY	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non -executive) and also the criteria for determining the remuneration of the directors, KMP, senior management and other employees.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
PERFORMANCE EVALUATION POLICY	This policy formulates the criteria for conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior of the Board of Directors.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
CORPORATE SOCIAL RESPONSIBILITY POLICY	The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment, etc.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
INSIDER TRADING POLICY	This policy formulates the criteria for trading of Equity shares of the company by Insiders of the company from time to time as per SEBI PIT Regulations.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>



RELATED PARTY TRANSACTION POLICY	The policy regulates all transactions between the Company and its related parties during the course of business transactions between them.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
WHISTLEBLOWER POLICY – VIGIL MECHANISM	The Company has adopted Vigil Mechanism for Directors and Employees of the Company to report genuine concerns. The vigil mechanism provides for adequate safeguard against the victimization of Directors and employees and also provide direct access to the nodal officers of the Company	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
PRESERVATION OF DOCUMENTS POLICY	The Company has adopted this Policy for Preservation of Documents, as required under applicable regulations.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
POLICY ON DISCLOSURE OF MATERIAL EVENTS / INFORMATION	This policy applies to disclosure of material event affecting the company and its subsidiaries.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES	The policy regulates all Codes, Practices and Procedures for Fair Disclosures.	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>
DIVIDEND DISTRIBUTION POLICY	This Policy applies to dividends of the Company	<a href="http://seil.co.in/Code_and_Policies.html">http://seil.co.in/Code_and_Policies.html</a>

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

Place: Hyderabad  
Date: 16.05.2022

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

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **M/s. Steel Exchange India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 together with the ethical requirements that are relevant to our audit of the standalone 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.

#### **Key audit matters**

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

S.No	Key Audit matter
1.	<p>During the year, the Company has issued 12% Compulsorily Convertible Debentures ("CCDs") to M/s Vizag Profiles Private Limited and M/s Viswasamudra Holdings Private Limited for a principal amount of Rs 124.41 crores and 45.67 crores respectively. These CCDs shall be converted into 1,71,60,000 equity shares and 63,00,000 equity shares of the company respectively within 18 months from the date of issue.</p> <p>We identified assessing the accounting of CCDs as a key audit matter because the accounting of such financial instruments is complex and involves judgement due to contractual terms and assumptions used in determining accounting thereof.</p> <p><b>Auditor's Response</b></p> <p><b>Principal Audit Procedure</b></p> <p>Our audit procedures to assess the accounting of the CCDs included the following:</p> <ol style="list-style-type: none"> <li>Obtained understanding of the contractual terms of the CCD agreement.</li> <li>Obtained accounting analysis of CCDs from the management and reviewed the same in light of appropriate accounting guidance.</li> <li>Performed audit procedures on valuation inputs and accounting entries of the transaction.</li> <li>Assessing the appropriateness of the disclosures in the financial statement in respect of the financial instruments.</li> </ol>
2	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer note no 3.32 to the Standalone Financial Statements</p> <p><b>Auditor's Response</b></p> <p><b>PRINCIPAL AUDIT PROCEDURE</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management. Discussed with the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2022 to evaluate whether any change was required to management's position on these uncertainties.</p>
3	<p><b>Recoverability of Indirect tax receivables</b></p> <p>As at March 31, 2022, other noncurrent assets include Indirect tax balance receivable amounting to Rs 17,53,82,251 out of which amount of Rs 7,96,93,400 are pending adjudication.</p> <p>Refer Note 3.2 to the Standalone Financial Statements.</p> <p><b>Auditor's Response</b></p> <p><b>PRINCIPAL AUDIT PROCEDURE</b></p> <p>We have verified the relevant documents and records, the sustainability and likelihood of recoverability upon final resolution.</p>

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

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

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

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

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

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

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

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

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

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

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

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

- o Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- o Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- o Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- o Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note: 3.32 b & c)
- ii. The Company 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has neither declared nor paid any dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Place : Hyderabad**  
**Date : 25.04.2022**

**(CA S KAVITHA PADMINI)**  
**PARTNER**  
**M.No : 229966**  
**UDIN : 21229966AAAACU2937**



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **M/s. Steel Exchange India limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

**Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : Hyderabad  
Date : 25.04.2022**

**(CA S KAVITHA PADMINI)  
PARTNER  
M.No : 229966  
UDIN : 21229966AAAACU2937**

**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company does not have intangible assets, hence order I (a)(B) not applicable.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were material.
  - (b) During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company's (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained.
- vii.
  - (a) According to the information and explanations given to us and the records of the company examined by us, the company is regular in depositing undisputed statutory dues including Provident fund, Employee State Insurance, Income tax, sales tax, customs duty, goods and service tax and any other statutory dues as applicable with appropriate authorities. There were no arrears of outstanding statutory dues as on last day of the financial year concerned for a period of more than six months from the date on which they become payable.
  - (b) According to the information and explanation given to us, the following dues of the service tax, customs duty, excise duty, value added tax, GST, Central sales tax, Cess and other statutory dues which have not been deposited with appropriate authorities on account of any dispute.

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount in ₹.	Deposits/ Paid in (₹.)	Forum where the dispute is pending with
CST Act	Sales Tax	2004-05	28,27,172/-	3,53,397/-	CTO, Gajuwaka, Visakhapatnam
CST Act	Sales Tax	2005-06	47,85,829/-	23,92,914/-	STAT, Visakhapatnam
AP VAT Act		2011-12	11,57,334/-	11,57,334/-	
AP VAT	Sales Tax	2019-20	2,74,70,664	42,53,000/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2013-14	11,85,189/-	8,24,678/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2012-13	23,21,766/-	10,63,250/-	ADC APPEAL, Vijayawada
AP VAT Act	Sales Tax	2013-14	1,18,549/-	1,18,189/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2014-15	8,68,360/-	37,09,169/-	Appellate Deputy Commissioner, Visakhapatnam
AP VAT ACT	Sales tax	2012-13	13,94,858/-	3,48,715/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2015-16	31,41,694/-	7,85,424/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2016-17	82,70,573/-	20,67,643/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2017-18	13,19,062/-	3,29,765/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2014-15	57,375/-	57375/-	STAT, Visakhapatnam
AP VAT ACT	Sales tax	2015-16	2,63,227/-	1,31,614/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2016-17	5,17,834/-	2,58,917	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2015-16	1,76,43,584/-	88,21,792	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2015-16	44,10,896/-	NIL	Appellate Deputy Commissioner (CT), Vijayawada
Customs Act	Customs Duty	2003-04	54,35,648/-	NIL	Hon'ble High Court of Telangana & AP
Customs Act	Customs Duty	2012-13	67,38,452/-	NIL	CESTAT, Bangalore
Central Excise Act,	Excise Duty	2007-08	86,30,228/-	10,00,000/-	CESTAT, Bangalore
Central Excise Act	Excise Duty	2009-10			Commissioner of Central Excise,
		2010-11 & 2011-12	61,18,776/-	50,00,000/-	Visakhapatnam
Central Excise Act	Excise Duty	2010-11	14,35,189/-	NIL	Hon'ble High Court of Telangana & AP
Central Excise Act	Excise Duty	2014-15	8,23,38,648	3,46,13,208/-	Commissioner of Central Excise, Visakhapatnam.
Customs Act	Customs duty	2012-13	2,18,06,647/-	NIL	Hon'ble Customs, Central Excise & Service Tax - Appellate Tribunal, Telangana
Excise Act	Excise duty	2012-13	7,73,767/-	NIL	Assistant Commissioner of Customs & Central Excise, Visakhapatnam
Excise Act	Excise duty	2014-15 to 2017-18	87,30,013/-	NIL	Commissioner of Central Tax & Customs, (Appeals), Guntur
Excise Act	Excise duty	2015-16	6,90,69,600/-	5,27,20,200/-	Principle Commissioner of Central Excise, Visakhapatnam

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount in ₹.	Deposits/ Paid in (₹.)	Forum where the dispute is pending with
Service Tax Act	Service Tax	2013-14 to 2016-17	17,98,12,034/-	1,34,81,800/-	Commissioner of Central tax, Visakhapatnam
Service Tax Act	Service tax	2016-17	1,22,63,893/-	Nil	Additional Commissioner of central Tax, Visakhapatnam
Service Tax Act	Service tax	2017-18	18,76,843/-	Nil	Additional Commissioner of central tax, Visakhapatnam
Service Tax Act	Service tax	2016-17	52,25,963/-	Nil	Principle Commissioner of central Tax, Visakhapatnam
GST Act	GST	2017-18	69,21,076/-	NIL	Deputy Commissioner of central Tax, Rajamahendravaram
GST Act	GST	2017-18	20,20,429/-	NIL	Deputy Commissioner of central Tax, Visakhapatnam

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
- ix. (a) According to the records of the company examined by us, the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks as on at the balance sheet date.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has taken term loan during the year and have applied for the purpose it was obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) the company has made preferential allotment or private placement of shares and convertible debentures (fully convertible) during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were obtained.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable

- xiii. According to the information and explanations to us and based on our examination of the records of the company transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

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

**Place : Hyderabad  
Date : 25.04.2022**

**(CA S KAVITHA PADMINI)  
PARTNER  
M.No : 229966  
UDIN : 21229966AAAACU2937**



**BALANCE SHEET AS AT 31ST MARCH, 2022**

PARTICULARS	Note No.	As at 31.03.2022 Amount ₹	As at 31.03.2021 Amount ₹
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	3.1	5,960,154,841	6,118,296,289
b) Capital work-in-progress	3.1.1	67,876,186	64,762,761
c) Other non-current assets	3.2	431,934,455	466,685,872
d) Deferred tax Asset (net)	3.3	705,528,945	-
<b>Total non-current assets</b>		<b>7,165,494,426</b>	<b>6,649,744,922</b>
<b>Current assets</b>			
a) Inventories	3.4	2,373,943,627	1,937,413,857
b) Financial assets			
i) Trade receivables	3.5	920,167,135	550,453,801
ii) Cash and cash equivalents	3.6.1	142,686,465	20,704,194
iii) Other bank balances	3.6.2	10,760,643	26,786,332
iv) Other financial assets	3.7	348,061,491	344,258,562
c) Other current assets	3.8	211,094,451	199,583,433
		<b>4,006,713,812</b>	<b>3,079,200,179</b>
Assets Classified as held for sale	3.9	-	<b>162,173,048</b>
<b>Total current assets</b>		<b>4,006,713,812</b>	<b>3,241,373,227</b>
<b>Total assets</b>		<b>11,172,208,239</b>	<b>9,891,118,149</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	3.10	880,811,770	803,888,710
b) Other equity	3.11	4,029,900,032	2,220,393,737
<b>Total equity</b>		<b>4,910,711,802</b>	<b>3,024,282,447</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	3.12	3,437,001,805	4,129,919,021
ii) Other financial liabilities	3.13	-	186,087,500
b) Deferred tax liabilities (net)	3.3	-	314,441,044
c) Provisions	3.14	19,500,955	15,050,077
<b>Total non-current Liabilities</b>		<b>3,456,502,760</b>	<b>4,645,497,642</b>
<b>Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	3.15	98,724,976	-
ii) Trade payables	3.16	807,565,762	948,619,053
iii) Other financial liabilities	3.17	1,352,991,755	526,029,804
b) Other current liabilities	3.18	544,560,765	696,302,923
c) Provisions	3.19	1,150,418	386,281
		<b>2,804,993,677</b>	<b>2,171,338,061</b>
Liabilities directly associated with assets classified as held for sale	3.9	-	50,000,000
<b>Total current liabilities</b>		<b>2,804,993,677</b>	<b>2,221,338,061</b>
<b>Total equity and liabilities</b>		<b>11,172,208,239</b>	<b>9,891,118,149</b>

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

As per our report of even date

For **BHAVANI & CO**  
Chartered Accountants  
Firm Reg. No:012139S  
**CA S Kavitha Padmini**  
Partner

M.No. : 229966  
UDIN : 21229966AAAAACU2937  
Place: **Hyderabad**  
Date : **25.04.2022**

for and on behalf of the Board of Directors

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

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

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

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

PARTICULARS		Note No.	Year Ended 31.03.2022 Amount ₹	Year Ended 31.03.2021 Amount ₹
I	Revenue from operations	3.20	10,994,537,988	8,984,144,297
II	Other Income	3.21	202,918,243	236,333,600
<b>III</b>	<b>Total Income (I+II)</b>		<b>11,197,456,231</b>	<b>9,220,477,897</b>
<b>IV</b>	<b>Expenses :</b>			
	Cost of materials consumed	3.22	7,436,503,033	5,722,136,792
	Purchase of Traded goods	3.23	1,326,001,817	1,419,225,552
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	3.24	63,622,393	(93,975,976)
	Employee benefit expenses	3.25	300,080,726	259,218,820
	Finance costs	3.26	881,182,935	262,420,521
	Depreciation	3.1	237,523,260	246,985,099
	Impairment allowance for doubtful debts and other receivables		(19,287,579)	(123,191,780)
	Other expenses	3.27	826,995,917	639,931,779
	<b>Total Expenses (IV)</b>		<b>11,052,622,501</b>	<b>8,332,750,805</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>144,833,730</b>	<b>887,727,091</b>
VI	Add: Exceptional Items	3.28	-	538,600,790
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>		<b>144,833,730</b>	<b>1,426,327,881</b>
VIII	Tax expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax	3.29	(1,019,969,989)	26,530,673
	(3) Tax expense of Prior Years/(Excess provision written Back)	-	76,480	
<b>IX</b>	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>1,164,803,719</b>	<b>1,399,720,728</b>
	<b>Other comprehensive income (OCI)</b>			
A)	(i) Items that will not be reclassified to profit or loss	3.36.1(E)	(1,665,619)	1,808,367
	(ii) Income tax relating to items that will not be reclassified to profit or loss		519,673	(564,211)
<b>X</b>	<b>Total Other comprehensive income for the Year (Net of Tax)</b>		<b>(1,145,946)</b>	<b>1,244,156</b>
<b>XI</b>	<b>Total comprehensive income/(Loss) for the Year (IX+X)</b>		<b>1,163,657,773</b>	<b>1,400,964,885</b>
XII	Earnings per equity share:			
	(1) Basic	3.36.4	13.42	18.27
	(2) Diluted		13.34	18.27

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

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

Chartered Accountants  
Firm Reg. No:012139S

**CA S Kavitha Padmini**  
Partner

M.No. : 229966  
UDIN : 21229966AAAACU2937

**Place: Hyderabad**

**Date : 25.04.2022**

for and on behalf of the Board of Directors

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

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

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

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

**a) Equity share capital Statement of changes in Equity for the year ended 31st March, 2022**

Particulars	Note No.	Amount ₹.
<b>Balance at the beginning of the reporting period i.e. April 1, 2020</b>	3.10	<b>759,848,120</b>
Changes in Equity Share Capital during the year 2020-21		44,040,590
<b>Balance at the end of the reporting period i.e. March 31, 2021</b>		<b>803,888,710</b>
Changes in Equity Share Capital during the year 2021-22		76,923,060
<b>Balance at the end of the reporting period i.e. March 31, 2022</b>	3.10	<b>880,811,770</b>

Particulars	Equity Component of Compounded Financial Instrument	Share warrants	Securities premium Reserve	Retained earnings	Capital Reserve	Revaluation Reserve	Reserves and surplus					Amount ₹.	
							Amalgamation Reserve	Capital Redemption Reserve	Subsidy	General Reserve	Investment Allowance Reserve		Other items of other comprehensive income
Balance at the beginning of the reporting period i.e. April 1, 2020	-	-	897,823,960	(5,027,415,003)	1,795,077,280	2,313,346,334	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	(3,324,079)	795,155,715
a) Profit for the year				1,399,720,728									1,399,720,728
b) Total comprehensive income for the year												1,244,156	1,244,156
c) Additions			827,717,710										827,717,710
d) Deletions						103,444,573							103,444,573
Balance at the end of the reporting period i.e. March 31, 2021	-	-	1,025,541,670	(3,627,694,275)	1,795,077,280	2,210,401,761	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	(2,079,923)	2,220,393,737
a) Profit for the year				1,164,803,719									1,164,803,719
b) Total comprehensive income for the year												(1,145,946)	(1,145,946)
c) Additions	446,223,466	105,526,500	223,076,874										774,826,860
d) Deletions						128,978,338							128,978,338
Balance at the end of the reporting period i.e. March 31, 2022	446,223,466	105,526,500	1,248,618,544	(2,462,890,556)	1,795,077,280	2,081,423,423	753,922,917	5,504,000	1,500,000	56,500,000	1,720,306	(3,225,889)	4,029,910,032

(\*) Includes dues to companies where directors are interested of ₹.32,63,93,650 (Previous year: ₹.Nil)  
The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date  
For **BHAVANI & CO**  
Chartered Accountants  
Firm Reg. No:012139S

**CA S Kavitha Padmini**  
Partner

M.No. : 229966  
UDIN : 21229966AAAACU2937

**Place: Hyderabad**  
**Date : 25.04.2022**

for and on behalf of the Board of Directors

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

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

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

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022**

Particulars	Year Ended 31.03.2022 Amount (₹)	Year Ended 31.03.2021 Amount (₹)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax after exceptional items as per the statement of profit and loss for the year	144,833,730	1,426,327,881
Adjustment for non cash/ non operational expenses:		
a) Depreciation and impairment of property, plant and equipment	237,523,260	246,985,099
b) Bad debts written off	-	98,651,595
c) Advances written off	-	81,574,605
d) Depletion/Erosion of Inventory	-	3,978,028,097
e) Gain on extinguishment of liability on account of One Time Settlement (OTS)	-	(4,696,855,087)
f) Finance costs recognised in profit or loss	881,182,935	262,420,521
g) Loss/ (gain) on disposal of property, plant and equipment	(142,126,169)	(123,535,585)
<b>Operating profit before working capital changes</b>	<b>1,121,413,756</b>	<b>1,273,597,126</b>
Adjustments for working capital changes:		
a) Decrease/(Increase) in Trade Receivables	(369,713,335)	(269,182,948)
b) Decrease/(Increase) in Inventories	(436,529,770)	(144,204,597)
c) (Increase)/Decrease in Other non Current Assets	14,205,678	(114,222,302)
d) (Increase)/Decrease in Other Financial Assets	(3,802,929)	(67,947,779)
e) (Increase)/Decrease in Other Current Assets	(10,991,345)	4,516,164
f) (Increase)/Decrease in Deferred revenue	36,571,428	(177,853,768)
g) Increase/ (Decrease) in Trade Payables	(141,053,291)	(140,680,989)
h) Increase/ (Decrease) in Other financial liabilities	29,870,726	(9,757,596)
i) Increase/ (Decrease) in Other current liabilities	(200,978,019)	439,232,384
j) Increase/ (Decrease) in Other non current liabilities	2,785,259	(406,615)
<b>Cash generated from operations</b>	<b>41,778,158</b>	<b>793,089,079</b>
Less: Income taxes paid	-	76,480
<b>Net Cash Flow from operating activities</b>	<b>41,778,158</b>	<b>793,012,599</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
a) Payments for property, plant and equipment	(79,901,746)	(18,940,728)
b) Proceeds from disposal of property, plant and equipment	175,840,815	167,915,390
c) (Increase)/Decrease in Capital Work in Progress	(3,113,425)	(20,266,232)
<b>Net Cash Flow from investing activities</b>	<b>92,825,644</b>	<b>128,708,431</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
a) Proceeds from Issue of Compulsorily Convertible Debentures including Equity component of financial liability (CCDs)	1,700,850,000	-
b) Proceeds from Issue of Non Convertible Debentures	-	3,759,919,021
c) Increase in short term borrowings	98,724,976	-
d) Repayment of other borrowings	(716,416,700)	(5,145,835,611)
e) Increase/(Decrease) in Unsecured Loans	(620,123,304)	320,000,000
f) Payment of Finance costs	(881,182,935)	(262,449,905)
g) Proceeds from Issue of Equity Shares	76,923,060	44,040,590
h) Proceeds from Security Premium Reserve	223,076,874	127,717,710
i) Proceeds from Share warrants	105,526,500	-
<b>Net Cash Flow from financing activities</b>	<b>(12,621,530)</b>	<b>(1,156,608,195)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>121,982,272</b>	<b>(234,887,165)</b>
Cash and cash equivalents at the beginning of the year	20,704,194	255,591,359
<b>Cash and cash equivalents at the end of the year</b>	<b>142,686,465</b>	<b>20,704,194</b>

As per our report of even date the accompanying notes form an integral part of the standalone financial statements.

For **BHAVANI & CO**

for and on behalf of the Board of Directors

Chartered Accountants

Firm Reg. No.:012139S

**CA S Kavitha Padmini**

Partner

M.No. : 229966

UDIN : 21229966AAAACU2937

Place: **Hyderabad**

Date : **25.04.2022**

**B. SATISH KUMAR**

Chairman-cum-Managing Director

DIN : 00163676

**B. RAMESH KUMAR**

Jt. Managing Director-cum-Chief Financial Officer

DIN : 00206293

**B. SURESH KUMAR**

Jt. Managing Director

DIN : 00206473

**M. RAVEENDRA BABU**

Company Secretary

M. No. : A34409

## **Significant Accounting Policies and Notes to Financial Statements**

### **1. Corporate information**

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

The Company is a Public Limited Company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana, India. The company has its listing on the BSE, NSE Limited and (CSE - under process of delisting)

### **2. Significant accounting policies**

#### **2.1 Basis of preparation and Presentation**

##### **(a) Basis of measurement**

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

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

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

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

##### **(c) Functional and presentation currency**

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

##### **(d) Use of estimates and judgement**

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

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

#### **2.2 Summary of significant accounting policies**

##### **2.2.1 Fair value measurement**

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

##### **2.2.2 Investments in subsidiaries, associates and joint ventures**

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

##### **2.2.3 Financial Instruments**

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



For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

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

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

**(a) Non-derivative financial assets**

**Financial assets at amortized cost**

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

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

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

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

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

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

**Financial assets at fair value through profit or loss**

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

**(b) Non-derivative financial liabilities**

**Financial liabilities at amortized cost**

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

**Compound financial instrument**

- The component parts of compound instruments (compulsory convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
- A conversion option that will be settled by the exchange of a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, and is not subsequently re measured.
- In addition, the conversion option classified as equity will remain in equity until the conversion is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in statement of profit and loss upon conversion or expiration of the conversion option.



#### **2.2.4 Property, Plant and Equipment:**

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

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

The useful life of the assets adopted by the company is as per schedule II of the Companies Act, 2013 as follows:

Building	60 years
Factory Buildings	30 years
Plant and Machinery and Others	15 years
Plant and Machinery (Power Generation)	40 years
Plant and Machinery (Rolling Mill)	20 years
Office equipment	05 years
Computer equipment	03 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles (Other than two wheelers)	08 years
Vehicles	10 years
Roads (carpeted-other than RCC)	05 years
Roads (Non-carpeted)	03 years

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

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

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

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

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

#### **2.2.5 Capital work-in progress:**

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

#### **2.2.6 Leases:**

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

#### **Where the Company is the lessee**

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

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

### Where the Company is the Lessor

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

#### 2.2.7 Inventory:

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

#### 2.2.8 Impairment:

##### (a) Financial Assets

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

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

##### (b) Non-financial assets

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

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount

of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### **2.2.9 Employee benefits:**

#### **(a) Gratuity & Provident Fund:**

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

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

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

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

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

#### **(b) Other Benefits:**

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

### **2.2.10 Provisions:**

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

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

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

### **2.2.11 Revenue recognition:**

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

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

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

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

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

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

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

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

#### **Disaggregate revenue information**

Revenue from Operations presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 by type of goods or services. Refer table in note no.3.20

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

#### **Trade receivables and contract balances**

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

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

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

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

During the year ended March 31, 2022, the Company recognized revenue of Rs.42.19 crore arising from opening unearned revenue as of April 1, 2021.

#### **Performance obligations and remaining performance obligations**

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

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

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹.35.42 crore. Out of this, the Company expects to recognize revenue of around 97% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment; the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18, Revenue instead of Ind AS 115, Revenue from Contracts with Customers on the financials results of the Company for the year ended and as at March 31, 2022 is insignificant. terminations, changes in the scope of contracts, periodic revaluations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those meeting the exclusion criteria mentioned above, is Rs.44.55 crore. Out of this, the Company expects to recognize revenue of around 98% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment; the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18, Revenue instead of Ind AS 115, Revenue from Contracts with Customers on the financials results of the Company for the year ended and as at March 31, 2022 is insignificant.

#### **2.2.12 Finance income and expense**

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

#### **2.2.13 Income tax**

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

##### **(a) Current income tax**

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

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

##### **(b) Deferred income tax**

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

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available

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

#### **2.2.14 Earnings per share**

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

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

#### **2.2.15 Foreign Currency Transactions:**

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

#### **2.2.16 Borrowing costs**

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

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



### Note-3.1: Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the period ended March 31, 2022 are as follows:

	Freehold Land and Roads	Freehold Buildings	Machinery	Electricals	Equipments	Furniture & Fixtures	Vehicles	Roads	Railway Sidings	Total
Gross carrying value as on April 1, 2020	2,002,855,003	2,257,563,575	5,725,918,136	491,212,323	51,289,218	17,641,687	70,760,226	126,515,042	67,562,743	10,811,317,954
Additions	-	159,322	17,734,801	-	890,961	130,644	25,000	-	-	18,940,728
Deletions	80,100,000	52,166,060	80,416,099	-	-	-	9,472,357	-	-	222,454,516
Reclassified as held for sale	(142,090,000)	(28,675,410)	-	-	-	-	-	-	-	(170,765,410)
Gross carrying value as on March 31, 2021	1,780,665,003	2,176,581,427	5,663,236,838	491,212,323	52,180,179	17,772,331	61,312,869	126,515,042	67,562,743	10,437,038,756
Accumulated depreciation as on April 1, 2020	-	595,148,359	2,852,819,741	396,671,531	47,441,381	15,964,478	61,284,628	121,135,145	64,184,605	4,154,979,867
Depreciation	-	70,783,131	137,880,632	36,236,801	2,383,878	868,633	1,381,817	-	-	249,534,892
Accumulated depreciation on deletions	-	17,403,028	49,545,052	-	-	-	7,682,059	-	-	74,630,138
Eliminated on reclassification as held for sale	-	(8,592,362)	-	-	-	-	-	-	-	(8,592,362)
Impairment losses recognised in profit or loss	-	(847,929)	(114,285)	(411,983)	(854,196)	(218,998)	(102,402)	-	-	(2,549,793)
Accumulated depreciation as on March 31, 2021	-	639,388,173	2,941,071,035	432,496,349	48,971,063	16,614,112	54,881,984	121,135,145	64,184,605	4,318,742,466
Gross carrying value as on April 1, 2021	1,780,665,003	2,176,581,427	5,663,236,838	491,212,323	52,180,179	17,772,331	61,312,869	126,515,042	67,562,743	10,437,038,756
Additions	-	10,563,711	58,953,359	-	929,575	385,831	3,446,334	5,622,936	-	79,901,746
Deletions	-	-	5,920,960	-	-	-	15,381,114	-	-	21,502,074
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-
Gross carrying value as on Mar 31, 2022	1,780,665,003	2,187,145,138	5,716,269,237	491,212,323	53,109,755	18,138,162	49,178,089	132,137,978	67,562,743	10,495,138,428
Accumulated depreciation as on April 1, 2021	-	639,388,173	2,941,071,035	432,496,349	48,971,063	16,614,112	54,881,984	121,135,145	64,184,605	4,318,742,466
Depreciation	-	67,596,220	134,832,004	32,211,196	1,156,588	228,084	1,064,995	434,173	-	237,523,260
Accumulated depreciation on deletions	-	-	5,920,960	-	-	-	15,061,179	-	-	20,982,139
Eliminated on reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in profit or loss	-	706,984,393	3,069,982,079	464,707,545	50,127,651	16,842,197	40,885,801	121,569,318	64,184,605	4,535,283,587
Accumulated depreciation as on Mar 31, 2022	-	1,480,160,745	2,646,287,158	26,504,778	2,982,104	1,315,965	8,292,288	10,568,660	3,378,138	5,960,154,841
Carrying value as on Mar 31, 2022	1,780,665,003	1,706,984,393	3,069,982,079	58,715,974	3,209,117	1,158,219	6,430,885	5,379,897	3,378,138	6,118,296,289
Carrying value as on March 31, 2021	1,780,665,003	1,537,193,254	2,722,165,803	58,715,974	3,209,117	1,158,219	6,430,885	5,379,897	3,378,138	6,118,296,289

#### Note-3.1.1: Capital-Work-in Progress (CWIP)

Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows:

	Amount ₹			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3Years
<b>CWIP</b>				<b>Total</b>
Projects in Progress	13,252,906	10,126,747	178,973	67,876,186
Projects temporarily suspended	-	-	-	-
<b>Total CWIP as on March 31, 2022</b>	<b>13,252,906</b>	<b>10,126,747</b>	<b>178,973</b>	<b>67,876,186</b>

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2022:

	To be completed in			Total
	Less than 1 Year	1-2 Years	More than 3Years	
<b>CWIP</b>				<b>Total</b>
Roads-Alternate Road Linking Rolling Mill	7,500,000	7,500,000	7,500,000	22,500,000
Sponge Iron Div-Cone Crusher	5,000,000	-	5,000,000	5,000,000
LRP (SMS)	5,000,000	-	5,000,000	5,000,000
Roads-Railway Siding	10,000,000	-	-	10,000,000
Sponge Iron-1mn (Mis)	700,000,000	1,000,000,000	7,000,000,000	9,700,000,000
Rolling Mill (reclassif) Kammurapalem	150,000,000	-	-	150,000,000
Bobbili	50,000,000	-	-	50,000,000
<b>Total</b>	<b>927,500,000</b>	<b>1,007,500,000</b>	<b>7,000,000,000</b>	<b>9,942,500,000</b>

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021	
<b>Note-3.2: OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)</b>			
Capital Advances	6,426,078	2,882,939	
Security Deposits	58,672,807	50,903,422	
Other Receivables	45,167,604	75,421,059	
Indirect Tax Balances	175,382,251	154,621,309	
Deferred Revenue expenditure	146,285,715	182,857,143	
	<b>431,934,455</b>	<b>466,685,872</b>	
<b>Note-3.3: DEFERRED TAX LIABILITY (NET)</b>			
The movement on the deferred tax account is as follows:			
At the start of the year	314,441,044	287,910,371	
Charge/(credit) to Statement of Profit and Loss (Refer note:3.29)	(1,019,969,989)	26,530,673	
	<b>(705,528,945)</b>	<b>314,441,044</b>	
<b>Components of Deferred tax liabilities/ (asset):</b>			
<b>Deferred tax liabilities/(asset) in relation to:</b>	<b>Opening</b>	<b>Movement</b>	<b>Closing</b>
Property, plant and equipment	858,320,650	(6,877,425)	851,443,225
Financial Assets	1,226,319	582,904	1,809,223
Provisions	22,252,316	74,976,933	97,229,249
Tax Losses/credits	(567,358,241)	(1,088,652,401)	(1,656,010,642)
<b>Total:</b>	<b>314,441,044</b>	<b>(1,019,969,989)</b>	<b>(705,528,945)</b>
<b>Note-3.4: INVENTORIES</b>			
Raw Material	2,058,831,470	1,539,373,641	
Finished Goods	224,333,827	287,956,220	
Consumables	65,682,714	76,678,502	
Stores & Spares	25,095,615	33,405,494	
	<b>2,373,943,627</b>	<b>1,937,413,857</b>	
<b>Disclosure:</b>			
The above inventories includes ₹. 134,99,02,917 (₹.144,77,23,536) which are expected to be consumed / recovered beyond a period of 12 months.			
<b>Note-3.5: TRADE RECEIVABLES</b>			
Trade receivables considered good- Unsecured	1,035,546,880	685,121,126	
Less: Allowance for expected credit loss	115,379,746	134,667,325	
Trade receivables considered good- Unsecured	<b>920,167,135</b>	<b>550,453,801</b>	
Trade receivables credit impaired- Unsecured	-	98,651,595	
Less: Allowance for credit impairment	-	98,651,595	
Trade receivables credit impaired- Unsecured	-	-	
<b>Note-3.6: CASH AND CASH EQUIVALENTS</b>			
<b>(1) Cash and Cash Equivalents</b>			
a) Balances with banks - In Current Accounts	141,632,459	19,894,897	
b) Cash on Hand	1,054,007	809,297	
	<b>142,686,465</b>	<b>20,704,194</b>	

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>(2) Other Bank Balances</b>		
a) In deposit accounts - Held as Margin Money	10,760,643	26,786,332
	<b>10,760,643</b>	<b>26,786,332</b>
	<b>153,447,108</b>	<b>47,490,526</b>

**Disclosures:**

Cash and Cash equivalents as of Mar 31, 2022 and March 31, 2021 includes restricted cash balances of ₹. 1,07,60,643 and ₹. 2,67,86,332 respectively. The restriction is primarily on account of Cash and Bank balances held as margin money deposits against Letter of Credits and Bank guarantees sanctioned by banks.

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

**Note-3.7: OTHER FINANCIAL ASSETS**

Advances For Purchases & Works	333,889,767	244,523,668
Advance for expenses	9,494,959	18,624,962
Other Advances	4,676,765	22,672,946
Other Receivables*	-	58,436,986
	<b>348,061,491</b>	<b>344,258,562</b>

**Disclosure:**

\* Other receivables includes amount due from party against sale of asset.

**Note-3.8: OTHER CURRENT ASSETS**

Advance Tax and Tax Deducted at Source	14,732,944	5,065,898
MAT Credit Entitlement	153,973,013	153,973,013
State Govt incentives receivable (Sales Tax)	36,640,152	36,640,152
Prepaid Expenses	5,748,342	3,904,370
	<b>211,094,451</b>	<b>199,583,433</b>

**Disclosures:**

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

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Note-3.9: ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Land	-	142,090,000
Building	-	20,083,048
	-	<b>162,173,048</b>
<b>LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE</b>		
	-	50,000,000
	-	<b>50,000,000</b>

**Disclosures:**

The Company intends to dispose of land and building it no longer utilised in the next 12 months. The property located on the land and building was previously used in the Wire Drawing operations and has been depreciated. A search is underway for a buyer. No impairment loss was recognised on reclassification of the land and building as held for sale nor as at March 31, 2021 as the directors for the Company expect that the fair value (estimated based on the recent market prices of similar properties in similar locations) less cost to sell is almost equal to the carrying amount.

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Note-3.10: SHARE CAPITAL</b>		
<b>Equity share capital</b>		
<b>(i) Authorized</b>		
Equity shares, of ₹.10 par value 25,80,00,000 equity shares	2,580,000,000	2,580,000,000
Preference shares of ₹.10 par value 7,40,00,000 preference shares	740,000,000	740,000,000
	<b>3,320,000,000</b>	<b>3,320,000,000</b>
<b>(ii) Issued , Subscribed and fully paid up</b>		
Equity shares of ₹.10 par value 7,59,84,812 equity shares	803,888,710	759,848,120
Equity shares of ₹.10 par value 44,04,059 equity shares	-	44,040,590
Equity shares of ₹.10 par value 76,92,306 equity shares	76,923,060	-
	<b>880,811,770</b>	<b>803,888,710</b>

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

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

The Company has allotted 76,92,306 equity shares having a par value of ₹.10/- per share with share premium of ₹.29/- per share to Vizag Profiles Pvt. Ltd. and Promoters.

**Note-3.10.1: Share holding of Promoters:**

Shares held by promoters as on 31st March, 2022

No.	Promoter Name	No. of Shares	% of total shares	% Change during the Year
	<b>Promoters:</b>			
1	Bandi Satish Kumar	645,944	0.73	-0.12
2	Bandi Ramesh Kumar	1,601,469	1.82	1.4
3	Bandi Suresh Kumar	4,114,052	4.67	2.63
4	Bavineni Suresh	2,420,401	2.75	1.25
5	Veeramachaneni Venkata Krishna Rao	643,736	0.73	-0.12
	<b>Promoters group:</b>			
6	Bavineni Jyothi Kiran	1,127,964	1.28	-0.2
7	V Rajya Lakshmi	340,908	0.39	-0.06
8	Veeramachaneni Srijan Babu	114,886	0.13	-0.02
9	Bandi Jaya Padmavathi	1,325,646	1.51	-0.23
10	K V Bhaskar	146,328	0.17	-0.02
11	Bavineni Lavanya	491,146	0.56	-0.09
12	Rajesh Bavineni	775,336	0.88	-0.14
13	Sudha B	8,000	0.01	-
14	Bandi Suguna	433,150	0.49	-0.08
15	K Jelusia	113,636	0.13	-0.02
16	Bandi Arunakanthi	217,900	0.25	-0.04
17	Ravi C Narayanan	211,504	0.24	-0.04
18	Umashiv Garments Private Ltd	20,789,115	23.60	-3.76
19	Vizag Profiles Private Limited	8,327,752	9.45	1.86
	<b>TOTAL</b>	<b>43,848,873</b>	<b>49.79</b>	

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Note-3.11: OTHER EQUITY</b>		
<b>a) Capital Reserve</b>		
Opening Balance	1,795,077,280	1,795,077,280
Additions during the Year	-	-
Closing Balance (A)	1,795,077,280	1,795,077,280
<b>b) Revaluation Reserve</b>		
Opening Balance	2,210,401,761	2,313,846,334
Addition during the year	-	-
Deletions during the year	128,978,338	103,444,573
Closing Balance (B)	2,081,423,423	2,210,401,761
<b>c) Amalgamation Reserve</b>		
Opening Balance	753,922,917	753,922,917
Additions during the Year	-	-
Closing Balance (C)	753,922,917	753,922,917
<b>d) Capital Redemption Reserve</b>		
Opening Balance	5,504,000	5,504,000
Transfer from Statement of Profit & Loss	-	-
Closing Balance (D)	5,504,000	5,504,000
<b>e) Subsidy</b>		
Opening Balance	1,500,000	1,500,000
Additions during the Year	-	-
Closing Balance (E)	1,500,000	1,500,000
<b>f) General Reserve</b>		
Opening Balance	56,500,000	56,500,000
Transferred from Statement of Profit and Loss	-	-
Closing Balance (F)	56,500,000	56,500,000
<b>g) Securities Premium Account</b>		
Opening Balance	1,025,541,670	897,823,960
Premium on shares issued during the year	223,076,874	127,717,710
Closing Balance (G)	1,248,618,544	1,025,541,670
<b>h) Investment Allowance Reserve</b>		
Opening Balance	1,720,306	1,720,306
Additions during the Year	-	-
Closing Balance (H)	1,720,306	1,720,306
<b>i) Share warrants *</b>		
Opening Balance	-	-
Additions during the Year	105,526,500	-
Closing Balance (I)	105,526,500	-
<b>j) Surplus in Statement of Profit and Loss</b>		
Opening Balance	(3,627,694,275)	(5,027,415,003)
Add: Profit for the year	1,164,803,719	1,399,720,728
Closing Balance (J)	(2,462,890,556)	(3,627,694,275)
<b>Total (a+b+c+d+e+f+g+h+i+j)</b>	<b>3,586,902,414</b>	<b>2,222,473,659</b>



	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Other Comprehensive Income</b>		
Opening	(2,079,923)	(3,324,079)
Defined benefit plan-Gratuity fund	(1,145,946)	1,244,156
Total:	<u>(3,225,869)</u>	<u>(2,079,923)</u>
Total Comprehensive Income	<u><b>3,583,676,546</b></u>	<u><b>2,220,393,737</b></u>

(\*) Issue of 58,22,150 convertible warrants of ₹.72.50/- each to Umashiv Garments Private Limited on 24th November, 2021 on payments of 25% consideration. The warrants shall be converted into 58,22,150 equity shares of ₹.10/- each at a of ₹.72.50/- per share ( inclusive of share premium of ₹.62.50/- per share) on preferential basis within 18 months from the date of allotment. The amount paid on warrants shall be forfeited if the warrants are not exercised with in a period of 18 months from the date of allotment.

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Note-3.12: BORROWINGS</b>		
<b>Non-current:</b>		
<b>Secured</b>		
21.5% Non Convertible Debentures	2,701,125,384	3,509,919,021
<b>Unsecured</b>		
- Term Loans from others	-	620,000,000
12% Compulsorily Convertible Debentures	735,876,421	-
	<u>3,437,001,805</u>	<u>4,129,919,021</u>
<b>Current:</b>		
<b>Secured</b>		
- Non Convertible Debentures	342,376,937	250,000,000
<b>Unsecured</b>		
12% Compulsorily Convertible Debentures	518,750,093	
- Vehicle Hire Purchase Loans	-	123,304
	<u>861,127,030</u>	<u>250,123,304</u>
	<u><b>4,298,128,835</b></u>	<u><b>4,380,042,325</b></u>

**Disclosure:**

Includes dues to companies where directors are interested  
(Term Loan from others under unsecured)

917,706,350      420,000,000

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

**Nature of Security**

- a) 3,828-21.5% Listed, rated, redeemable, secured Non-Convertible Debentures (NCDs) of ₹.10,00,000/- each issued to Edelweiss, Mumbai and the indicative list of the security is as follows: (i) Second charge on present and future current assets of the Company (First charge being with Kotak Mahindra Bank Ltd as Working Capital Lender) (ii) Exclusive charge on all land assets, manufacturing plants and buildings and other fixed assets of the Company. (iii) Exclusive charge on any other asset currently mortgaged/hypothecated with the Existing Lenders of the Company. (iv) 100%

Pledge of promoter shared of the Company at all points in time from promoter shareholders of the Company at all points in time from promoter shareholders. (v) Personal Guarantee of Mr.Bandi Satish Kumar, Mr.Bandi Suresh Kumar and Mr. Bandi Ramesh Kumar. (vi) Corporate Guarantee of VPPL and Umashiv Garments Private Limited. (vii) Any other security as may be mutually agreed between the Investors and the company.

- b) Allotment of 1,71,60,000 Unsecured 12% Compulsorily Convertible Debentures (CCDs) of ₹.72.50/- each to Vizag Profiles Private Limited on 24th November, 2021. The CCDs shall be converted into 1,71,60,000 equity shares of ₹.10/- each at a of ₹.72.50/- per share ( inclusive of share premium of ₹.62.50/- per share) on preferential basis within 18 months from the date of allotment.
- c) Allotment of 63,00,000 Unsecured 12% Compulsorily Convertible Debentures (CCDs) of ₹.72.50/- each to Vishwa Samudra Holdings Private Limited on 24th November, 2021. The CCDs shall be converted into 63,00,000 equity shares of ₹.10/- each at a of ₹.72.50/- per share ( inclusive of share premium of ₹.62.50/- per share) on preferential basis within 18 months from the date of allotment.

**The terms of repayment of NCD'S and CCD'S are stated below**
**As at March 31, 2022**

Financer	Terms of repayment
<b>Non Convertible Debentures (NCD's):</b> Edelweiss Alternative Asset Advisors Ltd. outstanding as on 31.03.2022 of ₹. 14,47,01,479 (Previous year: ₹. 17,87,63,128)	1.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EFL Special Pte Ltd outstanding as on 31.03.2022 of ₹.42,37,68,715 (Previous year: ₹.52,35,20,598)	2.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EISAF II Onshore Fund outstanding as on 31.03.2022 of ₹.53,90,52,943 (Previous year: ₹. 66,59,41,770)	3.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EW India Special Assets Fund II Pte Ltd outstanding as on 31.03.2022 of ₹. 151,14,15,409 (Previous year: ₹.186,71,90,715)	4.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EWON Pte Ltd outstanding as on 31.03.2022 of ₹.42,45,63,776 (Previous year: ₹.52,45,02,810)	5.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
<b>Compulsorily Convertible Debentures (CCD's):</b> Vishwa Samudra Holdings Pvt. Ltd. outstanding as on 31.03.2022 of ₹.45,67,50,000 (Previous year: ₹.Nil)	6. Interest 12% p.a. payable Half yearly and thereafter upon conversion till the date of conversion.
Vizag Profiles Pvt. Ltd. outstanding as on 31.03.2022 of ₹.124,41,00,000 (Previous year: ₹.Nil)	7. Interest 12% p.a. payable Half yearly and thereafter upon conversion till the date of conversion.

**Maturity profile of Compulsorily Convertible Debentures as on 31st March, 2022**

Borrowings	Principal Repayable in		
	1-2 Years	2-3 Years	Above 3 Years
12% Compulsorily Convertible Debentures	735,876,421	-	-

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

**Note-3.13: OTHER FINANCIAL LIABILITIES**

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Non-current:</b>		
Non-convertible Redeemable Preference Shares	-	186,087,500
	<b>-</b>	<b>186,087,500</b>

**Disclosures:**

1,86,08,750 10.5% Non Convertible Redeemable Preference Share Capital allotted on January 27, 2016, to the shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Honourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh. The shares are redeemable on January 26, 2023 at ₹. 10 per share.

These redeemable cumulative preference shares do not contain any equity component and are classified as financial liabilities in their entity. In addition, the Company has designated these preference shares as financial liabilities at FVTPL as permitted by Ind AS 109. The preference shares have fixed non-discretionary dividend payments and mature on January 26, 2023.

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Note-3.14: PROVISIONS (NON-CURRENT)</b>		
<b>Employee Benefits:</b>		
Provision for Gratuity and others	19,500,955	15,050,077
	<b>19,500,955</b>	<b>15,050,077</b>
<b>Note-3.15: SHORT TERM BORROWINGS</b>		
Working Capital from Kotak Mahindra Bank Ltd.	98,724,976	
	<b>98,724,976</b>	-

**Disclosure:**
**Nature of Security:**

i. First Charge on all existing and future current assets of the company by way of Hypothecation (Second charge being with NCD holders) ii) Exclusive charge on landed properties by way of registered mortgage iii) Personal guarantees of Directors of the company i.e., Mr B. Satish Kumar, Mr B. Ramesh Kumar, Mr B. Suresh Kumar iv) Personal Guarantees of Mrs B. Jaya Padmavati, Mrs B Jyothikiran, Mr B. Suresh and Mr B. Rajesh to be restricted to the property value mortgaged and v) Corporate Guarantee of M/s Vizag Profiles Private Limited and M/s Umashiv Garments Private Ltd.

	Amount ₹. As at 31/03/2022	Amount ₹. As at 31/03/2021
<b>Note-3.16: TRADE PAYABLES</b>		
<b>Current:</b>		
Micro and Small Scale Enterprises	6,438,986	8,611,312
Others (*)	801,126,777	940,007,741
	<b>807,565,762</b>	<b>948,619,053</b>
<b>Disclosures:</b>		
(*) Others includes dues to companies where directors are interested	27,089,687	244,915,000
As at March 31, 2022 there are ₹. 10,53,690 overdues payable to micro and small enterprises (previous year ₹. 17,57,997). The interest outstanding is ₹. 68,371 (Previous year ₹. 1,98,400) on the same. (Note: 3.31)		
The above information is based on the declarations received from the Vendors who constitute as Supplier within the meaning of Section 2(n) of the Micro, Small and Medium Enterprises Development Act, 2006.		
<b>Note-3.17: OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long-term debt (Note:3.12)	861,127,030	250,123,304
Payables for Capital goods	9,494,646	9,444,052
Security Deposits	5,295,555	4,469,500
Other Current Liabilities	173,148,350	162,821,486
Payable for Expenses (*)	117,838,675	99,171,462
Non-convertible Redeemable Preference Shares (**)	186,087,500	-
	<b>1,352,991,755</b>	<b>526,029,804</b>
<b>Disclosures:</b>		
(*) Others includes dues to companies where directors are interested	23,355,496	26,526,238
(**) 1,86,08,750 10.5% Non Convertible Redeemable Preference Share Capital allotted on Januray 27, 2016, to the shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Honourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh. The shares are redeemable on January 26, 2023 at ₹. 10 per share.		
These redeemable cumulative preference shares do not contain any equity component and are classified as financial liabilities in their entirety. In addition, the Company has designated these preference shares as financial liabilities at FVTPL as permitted by Ind AS 109. The preference shares have fixed non-discretionary dividend payments and mature on January 26, 2023.		
<b>Note-3.18- OTHER CURRENT LIABILITIES</b>		
Statutory remittances	169,732,415	227,800,413
Unearned Revenue	352,442,486	445,489,838
Payables to Employees	20,898,192	21,807,487
Others	1,487,673	1,205,185
	<b>544,560,765</b>	<b>696,302,923</b>
<b>Disclosures:</b>		
(*) Others includes dues to companies where directors are interested	112,994,483	-
<b>Note-3.19: PROVISIONS (CURRENT)</b>		
<b>Employee Benefits:</b>		
Provision for Gratuity and others	1,150,418	386,281
	<b>1,150,418</b>	<b>386,281</b>

	Amount ₹. Year Ended 31/03/2022	Amount ₹. Year Ended 31/03/2021
<b>Note-3.20: REVENUE FROM OPERATIONS</b>		
Sale of Products	9,245,937,634	7,275,949,980
Sale of Energy	363,416,410	102,988,424
Sale of Traded Goods	1,396,506,158	1,621,397,804
Discount	(11,322,213)	(16,191,911)
	<b>10,994,537,988</b>	<b>8,984,144,297</b>
<b>Disaggregation of Revenue:</b>		
<b>Finished Goods Sold</b>		
Rebar & Wires	7,315,012,225	5,419,419,155
Billets & Ingots	1,620,595,136	1,284,015,386
Sponge iron	26,394,046	3,813,804
Steel Scrap & Structural	27,184,457	30,611,778
Coal & Coal fines	8,361,298	1,915,140
Iron Ore & Iron Ore Fines	207,201,570	440,776,634
Mill Scale and Others	29,866,689	79,206,172
	<b>9,234,615,421</b>	<b>7,259,758,069</b>
<b>Energy</b>		
Power	363,416,410	102,988,424
	<b>363,416,410</b>	<b>102,988,424</b>
<b>Trading Goods Sold</b>		
Rebar, Wire & Wire Rod Coils	1,340,819,073	1,564,165,847
Billets & Ingots	-	22,211,880
Gas Sales	55,687,084	35,020,077
	<b>1,396,506,158</b>	<b>1,621,397,804</b>
<b>Note-3.21: OTHER INCOME</b>		
<b>a) Interest income:</b>		
Bank margin money and others	5,358,064	21,728,055
<b>b) Other non-operating income:</b>		
Lease Rental Income	1,450,844	8,140,284
<b>c) Other gains and loss:</b>		
i) Gain(Loss) on disposal of property, plant and equipment	142,126,169	123,535,585
ii) Net foreign exchange gains(losses)	-	4,070,392
<b>d) Other receipts</b>		
i) Other receipts	53,983,165	25,134,460
ii) Insurance claim on HudHud	-	53,724,824
	<b>202,918,243</b>	<b>236,333,600</b>

	Amount ₹. Year Ended 31/03/2022	Amount ₹. Year Ended 31/03/2021
<b>Note-3.22: COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed		
Opening Balance	1,539,373,641	3,760,487,977
Purchases	7,955,960,862	5,784,480,204
	<u>9,495,334,503</u>	<u>9,544,968,181</u>
Less: Closing Stock (**)	2,058,831,470	1,539,373,641
Less: Impairment of Inventory	-	(2,283,457,748)
Cost of Materials Consumed (#)	<b><u>7,436,503,033</u></b>	<b><u>5,722,136,792</u></b>
<b># Details of Materials Consumed</b>		
Scrap	749,638,066	859,821,276
Pig Iron/ Tundish Steel Skull	594,639,724	68,099,420
Coal /Coal fines	2,417,338,127	1,567,119,154
Iron ore/Iron ore fines	1,775,280,442	1,919,034,616
Ferro Shots	202,268,704	612,727,711
Lime Stone	2,099,098	15,886,278
Pellets	842,625,757	131,004,815
Pooled Iron	703,799,469	523,756,034
Billet	100,333,751	10,561,567
Others	48,479,896	14,125,919
	<b><u>7,436,503,033</u></b>	<b><u>5,722,136,792</u></b>
<b>** Details of Closing Stock of Raw Materials:</b>		
Scrap	1,304,841,934	1,121,645,108
Iron Ore & Iron ore fines	69,055,877	85,808,503
Coal/Coal fines	604,007,961	180,221,967
Pig Iron	5,469,191	68,035,867
Iron Ore (Acce)	62,612,674	62,612,674
Lime Stone	-	346,040
Others	2,977,588	3,314,834
Pellets	8,226,736	1,165,984
Billet	-	14,524,968
Pooled Iron	1,639,510	1,697,696
	<b><u>2,058,831,470</u></b>	<b><u>1,539,373,641</u></b>
<b>Note-3.23: PURCHASE OF TRADED GOODS</b>		
Rebar, Wire & Wire Rod Coils	1,292,364,818	1,378,203,148
Billets,Blooms & ingots	-	22,044,038
Gas	33,636,999	18,978,366
	<b><u>1,326,001,817</u></b>	<b><u>1,419,225,552</u></b>



**Amount ₹.  
Year Ended  
31/03/2022**

**Amount ₹.  
Year Ended  
31/03/2021**

**Note-3.24: CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS:**

**Inventories (at Close)**

Finished Goods	200,421,180	282,472,600
Traded Goods	23,912,647	5,483,620
	<b>224,333,827</b>	<b>287,956,220</b>

**Inventories (at commencement)**

Finished Goods	282,472,600	1,180,894,351
Traded Goods	5,483,620	707,656,242
Less: Impairment of Inventory		(1,694,570,349)
	<b>287,956,220</b>	<b>193,980,244</b>

**(Increase)/Decrease in Stock (A-B)**

**63,622,393 (93,975,976)**

**Amount in ₹. Year Ended  
31/03/2022**

**Amount in ₹. Year Ended  
31/03/2021**

<b>Details of inventory</b>	<b>Manufacturing</b>	<b>Trading</b>	<b>Manufacturing</b>	<b>Trading</b>
Rebar & Wires	82,101,820	23,912,647	120,090,282	5,483,620
Billets & Ingots	30,315,997	-	18,933,201	-
Sponge iron	56,928,754	-	106,577,585	-
Steel Scrap	74,782	-	1,777,834	-
Mill Scale and Others	18,472,223	-	22,557,695	-
Slag	12,527,604	-	12,536,004	-
	<b>200,421,180</b>	<b>23,912,647</b>	<b>282,472,600</b>	<b>5,483,620</b>

	Amount ₹. Year Ended 31/03/2022	Amount ₹. Year Ended 31/03/2021
<b>Note-3.25: EMPLOYEE BENEFITS</b>		
Salaries, Wages, Bonus & Exgratia	281,999,214	238,104,093
<b>Contributions to Provident Fund and other funds</b>		
Provident Fund & DLI	6,146,040	5,783,223
Pension Fund	4,723,206	3,929,308
Group Gratuity Fund	3,549,396	3,802,473
Staff welfare	3,662,870	7,599,723
	<b>300,080,726</b>	<b>259,218,820</b>
<b>Note-3.26: FINANCE COSTS</b>		
Interest Expenses to:		
- Bank	549,686	101,700,087
- Others	874,646,936	159,934,509
Bank Charges & Commission	5,986,314	785,924
	<b>881,182,935</b>	<b>262,420,521</b>
<b>Note-3.27: OTHER EXPENSES</b>		
<b>a) Manufacturing Expenses:</b>		
Stores, Spares & Consumables	484,790,079	357,434,213
Power & Fuel	13,748,379	26,108,603
Gas charges	1,167,221	827,854
Repairs & Maintenance	14,007,243	14,315,276
Factory Maintenance	253,366	511,363
Loading & Unloading Charges	1,806,859	487,457
Transmission Charges	43,973,420	19,903,043
Contract Charges	28,722,990	32,721,228
Other Manufacturing expenses	22,280,486	26,013,066
<b>b) Other Operational Expenses:</b>		
Legal & professional Charges	44,775,487	28,155,091
Rent, Hire and Rates & Taxes	65,385,947	61,549,861
Insurance	1,203,865	2,913,052
Payment to Auditors		
As Auditors	4,500,000	4,500,000
For Tax Audit	500,000	500,000
For Tax representation	450,000	450,000
For Certification & Others	450,000	450,000
CSR Expenses	10,464,548	1,379,222
Selling & Distribution Expenses	2,991,133	2,929,223
Provision for doubtful debts	(19,287,579)	(123,191,780)
General Charges (#)	80,970,514	58,783,227
Exchange Fluctuation Loss (Net)	4,554,381	-
	<b>807,708,338</b>	<b>516,739,999</b>

	Amount ₹. Year Ended 31/03/2022	Amount ₹. Year Ended 31/03/2021
<b>#General Charges Includes:</b>		
Office Maintanance	5,715,381	6,075,513
Electricity charges	1,240,814	1,242,619
Postage & Telephone	652,701	908,982
Printing & Stationary	625,491	267,061
Freight & Handling Charges	35,863,605	25,190,367
Yard Expenses	516,113	661,192
Vehicle Maintanance	2,875,039	3,182,912
Security Charges	6,934,978	7,249,113
Miscl. Expenses	7,303,167	5,370,201
Fees and Licence	10,122,821	4,197,351
Business Promotion	2,524,841	1,787,589
Travelling & Conveyance	6,595,563	2,650,327
	<b>80,970,514</b>	<b>58,783,227</b>
<b>Note-3.28: EXCEPTIONAL ITEMS</b>		
Clean Energy Cess written off	-	
Bad Debts/Advances written Off	-	(180,226,200)
Gain on extinguishment of liability on account of One Time Settlement (OTS)	-	4,696,855,087
Depletion/Erosion of Inventory	-	(3,978,028,097)
	-	<b>538,600,790</b>
<b>Note-3.29: DEFERRED TAX</b>		
Decrease/(increase) in deferred tax assets	(1,094,946,922)	67,031,370
(Decrease)/increase in deferred tax liabilities	74,976,933	(40,500,697)
<b>Total deferred tax expenses/(benefit)</b>	<b>(1,019,969,989)</b>	<b>26,530,673</b>

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

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

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

**Disclosure relating to Micro and Small Enterprises:**

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
i. (a) The principal amount remaining unpaid to the supplier as at the end of the year.	10.54	17.91
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	0.68	1.86
ii. The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**3.32** Contingent liabilities and commitments to the extent not provided for

Contingent Liabilities	Amount (₹) 31st March 2022	Amount (₹) 31st March 2021
a) Claim against the company by GAIL not acknowledge as debt	1,84,07,569	1,84,07,569
b) Demands from Sales tax department disputed	7,78,05,792	7,78,05,792
c) Demands from Excise departments disputed	41,02,55,701	40,01,27,466
d) Demands from GST departments disputed	89,41,505	89,41,505
e) Others	10,54,89,264	8,20,27,584

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

**3.33 (a) Value of imports calculated on C.I.F. basis in respect of:**

Particulars	Amount (₹) 31st March 2022	Amount (₹) 31st March 2021
Raw Materials	Nil	Nil
Components and Spares	Nil	Nil

**(b) Expenditure in foreign currency:**

Particulars	Amount (₹) 31st March 2022	Amount (₹) 31st March 2021
Raw Materials	Nil	Nil
Components and Spares	Nil	Nil
Travelling	Nil	Nil
Others	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**(c) Foreign Currency Outgo:**

Particulars	Amount (₹) 31st March 2022	Amount (₹) 31st March 2021
Raw Materials (*)	2,55,44,171	102,00,664

(\*) Note: Payment made against outstanding dues.

**3.34 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Social Welfare, Health care and charitable Trust etc. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Sl. No.	Particulars	As at March 2022	As at March 2021
i)	Amount required to be spent by the company during the year	1,02,64,421	Nil
ii)	Amount of expenditure incurred	1,04,37,797	13,79,222
iii)	Shortfall at the end of the year	NA	Nil
iv)	Total of previous years shortfall	NA	Nil
v)	Reason for shortfall	NA	Nil
vi)	Nature of CSR activities	Social Welfare, Health care and charitable Trust etc.	

For the year ending 31st march 2021, 2% average net profit comes at ₹. (1,58,17,358). Hence, Amount required to be spent by the company towards CSR activities during the year is Nil.

**3.35 Analytical Ratios**

Sl. No.	Particulars	31.03.22	31.03.21	% of Variance
1.	Current Ratio	1.43	1.46	-2%
2.	Debt Equity Ratio	0.68	1.24	-45% (i)
3.	Debt Service Coverage Ratio	0.65	5.48	-88% (ii)
4.	Return on Equity (ROE)	24%	46%	-49% (iii)
5.	Trade receivables turnover ratio	14.95	19.31	-23%
6.	Trade payables turnover ratio	10.57	7.07	50% (iv)
7.	Net capital turnover ratio	9.15	8.81	4%
8.	Net Profit Margin (%)	11%	16%	-32% (v)
9.	Return on Capital Employed (ROCE)	28%	60%	-53% (vi)

- i. Fresh capital infusion resulted in improvement in ratio.
- ii. Higher finance costs when compared to previous year lead to decrease in ratio
- iii. Fresh capital infusion resulted in decrease of ratio.
- iv. Increase in cash flows and payment to creditors with in due date resulted in improvement in ratio.
- v. Increase in finance costs results in decrease in ratio.
- vi. Fresh capital infusion resulted in improvement in ratio.



**3.36 Disclosure under Accounting Standards:**
**3.36.1 Employee Benefits as per Ind-AS 19:**
**Defined benefit plan-Gratuity:**

Particulars	31st March 2022 Value in( ` )	31st March 2021 Value in( ` )
<b>A. Changes in the present value of the Obligation</b>		
Present value of obligation at the beginning of the year	2,08,47,291	1,96,68,525
Interest cost	13,92,090	12,90,974
Current service cost	25,96,487	26,41,886
Past service cost	-	-
Benefits paid/payable	(20,57,984)	(9,12,435)
Actuarial (gain)/loss on obligation	15,15,319	(18,41,659)
<b>Present value of obligation at the end of the year</b>	<b>2,42,93,203</b>	<b>2,08,47,291</b>
<b>B. Changes in the fair value of the Plan assets</b>		
Fair value of plan assets at the beginning of the year	54,10,933	12,04,495
Expected return on plan assets	2,89,181	97,095
Contributions	-	50,21,778
Benefits paid/payable	(20,57,984)	(9,12,435)
<b>Fair value of plan assets at the end of the year</b>	<b>36,41,830</b>	<b>54,10,933</b>
<b>C. Amounts recognized in the Balance Sheet as on</b>		
Present value of the obligations at the end of the year	2,42,93,203	2,08,47,291
Fair value of plan assets at the end of the year	36,41,830	54,10,933
<b>Liabilities(+)/Asset(-) recognized in the balance sheet</b>	<b>(2,06,51,373)</b>	<b>(1,54,36,358)</b>
<b>D. Amounts recognized in the Statement of P&amp;L for the year ended</b>		
Current service cost	25,96,487	26,41,886
Past service cost	-	-
Interest cost	9,52,909	11,60,587
<b>Net actuarial gain/loss recognized in the year</b>	<b>35,49,396</b>	<b>38,02,473</b>
<b>E. Other Comprehensive Income (OCI)</b>		
Actuarial(Gain)/Loss recognized for the period	15,15,319	(18,41,659)
Return on Plan Assets excluding net interest	1,50,300	33,292
<b>Total Actuarial(Gain)/Loss recognized in OCI</b>	<b>16,65,619</b>	<b>(18,08,367)</b>
<b>F. Principal Actuarial Assumptions:</b>		
<b>Description</b>	<b>2021-22</b>	<b>2020-21</b>
Mortality	IALM (2012-14)Ult	IALM (2012-14)Ult
Interest/Discount Rate	7.32%	6.74%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	14.21	14.75

**G. Sensitivity Analysis**

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	2,21,76,839	2,67,55,847	2,67,07,825	2,21,32,799

**H. Asset Information**

	Target Allocation			
	2021-22		2020-21	
	Total Amount	Total Amount	Total Amount	%
Debt Security-Government Bond	Nil	Nil	Nil	Nil
Equity Securities- Corporate Debt Securities	Nil	Nil	Nil	Nil
Other Insurance contracts	Nil	Nil	Nil	Nil
Gratuity Fund (LIC of India & SBI Life)	36,41,830	100.00%	54,10,933	100.00%
<b>Total Itemized Assets</b>	<b>36,41,830</b>	<b>100.00%</b>	<b>54,10,933</b>	<b>100.00%</b>

**I. Asset Liability Comparisons:**

Year	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
PVO at end of period	1,31,65,092	1,56,05,977	1,96,68,525	2,08,47,291	2,42,93,203
Plan Assets	49,52,507	29,91,510	12,04,495	54,, 10,933	36,41,830
Surplus/(Deficit)	(82, 12,585)	1,26, 14,467)	(1,84,64,030)	(1,54,36,358)	(2,06,51,373)
Experience adjustments on plan assets	56,384	6,36,494	(1,03,701)	(33,292)	(1,50,300)

**I. Narrations**
**1. Analysis of Defined Benefit Obligation:**

- The number of members under the scheme has increased by 0.18%.
- The total salary has increased by 22.33% during the accounting period.
- The resultant liability at the end of the period over the beginning of the period has increased by 16.53%.

**2. Expected rate of return basis**

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

**3. Description of Plan Assets and Reimbursement Conditions:**

100% of the Plan Asset is entrusted to LIC of India and SBI Life under their Group Gratuity Scheme. The reimbursement is subject to insurer's Surrender Policy.

**4. Investment / Interest Risk:**

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

**5. Longevity Risk:**

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

**6. Salary Escalation Rate:**

The salary escalation rate has remained unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in salary escalation rate.

**7. Discount Rate:**

The discount rate has decreased from 6.74% to 7.32% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

### **3.36.2 Segment Reporting as per Ind-AS 108:**

#### **A) Basis for segmentation**

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

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

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

#### **(B) Information about reportable segments**

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

**Reportable Segments**

(Amount(₹) in lakhs)

Particulars	Iron and Steel		Power		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>1.REVENUE</b>								
External Sales	1,06,714.44	88,811.56	3,634.16	1,029.88	-	-	1,09,945.38	89,841.44
Inter-Segment Sales	3,230.94	5,639.19	-	-	(3,230.94)	(5,639.19)	-	-
Total Revenue	1,09,945.38	94,450.75	3,634.16	1,029.88	(3,230.94)	(5,639.19)	1,09,945.38	89,841.44
<b>2.RESULT</b>								
Segment Result	10,552.42	12,867.34	(291.73)	(1,365.86)	-	-	10,260.68	11,501.48
Finance Cost	8,811.83	2,624.21	-	-	-	-	8,811.83	2,624.21
Exceptional & Extra ordinary expenses	-	5,386.01	-	-	-	-	-	5,386.01
Income Taxes	-	-	-	-	-	-	(10,199.70)	265.31
Net profit	-	-	-	-	-	-	11,636.58	13,997.97
<b>3.OTHER INFORMATION</b>								
Segment Assets	87,374.61	74,309.55	24,347.99	24,601.63	-	-	1,11,722.60	98,911.18
Segment Liabilities	23,050.68	19,600.56	4,999.25	2,612.82	-	-	28,049.94	22,213.38
Additions to assets during the year	799.02	189.40	-	-	-	-	799.02	189.40
Depreciation and Amortisation expenses during the year	1,253.35	1,398.20	1,121.89	1,071.65	-	-	2,375.23	2,469.85

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

1. B. Satish Kumar- Chairman cum Managing Director
2. B. Suresh Kumar - Jt. Managing Director
3. B. Ramesh Kumar - Jt. Managing Director cum Chief Financial Officer
4. B. Mohit Sai Kumar - Vice-President (Commercial)

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

1. Vizag Profiles Private Limited
2. Umashiv Garments Private Limited
3. Simhadri Wires Private Limited
4. Simhadri Pellets India limited
5. Satyatej Vyaapar Private Limited
6. SAWP Steel Limited
7. VPL Integral CFS Private Limited
8. Vijayalakshmi Resouces LLP.

(Amount in ₹)

**b) Particulars of transactions during the year:**

Nature of Transactions	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>i. Transactions with Key Management Personnel:</b>		
Sri B. Satish Kumar (Remuneration)	75,14,180	67,38,988
Sri B. Suresh Kumar (Remuneration)	60,00,000	61,29,114
Sri B. Ramesh Kumar (Remuneration)	60,00,000	60,00,000
<b>ii. Transactions with enterprise over which key management personnel/their relatives exercise significant influence:</b>		
<b>M/s. Vizag Profiles Private Limited:</b>		
-Sale	1,12,22,307	3,19,73,697
-Lease Rental Income	2,50,000	-
-Purchase	11,70,135	-
-Interest & Other Services	9,32,14,842	2,63,37,251
-Lease Rental Expenses	1,02,50,000	93,60,000
<b>M/s. SAWP Steel Limited</b>		
-Sale	22,65,92,626	113,76,90,222
-Purchase	62,50,89,655	4,37,34,506
-Lease Rent	7,80,000	7,80,000
<b>M/s.VPL Integral CFS Private Limited:</b>		
-Sale	37,28,812	-
-Services	13,00,67,259	-

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

Nature of the Party	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Enterprise over which key management personnel/their relatives exercise significant influence:		
M/s.Vizag Profiles Private Limited	(135,70,94,483)	(58,81,03,689)
M/s. SAWP Steel Limited	(2,33,55,496)	(768,11,311)
M/s. VPL Integral CFS Private Limited	(2,70,89,687)	Nil

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

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	1,16,36,57,773	140,09,64,885
Weighted Average Number of Shares for Basic EPS	8,67,11,314	7,66,84,635
Add: Adjustment for Equity Share Warrants	5,06,447	-
Weighted Average Number of Shares	8 72 17 761	7,66,84,635
Basic Earnings Per Share (₹)	13.42	18.27
Diluted Earnings Per Share (₹)	13.34	0.00
Nominal Value Per Share (₹)	10.00	10.00

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

Necessary details have been disclosed in note no.3.3 for FY 2021-22.

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

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

**3.36.7 General:**

- Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period are material.
- Some of the balances appearing under trade receivables, Trade payables, advances, security deposits and other payables are subject to confirmations.
- Figures for the previous year have been regrouped/ rearranged wherever considered necessary so as to confirm to the classification of the current year.

**3.36.8 Fair Value Measurement:**

Financial Instruments by category



	As at March 2022			As at March 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets:</b>						
Trade receivables	-	-	92,01,67,135	-	-	55,04,53,801
Cash and cash equivalents	-	-	14,26,86,465	-	-	2,07,04,194
Other bank balances	-	-	1,07,60,643	-	-	2,67,86,322
Other financial assets	-	-	34,80,61,491	-	-	34,42,58,562
<b>Total:</b>	-	-	<b>142,16,75,734</b>	-	-	<b>94,22,02,889</b>
<b>Financial Liabilities:</b>						
Borrowings	-	-	9,87,24,976	-	-	-
Trade payables	-	-	80,75,65,762	-	-	94,86,19,053
Other financial liabilities	-	-	135,29,91,755	-	-	52,60,29,804
<b>Total:</b>	-	-	<b>225,92,82,493</b>	-	-	<b>147,46,48,857</b>

\*FVTPL-Fair Value through Profit and Loss

\*FVTOCI -Fair Value through Other Comprehensive Income

- Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advanced paid and certain other receivables) as of 31st March 2022 and 31st March 2021 are not included.
- Other liabilities that are not financial liabilities (such as statutory dues payable, advance from customers and certain other accruals) as of 31st March 2022 and 31st March 2021 are not included.

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

### 3.36.9 Financial Risk Management :

#### a) Risk Management Framework

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

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

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

#### (A) Credit risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company's is exposed to credit risk mainly from trade receivables and other financial assets.

**(i) Trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company's through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company's grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company's uses expected credit loss model to assess the impairment loss or gain. The Company's uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Concentrations of credit risk with respect to trade receivables are limited.

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:

**- Year ended 31 March 2022**

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	58,55,05,041	9,42,36,836	3,18,21,612	8,50,93,563	10,14,81,816	13,74,08,013	1,03,55,46,880
Expected loss rate	0.73%	14.48%	29.75%	17.31%	9.20%	46.54%	11.14%
Expected credit losses (loss allowance provision)	42,52,535	1,36,48,750	94,66,127	1,47,33,714	93,34,966	6,39,43,653	11,53,79,746
Carrying amount of trade receivables (net of impairment)	58,12,52,506	8,05,88,086	2,23,55,485	7,03,59,849	9,21,46,849	7,34,64,361	92,01,67,135

**- Year ended 31 March 2021**

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	33,50,63,641	5,97,02,306	5,02,71,305	87,68,954	1,21,17,850	21,91,97,071	68,51,21,125
Expected loss rate	0.13%	17.95%	43.06%	25.97%	1.49%	45.36%	19.66%
Expected credit losses (loss allowance provision)	4,25,727	1,07,14,121	2,16,48,721	22,77,322	1,80,880	9,94,20,553	13,46,67,325
Carrying amount of trade receivables (net of impairment)	334,637,914	48,988,185	28,622,583	6,491,631	11,936,970	119,776,518	550,453,801

**Reconciliation of loss allowance provision-trade receivables:**

(Amount in ₹)

<b>Loss allowance on 1st April 2020</b>	(25,78,59,105)
Changes in loss allowance	12,31,91,780
<b>Loss allowance on 31st March 2021</b>	(13,46,67,325)
Changes in loss allowance	1,92,87,579
<b>Loss allowance on 31st March 2022</b>	(11,53,79,746)

**(ii) Other Financial Assets & loans:**

The company has limited credit risk arising from cash and cash equivalents as the deposits are maintained with banks and financial institutions with high credit rating. Further, other financial and current assets mainly comprise of purchase, expenses advance and balances with statutory authorities (GST input credit balances and direct tax receivable balances) which are recoverable from Government. Hence, these are low risk items and the Company's evaluates the recoverability of these financial assets at each reporting date and wherever required, a provision is created against the same.

**B. Liquidity risk**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk through cash generated from operations, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. As at 31st March, 2022, the Company's current assets exceed its current liabilities by ₹.120.17 crore.

**Maturities of financial liabilities**

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

**-Year ended 31 March 2022**

(Amount in ₹)

Ageing	Less than 3 months	More than 3 and up to 12 months	More than 1 year and up to 5 years	>5 years	Total
Trade payable	57,41,70,678	11,71,48,709	11,62,46,376	-	80,75,65,763
Non-current borrowings (Debentures)	-	-	343,70,01,805	-	343,70,01,805
Current borrowings		86,11,27,030			86,11,27,030
Other financial Liabilities	17,66,37,782	2,37,62,770	29,14,63,372		49,18,63,925

**-Year ended 31 March 2021**

(Amount in ₹)

Ageing	Less than 3 months	More than 3 and up to 12 months	More than 1 year and up to 5 years	>5 years	Total
Trade payable	44,75,87,624	31,76,53,681	18,33,77,748	-	94,86,19,053
Non-current borrowings (Banks)	-	-	350,99,19,021	-	350,99,19,021
Current borrowings	1,23,304	25,00,00,000			25,01,23,304
Other financial Liabilities	9,17,66,340	2,34,80,991	16,06,59,168		27,59,06,500

**C. Market risk**

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

**(i) currency risk**

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

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

**(ii) Interest rate risk**

a) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate.

The borrowings of the Companies are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company's has exposure to interest rate risk, arising principally on changes in base lending rate. The Company's uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

b) The profile of the Company's fixed and floating rate borrowings is given below: (₹. In lakhs)

Particulars	As at 31st March 2022	As at 31st march 2021
Variable interest rate	987.24	Nil
Fixed interest rate (including equity component of compounded financial instruments)	47,443.52	37599.19

**(iii) Commodity price risk**

Commodity price risk arises due to fluctuation in prices of raw materials like iron ore, coal and scrap etc. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established trading operations and control processes.

**3.36.10 Capital Management**
**(a) Risk management:**

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

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

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders the Company has no external borrowings as on 31st March 2022.

**(b) Dividends:**

(Amount ₹.)

Particulars	31st March 2022	31st March 2021
Final dividend on Equity Shares for the year ended	-	-

(Amount ₹.)

Particulars	31st March 2022	31st March 2021
Net Debt	429,81,28,835	350,99,19,021
Total Equity	491,07,11,802	302,42,82,447
Net debt to equity ratio	0.88	1.16

As per our report of even date

for and on behalf of the Board of Directors

 For **BHAVANI & CO**

Chartered Accountants

Firm Reg. No:012139S

**B. SATISH KUMAR**

Chairman-cum-Managing Director

DIN : 00163676

**B. SURESH KUMAR**

Jt. Managing Director

DIN : 00206473

**CA S Kavitha Padmini**

Partner

M.No. : 229966

UDIN : 21229966AAAACU2937

**B.RAMESH KUMAR**

Jt. Managing Director-cum-Chief Financial Officer

DIN : 00206293

**M.RAVEENDRA BABU**

Company Secretary

M. No. : A34409

**Place: Hyderabad**
**Date : 25.04.2022**

**Steel Exchange India Limited - Members KYC Updation**

Dear Shareholder(s),

**Sub: Mandatory updation of PAN and Bank Account details & e-mail id & Contact details:**

The Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has issued guidelines for Strengthening and raising Industry standards for Registrar and Share Transfer Agents (RTA), Issuer Companies and Banker to an Issue. Further, one of the directions of the said circular requires the Company to take special efforts towards updation of PAN and bank account details along with e-mail id and contact details of all those shareholders of the Company holding shares in physical form who have not updated their details earlier.

As per the records of the Company, we note that you have not updated your PAN and bank account along with e-mail id and contact details with the Company.

In view of the above and in compliance of the said SEBI circular, we request you to update your PAN and bank account details along with e-mail id and contact details by filling the attached form and submitting the same along with a self attested copy of your PAN Card, and original cancelled cheque leaf showing name of account holder (if name is not printed, self attested copy of first page of the bank passbook) within 21 days from the date of receipt of this letter to us to our Share Transfer Agent M/s Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500 018, TelNo.04023818475/76, (or) send the scan copies of the same to email id : info@vccilindia.com or cs@seil.co.in

Further, as per SEBI (LODR) Regulations, 2018 No. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and BSE circular no. LIST/COMP/15/2018-19 dated 05.07.2018 request for effecting transfer of shares in physical form has not possible with effect from 01st April, 2019 unless the shares are held in dematerialized form with a depository. Hence, it would be in your interest, to take necessary steps to dematerialize your shares through your Depository Participant and hold them in Electronic Form.

Kindly quote your Folio No. in all your correspondence (Attached draft letter in which information is to be sent for updating of your PAN and Bank Account details along with e-mail id and contact details)

If you fail to update your mail id with the Company/Depository/RTA, then we can stop to send the physical copy of Annual Reports from next year due to green initiative of Government of India to protect environment.

Thanking you,  
Yours faithfully,  
For **Steel Exchange India Limited**,

**B Satish Kumar**  
Managing Director  
DIN : 00163676



**KYC UPDATION FORM**

To  
 Venture Capital and Corporate Investments Private Limited  
**Unit: Steel Exchange India Limited**  
 12-10-167, Bharat Nagar,  
 Hyderabad - 500 018

Date: \_\_\_\_\_

Dear Sir,

In terms of SEBI Circular dated 20/04/2018 and rules made their under, I wish to inform you that update my details given below in your records and I enclosed herewith self-attested copy of my PAN Card and original cancelled cheque leaf/Bank Passbook or Bank statement attested by Bank.

**General Information:**

Folio No.*	
Name of the Sole / First Holder:*	
PAN No.*	
Aadhaar Number	
Father's Name	
Address 1*	
Address 2*	
Address 3	
Address 4	
Pin Code*	
Mobile No	
Email Id*	
Bank Account no.*	
Bank Name*	
Branch Address*	
IFSC Code*	MICR Code
2nd Holder Name	
PAN No.	
3rd Holder Name	
PAN No.	

\* Mandatory Field

I/We hereby state that the above mentioned details are true and correct.

Sole/ First Holder Name: \_\_\_\_\_ Signature: \_\_\_\_\_

2nd Holder Name: \_\_\_\_\_ Signature: \_\_\_\_\_

3rd Holder Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Note:

- If any change in your details already submitted to us, kindly fill the changes in the form along with supporting documents.**
- Your details have already submitted to us we have marked as registered in the respective column, the other details to be submitted to us along with supporting documents.**
- For residents of Sikkim provide self attested copy of Aadhaar Card/Passport instead of PAN Card.**



**SMS Unit**



**Sponge Iron Unit**



**Railway Sliding**



**Location**



**Simhadri TMT**  
WORLD CLASS STEEL BARS



**STEEL EXCHANGE INDIA LIMITED**

**Regd. Office :** D. No:1-65/K/60, Plot No: 60, 01st Floor, Abhi's Hiranya,  
Kavuri Hills, Hyderabad, Telangana, 500081.

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

**Corp. Office :** Block A, 4th Floor, Green City Towers, Green City, Vadlapudi, Visakhapatnam - 530 046.

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

Website: [www.seil.co.in](http://www.seil.co.in)