



SAL STEEL LIMITED

Admn. Office : Shah Alloys Corporate House, Sola - Kalol Road, Santej, Ta. Kalol, Dist. Gandhinagar- 382721
Regd. Office : 5/1, Shreeji House, 5th Floor, Behind M.J.Library, Ashram Road, Ahmedabad- 6. India
Phone : 02764 - 661100

Date: 04.09.2019

To,

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

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

BSE Scrip Code: 532604

NSE Symbol – SALSTEEL

Sub: Submission of Annual Report 2018-19 including Notice of the 16th Annual General Meeting of the Company as per Regulation 34(1) of 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 of the Company for the year ended on 31st March, 2019 (2018-19) including Notice of the 16th Annual General Meeting ("16th AGM"). This will also be available on the website of the Company at www.salsteel.co.in. The timelines for 16th AGM of the Company is as set out below:

Date and Time of 16 th AGM	Wednesday, 25 th September, 2019 01:00 PM
Venue	SAL Institute of Engineering and Research, Opp. Science City, Ahmedabad - 380 060
Cut Off Date for Voting Rights	20 th September, 2019
Remote e-Voting Start Date and Time	22 nd September, 2019 10:00 AM
Remote e-Voting End Date and Time	24 th September, 2019 05:00 PM
Book Closure Start Date	13 th September, 2019
Book Closure End Date	25 th September, 2019

Further the Physical copies of the Annual Report have been dispatched to all the Shareholders of the Company and in addition to this a copy of the Annual Report is also being sent by way of e-mail to all the Shareholders whose e-mail id's are registered with our Registrar and Share Transfer Agent.

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

Thanking You.

Yours faithfully,

FOR SAL STEEL LIMITED



MANISH DAULANI
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As stated above

CIN-L 29199GJ2003PLC043148



SAL STEEL LIMITED

**Annual Report
2018-19**



16TH ANNUAL REPORT 2018-2019

CIN: L29199GJ2003PLC043148

Board of Directors

Shri Rajendra V. Shah	Non Executive Chairman
Shri Sujal Shah	Whole Time Director
Shri Babulal M. Singhal	Whole Time Director
Shri Anil Kumar Pandya	Whole Time Director
Shri Ambalal C. Patel	Independent Director
Shri Tejpal S Shah	Independent Director
Shri Harshad M.Shah	Independent Director
Shri Shrikant Jhaveri	Independent Director
Smt. Shefaliben M. Patel	Independent Director

Chief Financial Officer

Shri Babulal M. Singhal

Company Secretary & Compliance Officer

Shri Manish Daulani

Audit Committee

Shri Shrikant N. Jhaveri, Chairman
Shri Ambalal C. Patel
Smt. Shefali M. Patel

Nomination and Remuneration Committee

Shri Shrikant N. Jhaveri, Chairman
Shri Ambalal C. Patel
Shri Harshad M. Shah

Stakeholders' Relationship Committee

Shri Shrikant N. Jhaveri, Chairman
Shri Ambalal C. Patel
Shri Harshad M. Shah

Corporate Social Responsibility Committee

Shri Ambalal C. Patel, Chairman
Shri Rajendra V. Shah
Shri Sujal A. Shah

Registered Office

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

Administrative Office

S.A.L. Steel Limited
Corporate House,
Sola-Kalol Road, Village Santej,
Dist.-Gandhinagar-382 721

Plant

Survey No. 245, Village Bharapar,
Tal. Gandhidham, Dist.: Kutch, Gujarat

Statutory Auditors

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

Secretarial Auditors

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

Registrar and Share Transfer Agents

Karvy Fintech Pvt Ltd.
Karvy Selenium Tower B, Plot no. 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad 500 032
Phone: 91-040-67162222
Fax: 91-040-23001153
Toll Free no.: 1800-345-4001
E-mail: einward.ris@karvy.com
Website: www.karvyfintech.com

Bankers to the Company

ICICI Bank Ltd.

Shareholders are requested to bring their copies of Annual Report at the Annual General Meeting as the same will not be distributed in the Meeting Hall.

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NOTICE

NOTICE is hereby given that 16th Annual General Meeting of the Members of S.A.L. STEEL LIMITED will be held on Wednesday, 25th September 2019 at 01:00 P.M. at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380 060 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019, Statement of Profit & Loss for year ended on that date and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Rajendra V. Shah (DIN 00020904), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ambalal C. Patel (holding DIN 00037870), Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby Reappointed as an Independent Director of the Company to hold office for another term of five consecutive years up to 31st March, 2024.”
4. To consider and if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Harshad Shah (holding DIN 01309096), Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby Reappointed as an Independent Director of the Company to hold office for another term of five consecutive years up to 31st March, 2024.”
5. To consider and if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Tejal Shah (holding DIN 01195357), Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of independent Director, be and is hereby Reappointed as an Independent Director of the Company to hold office for another term of five consecutive years up to 31st March, 2024.”
6. To consider and if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Shrikant Jhaveri (holding DIN02833725), Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby Reappointed as an Independent Director of the Company to hold office for another term of five consecutive years up to 31st March, 2024.”
7. To consider and if thought fit, to pass, with or without modification(s), following resolution as **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter as “SEBI(LODR)”], as amended from time to time, consent of the Members be and is hereby accorded for all material related party contracts or arrangements entered and to be entered into financial year 2019-20 between the Company and Shah Alloys Limited for sale of power and materials and purchase of material & services from Shah Alloys Ltd. at a prevailing market price in ordinary course of business.
RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for ratification of related party transactions between the Company and Shah Alloys Limited entered into during the period 2018-19.

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

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Shri Sujal Shah (DIN: 01431407) as a Wholetime Director, designated as Executive Director, for a period of 3 (Three) years from the expiry of his present term of office, i.e., with effect from April 26, 2019 on the same terms and conditions.

"RESOLVED FURTHER THAT Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and alter and vary the terms and conditions of the said re-appointment and remuneration and / or agreement subject to the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification and re-enactment thereof for the time being in force, as may hereafter be made by Central Government in that behalf from time to time or any amendment thereto and as may be agreed between the Board and Shri Sujal Shah."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Shri Babulal M. Singhal (DIN: 01484213) as a Wholetime Director, designated as Executive Director, for a period of 3 (Three) years from the expiry of his present term of office, i.e., with effect from May 15, 2019 on the same terms and conditions.

"RESOLVED FURTHER THAT Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and alter and vary the terms and conditions of the said re-appointment and remuneration and / or agreement subject to the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification and re-enactment thereof for the time being in force, as may hereafter be made by Central Government in that behalf from time to time or any amendment thereto and as may be agreed between the Board and Shri Babulal M. Singhal."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants appointed by the Board on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 be paid the remuneration of ₹ 70,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit."

Date: 30th May 2018

Place: Santej

By Order of the Board of Directors

Sd/-

Manish Daulani

Company Secretary & Compliance Officer

Registered Office:

5/1 Shreeji House, B/h M.J. Library,

Ashram Road, Ahmedabad-380 006

CIN: L29199GJ2003PLC043148

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/herself and proxy need not be a member. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share

capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. The complete instruction on e-voting facility provided by the Company is annexed to this Notice, explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the Meeting venue on 25th September 2019.
3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative/s to attend and vote at the Annual General Meeting.
4. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of directors seeking appointment / reappointment at the Annual General Meeting is given in detail, as annexed hereto.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting, is annexed hereto.
6. **Shareholders are requested to bring their copy of Annual Report to the meeting.**
7. Members/Proxies should fill Attendance Slip for attending the meeting.
8. **The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 13th September 2019 to Wednesday, 25th September, 2019 (both days inclusive).**
9. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
10. Relevant documents referred to in the accompanying Notice and the Statement will remain open and available for inspection by the members at the administrative office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.
12. **Members who have not registered their email IDs so far with their depository participants, are requested to register their email IDs for receiving all the Communications including Annual Report, Notices etc. in electronic mode.**
13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.
14. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2019 is uploaded on the Company's website www.salsteel.co.in.
15. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, a physical copy of the Annual Report for 2018-19 is being sent in the permitted mode.

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

SECTION A: E-VOTING PROCESS:

1. To use <https://evoting.karvy.com> URL for e-voting:
2. Enter the login credentials i.e., user id and password mentioned. Your Folio No./DP ID Client ID will be your user ID.
3. After entering the details appropriately, click on LOGIN.
4. If you are holding shares in demat form and had logged on to www.evoting.karvy.com and voted on an earlier voting of any Company, then your existing password is to be used.

5. If you are a first time user, use below mentioned User ID and Password.

Once, you will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it.

Kindly note that it is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT i.e. S.A.L Steel Ltd.
8. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option "ABSTAIN" in case you wish to abstain from voting.
9. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
10. On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.
11. Click on the Resolution File Link if you wish to view the Notice.
12. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

Please note that once you have cast your vote, you cannot modify or vote on poll at the time of Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

SECTION B- COMMENCEMENT OF E-VOTING PERIOD AND OTHER INSTRUCTIONS

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 read with Regulation 44 of SEBI (LODR), Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 16th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Fintech Private Ltd.
2. The voting period begins on 22.09.2019 at 10:00 a.m. and ends on 24.09.2019 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of (record date) of 20.09.2019 may cast their vote electronically. The e-voting module shall be disabled by Karvy Fintech Private Limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
4. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to www.karvyfintech.com OR write an e-mail to shyam.kumar@karvy.com
5. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
6. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20.09.2019, may obtain the login ID and password by sending a request at www.karvyfintech.com.
7. CS Kamlesh M Shah, Practicing Company Secretary (Membership No. ACS 8356, CP No: 2072) (Address: 801-A, 8th Floor, Mahalaya Complex, Opp. Hotel President, B/H. Fairdeal House, Swastik Cross Roads, Off. C. G. Road, Navrangpura, Ahmedabad: 380009) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
8. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period,

unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.

9. The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.salsteel.co.in within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
10. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
11. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail ksshah@yahoo.com.
12. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding Karvy e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Shri N Shyamkumar of Karvy Fintech Pvt. Ltd at 040- 44655000 or at 1800 345 4001 (toll free).

Note: For detailed instructions for e-voting, please visit website of Karvy Fintech Private Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER

Item No.3 to Item No. 6:

Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) are independent Directors of the Company and have held positions as such for more than 5 years.

At the Annual General Meeting held on Septemeber 24, 2014, the members of the Company had appointed Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) as an Independent Director of the Company, to hold office up to Conclusion of 16th Annual General Meeting of the Company to be held in the calendar year 2019 ("first term").

The Nomination and Remuneration Committee (the 'NRC Committee') of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) as Independent Directors, for a second term of 5 (Five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Director.

Accordingly, it is proposed to re-appoint Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) as Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) are not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given their consent to act as a director.

The Company has also received declaration from Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) that they meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) fulfils the conditions for appointment as an Independent Director as

specified in the Act and the Listing Regulations.

Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) are independent of the management.

Details of Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) are provided in the "Annexure- A" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of draft letter of appointment of Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) are interested in their respective resolution set out at Item No. 4 to Item No. 7 of the Notice with regard to their re-appointment.

Relatives of Shri Ambalal C. Patel (DIN: 00037870), Shri Harshad M. Shah (DIN: 01309096), Shri Tejpal Shah (DIN: 01195357), and Shri Shrikant Jhaveri (DIN: 02833725) may be deemed to be interested in their respective resolutions for reappointment to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out from Item No. 3 to 6 of the Notice for approval by the members.

Item No. 7:

The Securities and Exchange Board of India, vide its Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015 (the "said circular"), introduced the regulations called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [herein after "SEBI (LODR)"]. As per regulation 23 (4) of the SEBI (LODR), all material related party transactions shall require approval of the shareholders through resolution in the General Meeting. The related party transactions set out below are all contractual obligations entered / to be entered into by the Company in its ordinary course of business and are arms' length transactions for financial year 2019-20:

Approval Sought for Financial Year 2019-20

Name of the related party	Shah Alloys Limited	
Relation with the Company	Promoter Company	
Purpose of related party transaction	Sale of Power & Material	Purchase of Material & Service
Amount Approx. (₹ in Cr.)	300.00	100.00

Transaction During the Financial Year 2018-19

As approved by the members in the Annual General Meeting held on 29.09.2018, Company entered into related party transactions for the financial year 2018-19 as below:

Name of the related party	Shah Alloys Limited	
Relation with the Company	Promoter Company	
Transaction	Purchase of Power & Material	Purchase of Material & Services
Limits approved by members for 2018-19 (Rs. in Crores)	300	100
Total transaction during 2018-19 (Rs. in Crores)	289	2.06

Purpose of the aforementioned material related party transactions

Company was promoted by Shah Alloys Limited in 2003 and is having 35.61% equity holding in the Company. The Project is backward integration project since finished product of the Company is raw material for the Shah Alloys Limited. Further, Company has installed group captive power plant 40 MW. Excess power is wheeled to Shah Alloys Limited for its power requirement. On account of above, Shah Alloys is purchasing finished product of Company and also power generated by group captive power plant. Company purchases various materials from Shah Alloys Limited for maintenance of its plant and other purposes. Transactions made with Shah Alloys Limited are at Arms' length basis. The information is given pursuant to the provisions of Regulation 23 of SEBI (LODR) Regulations 2015 since the value of transactions with SAL Steel Ltd. exceeds 10% of the total turnover of the Company.

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

Item No.8:

The Board of Directors of the Company ("the Board"), at its meeting held on May 28, 2019 has, subject to approval of members, re-appointed Shri Sujal Shah (DIN: 01431407) as a Whole-time Director, designated as Executive Director, for a period of 3 (Three) years from the expiry of his present term, i.e., with effect from April, 25, 2019, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NRC Committee') of the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Sujal Shah as a Whole-time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Sujal Shah are provided as "Annexure - B" to Notice.

Shri Sujal Shah satisfies conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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

Save and except the above, none of the other Directors / Key Managerial Personnel of Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends Ordinary Resolution set out at Item No. 8 of Notice for approval by shareholders.

Item No.9:

The Board of Directors of the Company ("the Board"), at its meeting held on May 28, 2019 has, subject to approval of members, re-appointed Shri Babulal Singhal (DIN: 01484213) as a Whole-time Director, designated as Executive Director, for a period of 3 (Three) years from the expiry of his present term, i.e., with effect from May, 15, 2019, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NRC Committee') of the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Babulal Singhal as a Whole-time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Babulal Singhal are provided as "Annexure - B" to Notice.

Shri Babulal Singhal satisfies conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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

Save and except the above, none of the other Directors / Key Managerial Personnel of Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends Ordinary Resolution set out at Item No. 9 of Notice for approval by shareholders.

Item No.10:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 at the remuneration of ` 70,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

Date: 30th May 2018

Place: Santej

By Order of the Board of Directors

Sd/-

Manish Daulani

Company Secretary & Compliance Officer

Registered Office:

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

CIN: L29199GJ2003PLC043148

**Annexure A to the Notice for 16th Annual General Meeting
Details of the independent directors seeking re-appointment in the 16th Annual General Meeting of the Company
[Pursuant to regulation 36 (3) of the SEBI (LODR) Regulations, 2015]**

Name of Director	Ambalal Patel	Harshad Shah	Tejpal Shah	Shrikant Jhaveri
Date of Birth	01.04.1944	01.07.1952	01.06.1953	20.12.1943
Qualifications	B.E (Metallurgy, B.sc)	Bachelor in Commerce	Bachelor in Commerce	M.S. (Electrical), USA
Experience	More than 45 years of Experience and has been associated with various Govt. and PSU Bodies like GMDC, GILC, on various senior technical posts.	More than 42 years of Experience in trading of Steel Products and in Construction Company	More than 39 years of rich experience in Trading Business	He has rich experience of serving Government Company for more than 27 Years
Terms and Conditions of Re-appointment	As per Existing Terms and Conditions	As per Existing Terms and Conditions	As per Existing Terms and Conditions	As per Existing Terms and Conditions
Date of first appointment on the Board	05th August, 2004	05th August, 2004	18th June, 2006	11th May, 2005
Share holding in the Company as on March 31, 2019	89,000 Shares	Nil	Nil	Nil
Relationship with other Directors / KMP	None	None	None	None
Number of meetings of the Board attended in the financial year (2018-19)	4	3	4	4
Directorships of other Boards as on March 31, 2019	1. Ajmera Realty & Infra India Limited. 2. Sumeru Industries Limited. 3. Shree Precoated Steels Limited. 4. Nandan Denim Limited. 5. Jindal Hotels Limited.	1. Shah Alloys Limited.	1. Shah Alloys Limited	1. Jindal Worldwide Limited.
Membership / Chairmanship of Committees of Board of Directors (across all companies) as on March 31, 2019	1. Ajmera Realty & Infra India Limited. a) Audit Committee (C). b) NRC (M) c) SRC (M) 2. Shree Precoated Steels Limited. a) Audit Committee (M) b) NRC (M) 3. Jindal Hotels Limited. a) Audit Committee (M) b) NRC (M) 4. SAL Steel Limited. a) CSR (C) b) Audit Committee (M) b) NRC (M) c) SRC (M)	1. Shah Alloys Limited. (a) NRC (M) 2. SAL Steel Limited. (a) NRC (M) (b) SRC (M)	1. Shah Alloys Limited. a) Audit Committee (M) b) NRC (M) c) SRC (M)	1. SAL Steel Limited. (a) Audit Committee (C) (b) NRC (C) (c) SRC (C)

Note: Abbreviations: Nomination & Remuneration Committee (NRC), Stakeholders Relationship Committee / Stakeholders Grievance Committee (SRC)/(SGR), Corporate Social Responsibility Committee (CSR), Chairman (C) and Member (M).

ANNEXURE - B TO THE NOTICE FOR 16TH ANNUAL GENERAL MEETING
Details of the Whole time Directors to be re-appointed in the 16th Annual General Meeting of the Company

1. Name of Director	Shri Sujal Shah
A. Period of Appointment	Three years from 25th April, 2019
B. Remuneration Details: Monthly Salary Prerequisites and Facilities Other Facilities Minimum Remuneration	Rs. 36000/- (Rupees Thirty Six Thousand Only) including cash allowances and Incentives. It includes: Medical Reimbursement for himself, spouse and dependent children as per Company's Policy. A Company maintained car with option of driver's facility. It includes Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration. Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Shri Sujal Shah, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time
C. Termination of Agreement	Written memorandum executed between Company and Shri Sujal Shah, can be terminated by either party giving 3 (Three) months notice in writing of such termination.
D. Duties and Responsibilities	Shri Sujal Shah shall be in charge for all purchases and procurement function of the Company and shall perform such duties as may be entrusted to him, subject to superintendence, control and guidance of Board.
II. Name of Director	Shri Babulal Singhal
A. Period of Appointment	Three years from 15th May, 2019
B. Remuneration Details: Monthly Salary Prerequisites and Facilities Other Facilities Minimum Remuneration	Rs. 41,000/- (Rupees Forty One Thousand Only) including cash allowances and Incentives. It includes: Rent free accommodation including provision for electricity, gas and water, as per Company's Policy, Medical reimbursement for himself, spouse and dependent children as per Company's Policy and A Company maintained car with option of driver's facility. It includes Company's Contribution to Provident Fund, Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration. Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Shri Babulal Singhal, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time.
C. Termination of Agreement	Written memorandum executed between Company and Shri Babulal Singhal, can be terminated by either party giving 3 (Three) months notice in writing of such termination.
D. Duties and Responsibilities	Shri Babulal Singhal shall be in charge for all purchases and procurement function of the Company and shall perform such duties as may be entrusted to him, subject to superintendence, control and guidance of Board.

**Details of the directors retiring by roatation seeking re-appointment in the
16thAnnual General Meeting of the Company**

[Pursuant to regulation 36 (3) of the SEBI (LODR) Regulations, 2015]

Name of Director	RAJENDRA V. SHAH
DIN	00020904
Date of Birth	19.09.1955
Date of Appointment	06.11.2003
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	38 years of experience in trading of Steel products and in construction company.
Qualification	B.E. (Mech.)
No. of Equity Shares held in the Company	NIL
List of other Companies in which Directorships are held	Shah Alloys Limited
List of committees of Board of Directors (across all the Companies) in which Chairmanship/ Membership is held	<p>1.SAL Steel Limited Corporate Social Responsibility Committee (Member).</p> <p>2.Shah Alloys Limited. Corporate Social Responsibility Committee (Member).</p>

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 16th Annual Report of your company on the operations and performance along with the Audited Financial Statements for the year ended on 31st March 2019.

FINANCIAL HIGHLIGHTS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Total Revenues	575.69	448.79
Total Expenditure	566.53	440.86
Profit before interest depreciation, extraordinary item and tax	9.16	7.93
Depreciation and Interest	7.80	7.75
Profit / (Loss) before exceptional, extraordinary item and tax	1.36	0.18
Exceptional & Extraordinary item	(20.01)	63.78
Profit / (Loss) before tax	(18.65)	63.96
Tax Expense / Deferred tax	2.95	21.57
Net Profit / (Loss) for the year	(21.60)	42.39
Total Comprehensive income	0.06	0.16
Profit / (Loss) Brought forward from last year	(101.52)	(144.07)
Balance Carried forward	(123.06)	(101.52)

STATE OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW

During the year under review Total Revenue from operation has been increased from ₹448.79 Crores' to ₹ 575.69 Crores' as compared to previous year's turnover. Company has registered a net Loss of ₹ 21.60 Crores in comparison of profit of ₹ 42.39 Crores during previous year. During the year under review, Company has been regularly paying all the instalment as per the terms of settlement with banks and financial institution

DIVIDEND

Due to high accumulated loss, your Directors have not recommended dividend for the financial year 2018-19.

BUSINESS ACTIVITY

The company is engaged in manufacture of sponge iron, ferro alloys and power. Company is generating power on account of waste heat recovery system resulting economic price. Company is having its power plant of 40 MW. Power generated is used for captive consumption. There has been no change in the nature of business of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have holding or subsidiary companies during the year and no other company has become holding / subsidiary/ joint venture / associate. The Company is an Associate Company of M/s Shah Alloys Limited as it is holding more than 20% of the Equity Share Capital in the Company as a Promoter Company.

Name of Director or KMP	Designation	Appointment/Resignation /Cessation	Date
Mr. Niraj Jain	Company Secretary	Resignation	03/01/2019
Mr. Manish Daulani	Company Secretary	Appointment	04/01/2019
Mr. Jethalal M. Shah	Non-Executive Independent Director	Cessation (Due to Sudden Demise)	13/01/2019

MEETINGS OF THE BOARD

During the year under review, total four meetings of Board of Directors were held on the following dates 28/05/2018, 11/08/2018, 14/11/2018, 13/02/2019. Details of meetings are given in the Corporate Governance Report annexed herewith and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD DIVERSITY

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

BOARD EVALUATION

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

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

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

CORPORATE GOVERNANCE REPORT

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2019, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite Certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

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

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the annexure to this report as **Annexure - 1**.

RISK MANAGEMENT POLICY

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

VIGIL MECHANISM POLICY

The Company had implemented a vigil mechanism, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance of code of conduct to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

Company has accumulated Losses in the year under review, Provisions related to expenditure of at least two percent of the average net profits in CSR activities is presently not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the financial year ended 31st March 2019, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year

and profit and loss account of the Company for that period;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

PARTICULARS OF THE EMPLOYEES

Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure- 2**. Further, particulars of employees remuneration, as prescribed under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not attached with this report since there was no employee who was in receipt of excess remuneration as prescribed.

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

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

IND AS

Your company has adopted IND AS w.e.f. 1st April 2017 pursuant to Notification of the Ministry of Corporate Affairs dated 16th February 2015 in place of Accounting Standards.

AUDITORS AND AUDIT REPORTS

a. Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under M/s. Ashish Bhavsar & Associates, Cost Accountants were appointed for auditing cost accounting records of the Company for the year ending 31st March, 2019. Board has further appointed M/s. Ashish Bhavsar & Associates, Cost Accountants as Cost Auditors for the year ending 31st March 2020 subject to approval of remuneration in the forthcoming Annual General Meeting.

b. Internal Auditor

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

c. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s Kamlesh Shah & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2019-20. The report submitted by the Secretarial Auditor in Form MR-3 for the financial year ended as on 31st March, 2019 is attached to this report as **Annexure - 4**. Remarks of secretarial auditor are self-explanatory.

d. Statutory Auditors

There are no Qualifications, Reservations or Adverse remarks in the Auditor's Report for the year under review.

MATERIAL CHANGES / INFORMATION:

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

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in Form MGT-9 in compliance with Section 92 of the Companies Act 2013 read with applicable rules made thereunder is annexed to this report at **Annexure - 5**.

APPRECIATION

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

For and on behalf of the Board
Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 30th May 2019
Place: Santej

ANNEXURE 1

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

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019)

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

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

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

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

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

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

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

I. POWER & FUEL CONSUMPTION		2018-19	2017-18
1	ELECTRICITY		
	(a) Purchased		
	Unit (Kwh)	694711	2118956
	Total Amount (Rs.)	32361830	43934917
	Rate / Unit (Rs)	46.58	20.73
	(b) Own Generation		
	(i) Through Diesel Generator Unit (Kwh)		
	Unit Per Ltr of Diesel Oil	Nil	Nil
	Cost / Unit (Rs)	Nil	Nil
	(ii) Through Steam Turbine / Generator Unit (Kwh)	111712000	139680000
	Unit Per Kg of Lignite		
	Cost Lignite / Unit (Rs)	2.09	1.2476
	Cost Coal / Unit (Rs)	0.71	0.4300
	Cost Coal & Lignite / Unit (Rs)	2.80	1.6776
2	COAL (Including Coal Fines)		
	Quantity (MT)	66137	17322
	Total Cost (Rs)	233687205	60403081
	Average Rate (Rs)	3533	3487
3	FURNACE OIL		
	(used in the generation of power)		
	Quantity (K Ltr)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil
4	OTHERS - LIGNITE		
	(used in the generation of steam)		
	Quantity (K Tonns)	43529	93011
	Total Cost (Rs)	79247547	174260695
	Average Rate (Rs)	1820	1874
II.	CONSUMPTION PER M.T. OF PRODUCTION		
	Particulars of Product		
	Electricity (in Unit)	Nil	Nil
	Furnace Oil	Nil	Nil
	Coal (Specify quantity)	Nil	Nil
	Others	Nil	Nil

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

Particulars	2018-19	2017-18
1. Specific areas in which R&D carried out by the company.	Nil	Nil
2. Benefits derived as a result of the above R&D	Nil	Nil
3. Future plan of action:	Nil	Nil
a. Capital	Nil	Nil
b. Recurring	Nil	Nil
c. Total	Nil	Nil
d. Total R&D expenditure as a percentage of total turnover	Nil	Nil

(II) Technology absorption, adaptation:

Particulars	2018-19	2017-18
Company has not carried out research, development & innovation activities.		
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Nil	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil	Nil
a. Technology imported		
b. Year of import		
c. Has technology has been fully absorbed		
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

Particulars	2018-19	2017-18
1) EARNINGS & OUTGO		
a. Foreign Exchange earnings	6273.23	6061.54
b. Foreign Exchange outgo	13029.78	15402.36
2) TOTAL FOREIGN EXCHANGE USED AND EARNED		
As per notes on account		

For and on behalf of the Board
Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 30th May 2019
Place: Santej

ANNEXURE 2 TO THE BOARD'S REPORT

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. no.	Name of director / KMP	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2018-19	* % increase / (decrease) in remuneration in the FY 2018-19
a)	Shri Sujal Shah	Whole Time Director	2.5 : 1	-
b)	Shri Babulal Singhal	Whole Time Director cum CFO	2.8 : 1	-
c)	Shri Anil Pandya	Director	2.7 : 1	-
d)	Shri Manish Daulani	Company Secretary	0.6 : 1	-

II.	The percentage increase in the median remuneration of employees in the financial year:	5%
III.	The number of permanent employees on the rolls of company:	393
IV.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration;	During the year under review, the average annual increase was negligible.
V.	Affirmation that the remuneration is as per the remuneration policy of the Company.	All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

For and on behalf of the Board
Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 30th May 2019
Place: Santej

ANNEXURE 3

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

2. Details of material contracts or arrangement or transactions at arm's length basis							
	Name (s) of the related party	Nature of relationship	Nature of transaction	Duration of the transaction	Transactions value in ₹	Date of approval by the Board	Amount paid as advances
1.	Shah Alloys Limited	Promoter company	Sale of Power	April 2018- March 2019	41,35,52,000	Since these RPTs are in the ordinary course of business and are at arms' length basis, approval of the Board is not required. However, these are reported to the Audit Committee / Board at their quarterly meetings.	N.A.
		Purchase of material & Services	247,62,59,074				
		Sale of material & Services	4,80,71,147				

Date: 30th May 2019
Place: Santej

For and on behalf of the Board
Sd/-
Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 4
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

To,
The Members,
S A L STEEL LIMITED
CIN: L29199GJ2003PLC043148

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices followed by S A L STEEL 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 on that basis; we are expressing our opinion thereon.

Based on my/our verification of the records of S A L STEEL LIMITED, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by S A L STEEL LIMITED (CIN: L29199GJ2003PLC043148) for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act,1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011; (COMPLIED WITH ANNUAL DISCLOSURE OF SHAREHOLDING AS PER REGULATION NO. 30 OF THE REGULATIONS)
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NO ESOS OR ESOPS WERE ISSUED DURING THE YEAR UNDER REVIEW)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE FOR THE YEAR UNDER REVIEW)
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g) The Securities and Exchange Board of India(Delisting of Equity Shares)Regulations, 2009; (NOT APPLICABLE FOR THE YEAR)
 - h) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998; (NOT APPLICABLE FOR THE YEAR UNDER REVIEW)
- (vi) As stated in the Annexure – A – all the laws, rules, regulations are applicable specifically to the company.
- (vii) No Other Observations regarding other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Agreements etc.
I/We have also examined compliance with the applicable clauses of the following:
 - i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f 1st day of July 2015 are adopted by the Company by passing requisite Board Resolutions and are complied with.
 - ii) The Listing Agreements entered into by the Company with BSE Limited.
During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executives Directors, Independent Directors and Woman Director.

There were no changes in the composition of the Board of Directors of the Company during the year Except Cessation of Mr. Jethalal M. Shah as Independent Director of the Company due to his Sad Demise further in respect of that Company had Filed E-FORM DIR-12.

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

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

I/We further report that during the audit period the company has not made any

- (I) Public/ Right/Preferential issue of shares/ debentures/sweat equity, etc.
- (II) Redemption/ buy-back of securities
- (III) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (IV) Foreign technical collaborations

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

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad

Date: 30th May, 2019

ANNEXURE-A**Securities Laws**

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

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF / Gratuity Act are applicable to Company.
4. The Company is regular in filing return of PF dues.
5. The Company is making payment of Gratuity to their Employees regularly when they become due and payable except dues which are under dispute.
6. The Company has framed a policy on prevention of Sexual Harassment of Women Employee at work place and also all preventive measure has been taken by the Company. Since women employed by Company are less than 10 in number, Company had not formed any committee. However, as per provisions any aggrieved women can approach "Local Complaints Committee" formed at every District level pursuant to section 6 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Environmental Laws

1. As the company is not discharging the contaminated water at the public drains / rivers.
2. The company has been disposing the hazardous waste as per applicable rules.

Taxation Laws

1. The company follows provisions of the taxation and Income Tax Act, 1961 and filing the returns with Income tax department and all other necessary departments, however, in few instances company has filed the returns with the authorities with delay payment charges / interest.
2. The company normally making payment of TDS, GST and other statutory payment with appropriate Authorities well in time except few instances with delay payment charges / interest.

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

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad

Date: 30th May, 2019

ANNEXURE-B

To
The Members,
SAL Steel Limited
CIN: L27100GJ1990PLC014698
SAL CORPORATE HOUSE,
SOLA-KALOL ROAD TAL. KALOL,
DIST. GANDHINAGAR SANTEJ 382043

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on Management Representation Letter dated 23.05.2019 as provided by the Company before issuing our Report to the Company.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES
Sd/-
(Kamlesh M. Shah)
PROPRIETOR
ACS: 8356, COP: 2072

Place: Ahmedabad
Date: 30th May, 2019

ANNEXURE 5

Form No. MGT-9 Extract of Annual Return as on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and

rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1) REGISTRATION AND OTHER DETAILS:

1)	CIN :-	L29199GJ2003PLC043148
2)	Registration date:	06/11/2003
3)	Name of the company :	S A L STEEL LIMITED
4)	Category/ sub-category of the company:	Company limited by shares/ Indian Non-Government Company
5)	Address of the registered office and contact details:	5/1 Shreeji House, 5TH Floor B/h M J Library Ashram Road, Ahmedabad-380006 Gujarat
6)	Whether listed company:	YES
7)	Name, address and contact details of registrar and Transfer Agent, if any	Karvy Fintech Pvt Ltd. Karvy Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Phone: 91-040-67162222 • Fax: 91-040-23001153 Toll Free no.: 1800-345-4001 • E-mail: shyam.kumar@karvy.com Website:www.karvyfintech.com

2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and descriptions of main products/ services	NIC Code of the product/ Service	% to Total turnover of the company
1.	Ingots of iron & steel & other primary forms	271	74.26%

3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN / GLN	Concern	% of shares held	Applicable Section
NA					

3) Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) a) Indian/Individual/HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	42959889	NIL	42959889	50.56	42959889	NIL	42959889	50.56	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	42959889	NIL	42959889	50.56	42959889	NIL	42959889	50.56	NIL
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)	42959889	NIL	42959889	50.56	42959889	NIL	42959889	50.56	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	5000	NIL	5000	0.00	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):	5000	NIL	5000	0.01	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.	11852396	NIL	11852396	13.95	11203028	NIL	11203028	13.19	(0.76)
i) Indian									
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	21341122	85310	21426432	25.22	20725033	85305	20810338	24.49	(0.73)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	7978454	125000	8103454	9.54	9418227	125000	9543227	11.23	1.69
c) Others (TRUSTS, NON RESIDENT, NBFC & CLEARING MEMBERS & NBFC)	619529	NIL	619529	0.73	450218	NIL	450218	0.53	(0.20)
Sub-total (B)(2):-	41791501	210310	42001811	49.44	41796506	210305	42006811	49.44	NIL
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	41796501	210310	42006811	49.44	41796506	210305	42006811	49.44	NIL
C. shares held by custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A+B+C)	84756390	210310	84966700	100.00	84756395	210305	84966700	100.00	NIL

II) SHAREHOLDING OF PROMOTERS

Name of promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shares holding during the year
	No. of share	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of share	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
Shah Alloys Ltd.	30256989	35.61	30256989	30256989	35.61	30256989	NIL
Sal Care Pvt. Ltd.	12702900	14.95	12702900	12702900	14.95	12702900	NIL
Total	42959889	50.56	42959889	42959889	50.56	50.56	NIL

III) CHANGE IN PROMOTER'S SHAREHOLDING

SHAH ALLOYS LTD	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
At the beginning of the year	30256989	35.61	30256989	35.61
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	No change	No change	No change	No change
At the end of the year	30256989	35.61	30256989	35.61

SAL CARE PVT LTD	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
At the beginning of the year	12702900	14.95	12702900	14.95
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	No change	No change	No change	No change
At the end of the year	12702900	14.95	12702900	14.95

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

Sr. No.	NAME OF SHAREHOLDERS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Satellite Mercantiles Pvt. Ltd.	3566638	4.20	3544498	4.17
2	Gujarat NRE Coke Ltd.	2737682	3.22	2737682	3.22
3	Gujarat NRE Mineral Resources Ltd.	1445633	1.70	1445633	1.70
4	JM Financial Services Limited	1075736	1.27	1813566	2.13
5	Mahendra Girdharilal	41505	0.05	411640	0.48
6	Ashvin V Shah	377000	0.44	377000	0.44
7	Lakshmi M	156000	0.18	350040	0.41
8	Jainam Share Consultants Pvt. Ltd.	341419	0.40	379348	0.45
9	JayeshVijaykumar Shah	304936	0.36	304936	0.36
10	Anand Mohan	185000	0.22	294000	0.35
	Total	9183096	10.81	10014585	11.71

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Ambalal C Patel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
At the beginning of the year	89000	0.10	89000	0.10
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	No change	No change	No change	No change
At the end of the year	89000	0.10	89000	0.10

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1745150000	-	-	1746540603
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1745150000	-	-	1746540603
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	72206000	-	-	72206000
Net Change	72206000	-	-	72206000
Indebtedness at the end of the financial year				
i) Principal Amount	1672944000	-	-	1672944000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1672944000	-	-	1672944000

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Salary	Shri Sujal Shah	4,32,000
		Shri B.M Singhal (WTD & CFO)	4,92,000
		Shri Anil Pandya	4,80,000
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission		
		- as % of profit	NIL
5.	Others, please specify	NIL	NIL
		Total (A)	NIL
	Ceiling as per the Act	As per Section (II) Part (II) of Schedule V.	

b. Remuneration to other Directors

Particulars of remuneration	Name of Directors						Total Amount
	Shri A.C. Patel	Shri Tejpal S. Shah	Shri Harshad M. Shah	Shri Jethalal M. Shah	Shri Shrikant N Jhaveri	Smt. Shefali M. Patel	
Fee for attending board / committee meetings	60000	30000	37500	45000	60000	37500	270000
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others, please specify							
Total	60000	30000	37500	45000	60000	37500	270000
Overall Ceiling as per the Act	Ceiling for sitting fee as per Section 197 (5) read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is Rs. 1,00,000/- per meeting of Board/Committee						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		From (Date) To (Date)	From (Date) To (Date)	CFO/CEO		
		Shri Nirajkumar Jain	Shri Manish Daulani	Shri Babulal Singhal		
1	Gross salary	371572	112367	492000	975939	
2	Stock Option	N.A.	N.A.	N.A.	N.A.	
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.	
4	Commission	N.A.	N.A.	N.A.	N.A.	
	- as % of profit	N.A.	N.A.	N.A.	N.A.	
	others, specify...	N.A.	N.A.	N.A.	N.A.	
5	Others, please specify	N.A.	N.A.	N.A.	N.A.	
	Total	371572	112367	492000	975939	

d. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CORPORATE GOVERNANCEREPORT

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

Detailed report on Corporate Governance for the financial year ended March 31 2019, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY

Composition of Board and Directorship held as on March 31, 2019 and numbers of meetings held and attended during the year are as follows:

Name of Director	Category	Numbers of Board Meetings		No. of other Directorships held	Committee Memberships held in other companies		Attendance at Last AGM
		Held during the year	Attended during the year		as Member	as Chairman	
NON-EXECUTIVE DIRECTOR							
Shri Rajendra V. Shah	Promoter Non- Executive Chairman	4	4	2	2	Nil	Yes
EXECUTIVE DIRECTORS							
Shri Sujal Shah	Non Promoter Executive Director	4	4	1	1	Nil	Yes
Shri Babulal Singhal	Non Promoter Whole time Director	4	4	1	Nil	Nil	No
Shri Anil Pandya	Non Promoter Whole time Director	4	4	1	Nil	Nil	No
INDEPENDENT DIRECTORS							
Shri Ambalal C. Patel	Non – Executive & Independent	4	4	6	9	2	Yes
Shri Harshad M. Shah	Non-Executive & Independent	4	3	2	3	0	No
Shri Tejpal S. Shah	Non-Executive & Independent	4	4	2	3	0	No
Shri Shrikant N. Jhaveri	Non-Executive & Independent	4	4	2	3	0	No
Smt. Shefali M. Patel	Non-Executive & Independent	4	4	2	0	3	Yes

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

Independent Directors' Meeting

Independent Directors met on February 13, 2019 without presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

As on March 31 2019, Shri Ambalal C. Patel, Independent Director of the Company held 89,000 shares in the equity share capital of the Company. None of the other Non-Executive Directors hold any equity shares in the Company.

DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

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

3. COMMITTEES OF THE BOARD

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

The various Board level Committees are as under:-

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

AUDIT COMMITTEE:

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

The Audit Committee comprises of Three non-executive Directors as on 31st March, 2019 and during the year 2018-19 your company has reconstituted the committee due to sad demise of Mr. Jethalal M. Shah (Chairman of Audit Committee) as on , further all Members of Audit Committee are Independent Directors. During the period under review, Four Audit Committee meetings were held respectively on 28/05/2018 (Adjourned to 30/05/2018), 11/08/2018 (Adjourned to 13/08/2018), 14/11/2018, 13/02/2019 The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Director	Date of Cessation	Date of Appointment	Designation	No. of Meetings	Meetings attended
Shri Shrikant N. Jhaveri	--	28/05/2014	Chairman	4	4
Shri Ambalal C. Patel	--	28/05/2014	Member	4	4
Smt. Shefali Patel	--	13/02/2019	Member	4	1
Shri Harshad M. Shah	13/02/2019	28/05/2014	Member	4	3
Shri Jethalal M. Shah	13/01/2019	28/05/2014	Chairman	4	3

The Chairman of the Audit Committee was not present at the last Annual General Meeting of the Company.

NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three independent Non-executive directors as on 31st March, 2019 and during the year 2018-19 your company has reconstituted the committee due to sad demise of Mr. Jethalal M. Shah (Chairman of Nomination and Remuneration Committee) as on , further all Members of Nomination and Remuneration Committee are Independent Directors.

During the period under review, three meetings of Nomination and Remuneration Committee were held on 28/05/2018, 11/08/2018, 14/11/2018, and 13/02/2019.

Name of Director	Date of Cessation	Date of Appointment	Designation	No. of Meetings	Meetings attended
Shri Shrikant N. Jhaveri	--	13/02/2019	Chairman	4	1
Shri Ambalal C. Patel	--	28/05/2019	Member	4	4
Smt. Harshad M. Shah	--	28/05/2019	Member	4	3
Shri Jethalal M. Shah	13/01/2019	28/05/2019	Chairman	4	3

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

Board Evaluation

Pursuant to section 134 of the Companies Act, 2013, the Board is responsible for the formal Annual Evaluation of its own performance, of its committee & Individual Directors. Further, as per regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Independent Directors shall be done by entire Board of Directors, excluding directors being evaluated.

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

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

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

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

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

Remuneration of Directors

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

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

- b. Criteria for Making Payment to Non- Executive Directors

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

- c. Compensation/Fees Paid to Non-Executive Directors

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

- d. Details of Remunerations

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

Name of Director	Sitting Fees (₹)	Salaries & Perquisites (₹)	Commission (₹)	Total (₹)
Shri Rajendra Shah	Nil	Nil	Nil	Nil
Shri Sujal Shah	Nil	4,32,000	Nil	4,32,000
Shri Babulal Singhal	Nil	4,92,000	Nil	4,92,000
Shri Anilkumar Pandya	Nil	4,80,000	Nil	4,80,000
Shri Ambalal Patel	60,000	Nil	Nil	60,000
Shri Tejpal Shah	30,000	Nil	Nil	30,000
Shri Harshad Shah	37,500	Nil	Nil	37,500
Shri Jethalal Shah	45,000	Nil	Nil	45,000
Shri Shrikant Jhaveri	60,000	Nil	Nil	60,000
Smt. Shefali Patel	37,500	Nil	Nil	37,500

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

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

The Stakeholder's Grievance Committee comprises of three independent Non-executive directors as on 31st March, 2019 and during the year 2018-19 your company has reconstituted the committee due to sad demise of Mr. Jethalal M. Shah (Chairman of Stakeholder's Grievance Committee) as on , further all Members of Stakeholder's Grievance Committee are Independent Directors. During the period under review, four meetings of Stakeholders' grievance Committee were held on 28/05/2018, 11/08/2018, 14/11/2018, and 13/02/2019.

Name of Director	Date of Cessation	Date of Appointment	Designation	No. of Meetings	Meetings attended
Shri Shrikant N. Jhaveri	--	13/02/2019	Chairman	4	1
Shri Ambalal C. Patel	--	28/05/2019	Member	4	4
Smt. Harshad M. Shah	--	28/05/2019	Member	4	3
Shri Jethalal M. Shah	13/01/2019	28/05/2019	Chairman	4	3

Name and designation of Compliance Officer

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

Details of Shareholders Complaints

The details of shareholders complaints received and resolved till March 31, 2019 are as under:

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

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

No. of pending Complaints: Nil

No. of complaints resolved during the year: Nil

4. GENERAL BODY MEETING**Date, Time and Venue of the last three Annual General Meetings:**

Year	Date	Time	Venue	No. of special resolutions passed
2015-16	September 24th, 2016.	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2016-17	September 30th, 2017.	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2017-18	September 29th, 2018	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01

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

5. MEANS OF COMMUNICATION

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

6. GENERAL SHAREHOLDERS INFORMATION

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as L29199GJ2003PLC043148.

a) Annual General Meeting.

Date : 25th September, 2019

Time : 01:00 PM

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

b) Financial Year

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

The Quarterly Results for the financial year 2019-20 will be taken on record by the Board of Directors as per the following schedule:

Quarter ending 30th June 2019 : By 14th August 2019
 Quarter ending 30th September 2019 : By 14th November 2019
 Quarter ending 31st December 2019 : By 14th February 2020
 Quarter ending 31st March 2020 : By 30th May 2020

c) **Dividend Payment Date** : Not Applicable

d) **Listing on Stock Exchange** : **Bombay Stock Exchange Ltd.(BSE)**
 Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
 (Scrip Code: 532604)
 : **National Stock Exchange of India Ltd (NSE)**
 “Exchange Plaza”, BandraKurla Complex, Bandra (E), Mumbai – 400051
 (NSE Symbol: SALSTEEL)

Company has paid listing fees in respect of financial year 2019-20 to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

e) **Demat ISIN No. for NSDL and CDSL** : INE658G01014

f) **Stock code** : **Bombay Stock Exchange Ltd.**
 Scrip Code: 532604
National Stock Exchange of India Ltd
 Symbol: SALSTEEL

g) Share Price Data

(Rs. per share)

Month	Price at BSE		Price at NSE	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr' 18	10.30	6.96	9.90	7.10
May' 18	8.88	6.41	8.90	6.50
June' 18	8.20	6.66	8.25	6.65
July' 18	8.15	5.50	7.30	5.10
Aug' 18	7.80	6.02	8.35	5.95
Sept' 18	7.50	5.57	7.50	5.60
Oct' 18	6.95	4.86	6.40	4.60
Nov' 18	7.85	5.40	7.95	5.45
Dec' 18	7.04	5.75	7.30	5.80
Jan' 19	7.78	5.62	7.80	5.60
Feb' 19	6.19	4.51	6.15	4.40
Mar' 19	6.00	4.66	5.95	4.65

h) Registrar to an Issue and Share Transfer Agents

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

Name : Karvy Fintech Private Limited
Address : Karvy Selenium Tower B, Plot no. 31-32,
 Gachibowli, Financial District, Nanakramguda, Hyderabad, - 500 032.
Phone : 91-040-67162222
Fax : 91-040-23001153
Toll Free no. : 1800-345-4001
Email : shyam.kumar@karvy.com
Website : www.karvyfintech.com

i) **Share Transfer System**

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods (15) days from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulations 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the stock exchanges.

j) **Shareholding pattern as on 31st March, 2019**

Category	No. of Shares	%
Promoters	42959889	50.56
Clearing Members	35880	0.04
Indian Public	30353565	35.74
Domestic Companies	11203028	13.19
Nationalized Bank/ Insurance Company / NBFC	1500	0.00
NRI	315442	0.37
NRI NON-REPATRIATION	97396	0.10
Total	84966700	100.00

k) **Distribution of shareholding as on 31st March, 2019**

Shareholding (Rs)	No. of Shares	% to Total	No. of Members	% to Total
Up to 5000	18195	70.03	44811150	5.27
5001 - 10000	3853	14.83	34439730	4.05
10001 - 20000	1829	7.04	29780060	3.50
20001 - 30000	654	2.52	17291460	2.04
30001 - 40000	303	1.17	11145160	1.31
40001 - 50000	337	1.30	16089220	1.89
50001 - 100000	420	1.62	31896090	3.75
100001 & above	391	1.50	664214130	78.17
Total	25982	100	849667000	100

l) **Dematerialization of Shares and Liquidity**

On March 31st 2019, nearly 99.75% of the shareholders of Company were holding Company's shares in demat form. In the same way, Promoters & Promoters-group shareholding was also fully dematerialized.

k) **Plant Location:**

The Company's plant is located at:

Survey No. 245, Village Bharapar, Tal. Gandhidham, Dist. Kutch, Gujarat

l) **Registered & Administrative Offices:****Registered Office**

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

Administrative Office:

SAL Steel Limited,
Sola-Kalol Road, Village Santej,
Dist: Gandhinagar, Gujarat - 382721

m) **Address for Investor Correspondence:**

In case any problem or query shareholders can contact at:

Name : Manish R. Daulani, Company Secretary cum Compliance officer

Address : S.A.L. Steel Limited, Shah Alloys Corporate House,
Sola-Kalol Road, Santej, Dist. Gandhinagar, Gujarat 382 721

Phone : 91-02764-661100/11

Fax : 91-02764-661110

Email : cs@salsteel.co.in

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

Name : Karvy Fintech Private Limited.

Address : Karvy Selenium Tower B, Plot no. 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad-500032.
Phone : 91-040-67162222
Fax : 91-040-23001153
Toll Free no. : 1800-345-4001
Email id. : shyam.kumar@karvy.com
Website : www.bigshare.com

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

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

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

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

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

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

During the period under review, there is no non-compliance or penalty imposed by any authority.

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

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

Corporate Governance Compliance Certificate

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

Disclosure of Accounting Treatment

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

CEO and CFO Certification

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

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

We, Anil Pandya, Whole Time Director & Babulal M. Singhal, Whole Time Director & CFO of the Company, hereby certify that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange. Company has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company.

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

The above Report was adopted by the Board at their meeting held on 30th May 2019.

For, S.A.L. Steel Limited

Place: Santej
Date: 30.05.2019

Sd/-
Anil Pandya
Whole time Director
(DIN 02453919)

Sd/-
Babulal M. Singhal
Whole Time Director & CFO
(DIN 01484213)

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

S.A.L. STEEL LIMITED

We have examined the compliance of conditions of Corporate Governance by S.A.L Steel Limited ('the Company'), for the year ended 31st March, 2019 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('listing Regulations') as referred to in the Listing Regulations for the period 1st April, 2018 to 31st March, 2019.

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

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

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

For, K. K. Patel & Associates

Sd/-

(Kiran Kumar Patel)

Company Secretary

C.P.No.6352

Place: Gandhinagar

Date: 30.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS

INSIGHTS ON GLOBAL ECONOMY

As Compared to the FY 2017-18 in the FY 2018-19, the global economic activity remained under performed. As per the International Monetary Fund (IMF), the global output has been slated to go down from 3.6% in 2018 to 3.3% in 2019, which is 0.3 percentage lower than in 2018. The Slowdown in growth has been broad based, with the escalation of US-China trade conflicts, Economic stress in the countries of South America and Europe and financial tightening in other countries. The forecast for global growth in 2019 and 2020 is downward.

The International Monetary Fund (IMF) expects the global economic growth to further slow down to 3.3% in CY 2019, as the issues that plagued the major economies in the second half of CY 2018 are likely to spill over to the first half of CY 2019 and the effects of US policy stimulus are likely to taper off. Growth is likely to gradually pick up and stabilize at 3.6% in CY 2020, as the central banks of most major economies shift to a more accommodative policy stance and China ramps-up its economic stimulus to minimise the impact of increased tariffs.

In the near term, the risks to the global growth forecast appear to be balanced, however, some of the inward-looking policies, geopolitical tensions and political uncertainty in some countries could pose downside risks.

INDIAN ECONOMIC OVERVIEW

The Indian economy grew at 6.8% and remained the world's fastest growing major economy despite a visible slowdown in the fourth quarter of FY 2018-19 (April 2018-March 2019). With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. India is steadily moving towards sustaining growth in the near and long-term.

The Economic Survey of India 2018-19, projects Indian economy to have increased 7.2% in 2017-18 and 6.8% during FY 2018-19, with FY 2018-19 growth expected to be around 7 to 7.5%. Moreover, the country was ranked at the seventy seventh position, registering an improvement of 23 places, in the World Bank's Ease of Doing Business (EoDB) 2019 report.

India's crude steel production grew 3.3% to 106.56 MnT in FY 2018-19, making it the world's second largest steel producer, behind China. Steel exports fell 26.4% to 8.54 MnT as global demand weakened due to geopolitical uncertainties and additional tariffs on imports by the US. Finished and semifinished steel imports rose by 4.6% to reach 8.79 MnT. The domestic market saw rising imports from China, Japan and Korea.

Performance highlights - Indian Steel Industry

- Steel demand growth at 7.5% y-o-y (to 97.5 MnT) outpaced production growth at 3.3% y-o-y (to 106.6 MnT) in FY 2018-19.
- Total finished steel imports rose 4.6% to 8.8 MnT, displacing 15% of flat steel demand, 9% of total Indian steel demand.
- Indian exports plummeted 26% to 8.5 MnT in FY 2018-19 due to increased protectionism across the world.
- Per capita steel consumption rose from 69 kg to 73 kg; demand for flat products grew 4.2% while that for long products grew 10.4%. The share of flat and long products remained unchanged at 46% and 54%.

Some of the policy reforms and actions that have fuelled this growth are:

i) Infrastructure growth

The government's infrastructure push is visible across the country. Large-scale metro rail projects; dedicated freight corridors and transport ways network through the 'Bharatmala Pariyojana'; and port development through the 'Sagarmala' programme are progressing in full swing. This has resulted in an increase in Gross Fixed Capital (GFC) formation.

The Government is focused on strengthening the key pillars of the economy, agriculture, healthcare and infrastructure. To boost railway infrastructure in the country and foster job creation, the Government of India (GoI) announced an investment outlay of INR 94,071 crore in 2019-20 further the government has suggested the investment of Rs 5,000,000 crore (US\$ 750 billion) for railways infrastructure between 2018-2030 to develop infrastructure to improve economic growth and community well-being.

ii) Infrastructure boost in Union Budget (interim) FY 2019- 20:

- Infrastructure sector was allocated ₹4.56 lakh crore.
- Communications was allocated ₹38,637 crore to develop post and telecommunications departments.
- Indian Railways was allocated ₹66.77 billion; of this, ₹64.59 billion was set aside for capital expenditures.
- ₹83,016 crore was allocated towards road transport and highways.
- ₹3,899 crore to increase capacity of Green Energy Corridor Project along with wind and solar power projects.

iii) Stable Political Support.

With the general election overhang now behind us and a stable government elected at the centre, any uncertainty around policy continuity or visibility has subsided. Continued economic reforms, along with efforts to reduce public debt, is a prerequisite for the country's growth. Given the strong mandate, the government is likely to push through key structural reforms towards its ambition of making India a \$5 trillion economy by 2024.

Opportunities

There is a significant growth being witnessed in Construction sector as the government is spending on Infrastructure projects and the sector is considered to maintain the same level of momentum and demand with a gradual rise in Investment resulting in creating market for the Steel Industries in the Country.

Further the Capital goods market has also improved with rising manufacturing capacity utilization and infrastructure investment which has boosted demand for Construction and earthmoving equipment.

Also Consumer durable growth is driven by segments like Air-conditioner, Refrigerators and furniture supported by lowering of GST and hike in Import Duty and indirectly giving a good demand to steel industries

As per the National steel policy crafted during FY 2018-19, the crude steel production target for India is set at 300 MT by 2030. Share of sponge iron in steel making will be 80MT, which will create huge opportunity for sponge iron industry.

Threats

Presently there are no visible threats in the short and medium term in the sponge iron industry. However availability of key raw materials and environmental concerns might pose significant challenge in the future.

Outlook

The domestic consumption is considered to move at a same momentum as is evident in the demand pull visible in infrastructure, automobile and other sectors. Government is also driving the economy by investing in housing, roads, and ports and in other infrastructure projects.

Favourable domestic demand and remunerative prices in both domestic and international markets are likely to bolster steel production further in the years to come, resulting into more demand for sponge iron.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Production of sponge iron during the year was 1,72,724 MT as compared to 1,50,721 MT as compared in the previous year. Production of Ferro Chrome was 14,259 MT as compared to 11,260 MT in the previous year.

Accordingly, sales for sponge iron during the year was 1,72,598 MT as compared to 1,52,906 MT in the previous year. Sales of Ferro Chrome during the year were 14,497 MT as compared to 11,589 MT in the previous year.

Company has a power generation plant of 40 MW. During the year 1,03,388 MWH of power was sold by way of Captive Consumption as against 98,318.37 MWH in the previous year.

During the year under review Total Revenue from operation has been increased from ₹39,939.90 lacs to ₹ 51,136.81 lacs as compared to previous year's turnover. Company has registered a net profit of ₹ 4,239.07 lacs in comparison of profit of ₹ 87.68 lacs during previous year.

RISK AND CONCERNS

The process of Risk Management in the company identifies inherent risks in its operations and records residual risk after taking specific risk mitigation steps. The company has identified and categorized risks in the areas of Operations, Finance, Marketing, Regulatory Compliances and Corporate matter.

The volatility in price of sponge iron, excess supply of sponge iron in the market will have an effect of squeezing margins and poses risk to the profitability. New customers, new market and cost reduction have been identified as the mitigation measures.

Also, the enforcement of recent Tariff policy guidelines on power by Government of India that requires the State Electricity Regulatory Commission to ascertain sale price of power based on cost of generation will have an impact on the revenue from export of power.

Fluctuation of import coal price, increase in USD-INR exchange rate, may lead to increase in cost of production. This is mitigated by continuous evaluation of international coal price vis-à-vis Indian coal price and accordingly the action plan for procurement has been formulated.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of its business. The objectives of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial statements and due compliance of statutes and Company's policies and procedures.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on March 31, 2019 was 393. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement. The Workers union of the Company has maintained healthy and cordial industrial relations, and has been an equal partner in implementing Company's policies and achieving stretched operational targets, year on year.

CAUTIONARY NOTE

Cautionary Statement the above Management Discussion and Analysis describing the Company's objectives, projections, 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. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in Government regulations, tax laws, and other incidental factors.

Independent Auditors' Report

To the Members of
S.A.L STEEL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s S.A.L STEEL LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting standards (Ind AS) specified under section 133 of the Act, of the state of affairs (financial Position) of the Company as at March 31, 2019, and its losses (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company in the year ended on 31st March 2019 and considering the management view, the financial results of the Company have been prepared on a going concern basis. (Refer Note No 31 of notes forming part of Standalone financial statement)

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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter:

Description of Key audit Matter	Our response and results
<p>REVENUE (Refer note 44) to the standalone financial statements)</p> <p>Revenue of the company comprises of sale of Sponge Iron, Ferro alloys sale of power. The company sells its products directly to the end use customers.</p> <p>Revenue recognition is a significant audit risk across the company. Specifically there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.</p>	<p>Our key audit procedures to assess the recognition of revenue on sale of goods included the following:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Company's revenue recognition policies, including those related to discounts and incentives; • We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Company's controls over timing of revenue recognition; • We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year end transactions.

Description of Key audit Matter	Our response and results
	We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the Company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;
<p>Litigations and claims (Refer note 30A) to the standalone financial statements)</p> <p>The cases are pending with multiple tax authorities like Service tax, Excise, sales tax. & customs . and there are claims against the company which have not been acknowledged as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the company's management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/response including on the claims lodged by customers were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the standalone financial statements.</p>

Emphasis of Matter

1. The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company in the year ended on 31st March 2019 and considering the management view, the financial results of the Company have been prepared on a going concern basis. (Refer Note No 31 of notes forming part of Standalone financial statement)
2. Financial statements describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard – 108 'Operating Segments'. As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the financial results due to non disclosure. (Refer Note No 32 of notes forming part of Standalone financial statement)
3. During the Year under review, the company has written off an amount of Rs. 912.32 Lakhs paid as advances for capital projects shown under the heading of "Long term loans and advances" up to the Financial year 2017-18. (Refer Note No 35 of notes forming part of Standalone financial statement)
4. The balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties. (Refer Note No 38 of notes forming part of Standalone financial statement)
5. During the year under ended on 31st March 2019, the company has carried out a techno economic assessment for the valuations of its Capital Projects, to identify the impairment loss and provision thereof if any. Based on the said techno economic assessment of the capital projects, the company has provided Rs 2001.00 Lakhs as impairment of Capital work in progress and the same is shown as Exceptional item in the Standalone statement of Profit and loss account. The same is in accordance with Indian Accounting Standard – 36 'IMPAIRMENT OF ASSETS', which states that impairment loss is recognized when the carrying amount of an assets exceeds its recoverable amount. (Refer Note No 40 of notes forming part of Standalone financial statement)

Our opinion is not Modified on the above matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and 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 Statement dealt with by this Report are in agreement with the books of account.
 - d. The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company
 - e. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of written representations, received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - 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 the standalone Financial Statements (Refer Note No 30 A to the Standalone Financial Statements.)
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

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

Place: Ahmedabad
Date: 30/05/2019

ANNEXURE A –TO THE INDEPENDENT AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF S.A.L STEEL LIMITED
ON THE STANDALONE FIANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

- (i) In respect of its Property,Plant & Equipments:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments on the basis of available information.
- (b) As explained to us, major portion of Property, Plant & Equipments are physically verified by the management during the year in accordance with a phased program of verification adopted by company. in our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us,no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, title deeds of the immovable properties held are in the name of the company.
- (ii) As explained to us, inventories(excluding goods in transit and goods lying at port) were physically verified by management at reasonable intervals during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans, Secured or unsecured granted by the company to the companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the companies Act, 2013:
- According to the information and explanations given to us and on the basis of records produced before us,the company has not granted any loan, secured or unsecured to the companies,limited liability partnership or firms or other parties covered in the register maintained u/s 189 of the companies Act,2013 and hence sub-clause (a)&(b) & (c) of paragraph 3 of companies auditor's report order 2016 are not applicable to the company.
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year under review Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi). We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of Cost records specified under section 148 of Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts & records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) : (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, ESIC, income-tax, sales tax, Goods & Service Tax, service tax, , duty of customs, duty of excise, value added tax, cess and other statutory dues have not been generally regularly deposited during the year with the appropriate authorities.
- According to the information and explanation given to us no undisputed amounts payable in respect of provident fund, ESIC, income-tax, Goods & Service Tax, service tax, , duty of customs, duty of excise, cess and other statutory dues were resaid dues were outstanding as at 31st March,2019 for a period of more than six months from the date of becoming payable except dues for (1) deferred sales tax liability amounting to Rs. 22.63 lakhs(2) dues of value added tax (VAT) during the year to the tune of Rs. 2523.25 lakhs.-
- b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed dues that have not been deposited as on 31st March, 2019 on account of matters pending before the appropriate authorities are as under:

Sr. no	Name of the statue	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in Rs lakhs.)
1	Central Excise Act,1994	Central Excise Duty	2006-07	Appellate Tribunal Ahmedabad	5.56
2	Central Excise Act,1994	Central Excise Duty	2008-09	Appellate Tribunal Ahmedabad	10.41
3	Custom Act ,1962	Custom Duty	2011-12	Appellate Tribunal Ahmedabad	50.00

Sr. no	Name of the statute	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in Rs lakhs.)
4	Central Excise Act,1994	Central Excise Duty	2012-13	Appellate Tribunal Ahmedabad	449.85
5	Central Excise Act,1994	Central Excise Duty	2008-09 to 2010-2011	Supreme Court	590.14
6	Central Excise Act,1994	Central Excise Duty	2005-06 to sep 2014	Central Excise Commissioner	626.28
7	Gujarat Value Added Tax Act,2003	Value Added Tax	2011-12	Jt. Value Added Tax Commissioner(Appeal)	220.12
8	Gujarat Value Added Tax Act,2003	Value Added Tax	2013-14	Jt. Value Added Tax Commissioner Appeal)	253.70
9	Central Service Tax Act,1994	Service Tax	2017-18	Asst. Commissioner Audit, Gandhi dham	33.09
10	Central Service Tax Act,1994	Service Tax	2016-17 & 2017-18	Deputy commissioner Audit Rajkot	15.03
11	Gujarat Value Added Tax Act,2003	Value added Tax	2014-15	Jt. Value Added Tax Commissioner (Appeal)	230.73

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

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
Sd/-

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

Place:Ahmedabad
Date: 30/05/2019

Annexure B to the Independent Auditor's Report of Even Date to the Members of S.A.L STEEL LIMITED on the Standalone Financial Statements of the year ended on 31st March 2019

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

In conjunction with our audit of the standalone financial statements of M/s S.A.L STEEL LIMITED ("the Company") as at and for the year ended 31st March 2019, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
Sd-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place: Ahmedabad
Date: 30/05/2019

Standalone Balance Sheet as at 31st March, 2019

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	As At 31.03.2019	As At 31.03.2018
ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	2	12550.56	12,770.03
b) Capital work-in-progress		1076.84	2,470.25
c) Other Intangible assets		5.77	5.77
d) Financial Assets			
(i) Trade receivables	3	288.00	268.01
(ii) Loans	4	5.83	12.63
(iii) Security Deposits		-	-
e) Deferred tax assets (net)		-	-
f) Other non-current assets	5	454.47	950.00
2) Current assets			
a) Inventories	6	3170.72	7,603.33
b) Financial Assets			
(i) Trade receivables	7	9118.49	3,469.64
(ii) Cash and cash equivalents	8	25.58	241.86
(iii) Bank balances other than (iii) above			
(iv) Loans			
c) Other current assets	9	1588.68	407.85
TOTAL ASSETS		28,284.94	28,199.37
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	10	8496.67	8,496.67
b) Other Equity	11	-8622.49	-6,469.00
LIABILITIES :			
1) Non-Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	12	16007.38	16,729.44
(ii) Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		140.49	502.27
(iii) Other Financial Liabilities	14	44.05	44.05
b) Provisions	15	86.50	84.86
c) Deferred tax liabilities (Net)		1871.77	1,573.21
d) Other non-current liabilities	16	45.26	67.89
2) Current liabilities			
(i) Borrowings	17	240.22	13.91
(ii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		4894.56	2,691.72
(iii) Other financial liabilities	19	859.12	744.69
(iv) Other current liabilities	20	3335.09	3,096.62
(v) Provisions	21	886.33	623.05
Total Equity and Liabilities		28,284.94	28,199.37

The accompanying Notes 1 to 47 are integral part of these Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)

Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th May,2019

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[Anil Pandya]
Whole Time Director
(DIN : 02453919)

Sd/-
[B L Singhal]
Whole Time Director & C F O
(DIN : 01484213)
Sd/-
[Manish Daulani]
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2019 (Amount ₹ in Lakhs)

S.No. Particulars	Note No.	Year ended 31 st March,2019	Year ended 31 st March,2018
I Revenue from Operations	22	57435.05	44607.84
II Other Income	23	133.73	271.38
III Total Income (I +II)		57568.78	44879.22
IV Expenses:			
Cost of Materials Consumed	24	39024.33	33895.67
Purchases of Stock-in-Trade	25	0.00	1210.23
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	2623.75	-2290.26
Employee Benefits Expense	27	1593.11	1399.29
Finance Costs	28	150.19	115.70
Depreciation and Amortization Expense		779.62	775.00
Other Expenses	29	13261.30	9755.82
Total Expenses (IV)		57432.30	44861.45
V Profit before Exceptional Item (III- IV)		136.48	17.77
Exceptional Items (Refer Note No 40)		-2001.00	6378.26
VI Profit before tax (III- IV)		-1864.52	6396.03
VI Tax expense :			
(1) Current Tax		0.00	0.00
(2) Deferred Tax		295.21	2156.95
Total Tax Expenses (VII)		295.21	2156.95
VII Profit for the period (V -VI)		-2159.73	4239.08
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		9.59	24.52
(ii) Income tax relating to items that will not be reclassified to profit or loss		-3.35	-8.57
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (VIII)		6.24	15.95
IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)		-2153.49	4255.03
X Earnings per equity share (Face Value of Rs 10/- each) Basic & Diluted	30	-2.54	4.99

The accompanying Notes 1 to 47 are integral part of these Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)

Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th May,2019

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[Anil Pandya]
Whole Time Director
(DIN : 02453919)

Sd/-
[B L Singhal]
Whole Time Director & C F O
(DIN : 01484213)
Sd/-
[Manish Daulani]
Company Secretary

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

(Amount ₹ in Lakhs)

PARTICULARS	2018-19		2017-18	
	Amount in ₹		Amount in ₹	
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT/(LOSS) BEFORE TAX		-1,864.52		6,396.03
Add/(Less):				
Depreciation and amortization expense	779.62		775.00	
Loss / (Profit) on sale of Assets	-0.94		0.00	
Debit /(Credit) Balance written off	-0.00		-60.48	
Unrealised Foreign Exchange Loss/ (Gain)	0.00		74.95	
Financial Cost	150.19		115.70	
Exceptional Item	0.00		0.00	
Provision for Doubtful Debts and Advances	0.00		10.04	
Interest Income	-7.50	921.37	-4.92	910.29
		-943.15		7,306.31
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
Adjustments for:				
Trade and Other Receivables	-6,347.34		1,957.27	
Inventories	4,432.61		-1,583.01	
Trade Payables and other liabilities	2,468.47	553.75	-6,991.86	-6,617.60
CASH GENERATED FROM OPERATIONS		-389.40		688.72
Less: Income Tax Paid		0.00		0.00
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		-389.40		688.72
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		-389.40		688.72
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Sale Proceeds of Assets	6.39		0.00	
Interest Income		7.50		4.92
Purchase of Fixed Assets	-565.61		-270.78	
Impairment in Capital Work in Progress	2,001.00		0.00	
Investment in Capital Work in Progress	-607.59		0.00	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		841.69		-265.87
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Working Capital Loans	-495.75		-166.33	
Financial Expense	-150.19		-115.70	
Proceeds / (Repayment) from / to Loans and Advances	-22.63		-22.63	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		-668.57		-304.66
NET INCREASE / DECREASE IN CASH & CASH EQUIVALENTS(A+B+C)		-216.28		118.19
Cash & Cash Equivalent in the Beginning of the year		241.86		123.67
Cash & Cash Equivalent in the Closing of the year		25.58		241.86
		-216.28		118.19

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019 (Contd.)

(Amount ₹ in Lakhs)

S.No. Particulars		As At 31.03.2019	As At 31.03.2018
Note:			
Cash and Bank Balances:			
Balances with banks(in Current Accounts)		23.33	240.40
Cash on Hand		2.25	1.46
Total		25.58	241.86

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
 (Firm Regn.No.107525W)

Sd/-
CA Dr. Hiten Parikh
 Partner
 Membership No.040230
 PLACE : AHMEDABAD
 DATE : 30th May,2019

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
 Chairman
 (DIN : 00020904)
 Sd/-
[Anil Pandya]
 Whole Time Director
 (DIN : 02453919)

Sd/-
[B L Singhal]
 Whole Time Director & C F O
 (DIN : 01484213)
 Sd/-
[Manish Daulani]
 Company Secretary

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

A. DISCLOSURE OF ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The company is engaged in manufacturing Sponge Iron, Ferro Alloys and power and the products manufactured by the company are sold in the domestic market as well as international market. Because of the Captive power generation, company has advantage of low power cost per unit of manufacturing. Company is generating 40 MW Power from waste Heat recovery Boiler & Fluidized Bed Combustion boiler with economic price. Power generated is used for captive consumption and surplus power is sold resulting profit.

(a) APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Recent accounting pronouncements**Ind AS 116 "Leases"**

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

Ind AS 12 Income taxes" (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive in-come or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the re-remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 23 – "Borrowing Costs"

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its

Notes forming part of the Financial Statements

intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

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

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

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

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

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

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

1.2 USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these

1.3 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/Loss on Sale and Discard of Fixed Assets.
- vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
 - Buildings - 3 to 60 years
 - Plant and Equipments - 15 to 25 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
- viii) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to

Notes forming part of the Financial Statements

of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.4 INTANGIBLE ASSETS:

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

1.5 REVENUE RECOGNITION

The Company derives revenues primarily from sale of manufactured goods. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets /liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

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

1.6 EMPLOYEE BENEFITS:

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

1.7 VALUATION OF INVENTORIES

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

Notes forming part of the Financial Statements

- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts are valued at cost; and of those in transit and at port related to these items are valued at cost.
- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value.
- vi) Stock-in-trade is valued at lower of cost or net realisable value.

1.8 CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank,

cash/cheques in hand and short term investments with an original maturity of three months or less.

1.9 FINANCIAL ASSETS:

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.
- ii) Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Company has transferred the rights to receive cashflows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

1.10 FINANCIAL LIABILITIES:

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

1.11 FAIR VALUE MEASUREMENT:

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

Notes forming part of the Financial Statements

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

1.12 FOREIGN CURRENCY TRANSACTIONS:

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

1.13 BORROWING COSTS:

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

1.14 ACCOUNTING FOR TAXES ON INCOME:

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

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

Notes forming part of the Financial Statements

- iii) Contingent assets are not accounted

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

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

1.17 RELATED PARTY TRANSACTIONS:

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

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

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

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

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

1.18 EARNINGS PER SHARE:

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

Notes forming part of the Financial Statements

Note 2: Fixed Assets

TANGIBLE ASSETS :

(Amount in ₹in lakhs)

Particulars	Freehold Land	Buildings	Plant And Machineries	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
Cost of Assets								
As at 1st April 2017	730.56	4431.32	24763.72	61.96	1020.80	44.00	101.56	31153.92
Addition	0.00	0.00	236.97	0.00	30.74	1.45	1.63	270.78
Disposal/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2018	730.56	4431.32	25000.69	61.96	1051.54	45.45	103.19	31424.79
Addition	0.00	0.00	565.61	0.00	0.00	0.00	0.00	565.61
Disposal/Adjustments	0.00		0.00	0.00	-109.12	0.00	0.00	-109.12
As at 31st March 2019	730.56	4431.32	25566.30	61.96	942.41	45.45	103.19	31881.20
Depreciation								
As at 1st April 2017	0.00	1599.93	15220.05	58.86	865.59	39.32	95.93	17879.68
Charge for the year		137.15	588.55	0.00	46.67	1.41	1.23	775.01
Disposal/Adjustments								
As at 31st March 2018	0.00	1737.08	15808.60	58.86	912.26	40.73	97.16	18654.68
Charge for the year		137.14	593.53	0.00	46.69	1.42	0.84	779.62
Disposal/Adjustments					-103.67			-103.67
As at 31st March 2019	0.00	1874.22	16402.13	58.86	855.28	42.15	98.00	19330.64
Net Block								
As at 31st March 2018	730.56	2694.24	9192.09	3.10	139.28	4.72	6.03	12770.02
As at 31st March 2019	730.56	2557.10	9164.17	3.10	87.13	3.30	5.19	12550.56

INTANGIBLE ASSETS :

PARTICULARS	SOFTWARE	TOTAL
Cost of Assets		
As at 1st April 2017	115.30	115.30
Addition	0.00	0.00
Disposal/Adjustments	0.00	0.00
Other adjustment	0.00	0.00
As at 31st March 2018	115.30	115.30
Addition	0.00	0.00
Disposal/Adjustments	0.00	0.00
Other adjustment	0.00	0.00
As at 31st March 2019	115.30	115.30
Depreciation		
As at 1st April 2017	109.53	109.53
Charge for the year	0.00	0.00
Disposal/Adjustments	0.00	0.00
As at 31st March 2018	109.53	109.53
Charge for the year	0.00	0.00
Disposal/Adjustments	0.00	0.00
As at 31st March 2019	109.53	109.53
Net Block		
As at 31st March 2018	5.77	5.77
As at 31st March 2019	5.77	5.77
CAPITAL WORK IN PROGRESS	31.03.2019	31.03.2018
Building and Plant & Machinery	1076.84	2470.25
Total	1076.84	2470.25

NOTE NO : 2	As at	As at
Fixed assets :	March 31, 2019	March 31, 2018
(i) Property, Plant and Equipment	12550.56	12770.03
(ii) Capital work-in-progress	1076.84	2470.25
(iii) Other Intangible assets	5.77	5.77
	13633.17	15246.05

NOTE NO : 3	As at	As at
Trade Receivables :	March 31, 2019	March 31, 2018
Non-current Trade Receivable		
Unsecured, considered good	288.00	268.01
	288.00	268.01

NOTE NO : 4	As at	As at
Loans :	March 31, 2019	March 31, 2018
- Loans to Staff	5.83	12.63
	5.83	12.63

NOTE NO : 5	As at	As at
Other non-current assets :	March 31, 2019	March 31, 2018
(a) Advance for Capital goods	0.00	674.49
(b) Security Deposit		
Unsecured considered good	236.73	161.84
(c) Other Loan and advances		
Unsecured, considered good	215.02	112.14
(d) Advance Income Tax, TDS & TCS	2.72	1.54
	454.47	950.00

NOTE NO : 6	As at	As at
Inventories : (As taken, valued & certified by a director)	March 31, 2019	March 31, 2018
(a) Raw Materials (Includes Material At Port Rs 699.01 Lacs PY Rs 1065.40 Lacs)	1964.31	3292.87
(b) Work in progress	267.40	507.69
(c) Finished goods (Incl. at Port Rs 59.21 Lacs P.Y Rs.411.91 Lacs)	479.53	2957.45
(d) Stores and spares	347.54	827.84
(e) By Product	111.94	17.48
	3170.72	7603.33

NOTE NO : 7	As at	As at
Trade receivables :	March 31, 2019	March 31, 2018
Un Secured, considered good	9118.50	3469.64
TOTAL	9118.49	3469.64

Trade Receivables includes Rs 8229.76 lacs in CY and Rs. 2560.86 in PY from Associated concerns (i.e. Shah Alloys Ltd) in which director of a Company is interested.

NOTE NO : 8	As at	As at
Cash and cash equivalents	March 31, 2019	March 31, 2018
(a) Balances with Scheduled Banks		
In current Account	23.33	240.40
(b) Cash on hand	2.25	1.46
	25.58	241.86

(Amount in ₹in lakhs)

NOTE NO : 9	As at	As at
Other current assets :	March 31, 2019	March 31, 2018
Balance with government authorities	284.62	110.54
Advance to Suppliers	1304.06	292.30
Prepaid Expenses	0.00	5.01
	1588.68	407.85

(Amount in ₹in lakhs)

NOTE NO : 10	As at	As at
Share Capital :	March 31, 2019	March 31, 2018
Authorised :		
14,00,00,000 Equity Shares of Rs 10/- each (Previous year : 14,00,00,000 Equity Shares of Rs 10/- each)	14000.00	14000.00
	14000.00	14000.00
Issued & Subscribed and Paid up :		
8,49,66,700 Equity Shares of Rs.10/- each fully paid up (Previous year : 8,49,66,700 Equity Shares of Rs.10/- each fully paid up)"	8496.67	8496.67
	8496.67	8496.67

The Authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of Rs 10/- each as follows:

a) Reconciliation of number of shares:

Equity Shares	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Shares outstanding at the beginning of the year	8,49,66,700	8,496.67	8,49,66,700	8,496.67
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	8,49,66,700	8,496.67	8,49,66,700	8,496.67

b) Terms/rights, preferences and restrictions attached to securities:

Equity shares:

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

c) Details of Shareholders holding more than 5% in the Company:

c) Details of Shareholders holding more than 5% in the Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares				
Shah Alloys Limited	3,02,56,989	35.61	3,02,56,989	35.61
SAL Care Pvt Limited	1,27,02,900	14.95	1,27,02,900	14.95
Total		50.56		50.56

(Amount in ₹in lakhs)

Note : 11	Amount	31.03.2019	Amount	31.03.2018
Other Equity :				
Securities Premium Account				
Opening Balance	2878.20		2878.20	
Add : Addition during the year	0.00		0.00	
	<u>2878.20</u>	2878.20	<u>2878.20</u>	2878.20
Capital Reserve				
Opening Balance	800.00		800.00	
Add : Addition during the year	0.00		0.00	
	<u>800.00</u>	800.00	<u>800.00</u>	800.00
Capital Redemption Reserve (For Redemption of Preference Share Capital)				
General Reserve				
Opening Balance	5.11		5.11	
Add : Addition during the year	0.00	5.11	0.00	5.11
	<u>5.11</u>		<u>5.11</u>	
Retained Earnings				
Balance Brought Forward From Previous Year	-10152.31		-14407.33	
Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-6.24		-15.96	
add Deferred tax adjustment due to indas	0.00		0.00	
	<u>-10158.55</u>		<u>-14423.29</u>	
Add: Profit/(Loss) for the year	-2159.73		4239.06	
	<u>-12318.28</u>		<u>-10184.23</u>	
		<u>-12305.80</u>		<u>-10152.31</u>
		-8622.49		-6469.00

(Amount in ₹in lakhs)

NOTE NO : 12	As at	As at
Borrowings :	March 31, 2019	March 31, 2018
Term Loan (Refer note below)		
Invent Assets Securitization & Reconstruction Pvt. Ltd.	16007.38	16729.44
	<u>16007.38</u>	<u>16729.44</u>

Secured Borrowings:**(a) Nature of security and terms of repayment for secured borrowings:**

- The above loan is secured by way of Land Bearing Surevy no 243 & 245 situated at Bharpur , Taluka Gandhidham District - Kutch. Further Secured by way of all movable assets both present and future belonging to the company.
- Further secured by way of personal guarantees of (i) Shri Rajendrabhai V. Shah (ii) Smt. R.R. Shah (iii) Shri Jayesh V. Shah (iv) and Corporate Guarantee of M/s Shah Alloys Limited.

Notes forming part of the Financial Statements

- c) Further secured by way of Pledge of 10756989 equity shares of Shah Alloys Ltd pledged to Consortium members
Repayment Schedule

(Amount in ₹in lakhs)

Name of ARC	payable in 2020-21	payable in 2021-22	payable in 2022-23
Invent Assets Securitization & Reconstruction Pvt. Ltd.	1444.12	2166.18	12397.08
TOTAL	1444.12	2166.18	12397.08

(Amount in ₹in lakhs)

NOTE NO : 13 Trade Payable	As at March 31, 2019	As at March 31, 2018
Trade Payables	140.49	502.27
(Refer Note No 18a)	140.49	502.27

(Amount in ₹in lakhs)

NOTE NO : 14 Other Financial Liabilities	As at March 31, 2019	As at March 31, 2018
Trade Deposit from Customers	Non-Current Portion 44.05	Non-Current Portion 44.05
	44.05	44.05

(Amount in ₹in lakhs)

NOTE NO : 15 Long term provisions :	As at March 31, 2019	As at March 31, 2018
(a) Provision for Gratuity	58.30	56.66
(b) Provision for Leave Encashment	28.20	28.20
	86.50	84.86

(Amount in ₹in lakhs)

NOTE NO : 16 Other non-current liabilities :	As at March 31, 2019	As at March 31, 2018
Deferred sales tax Liability	45.26	67.89
	45.26	67.89

Deferred sales tax liability :

Deferred sales tax liability is interest free and payable in six equal annual installments of Rs. 22.63 lacs each payable from 1st May, 2016

(Amount in ₹in lakhs)

NOTE NO : 17 Borrowings	As at March 31, 2019	As at March 31, 2018
Inter Corporate Deposit	240.22	13.91
	240.22	13.91

Borrowings includes Rs 226.31 lacs in CY and Rs. Nil in PY from Associated concerns (i.e. SAL Hospital & Medical Institute) in which director of a Company is interested.

(Amount in ₹in lakhs)

NOTE NO : 18 Trade Payable	As at March 31, 2019	As at March 31, 2018
Total outstanding dues other than micro enterprises and small enterprises	4894.56	2691.72
	4894.56	2691.72

(Amount in ₹in lakhs)

NOTE NO : 18a	As at March 31, 2019	As at March 31, 2018
Trade Payables - Total outstanding dues of Micro & Small Enterprises*		
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(Amount in ₹in lakhs)

NOTE NO : 19 Other financial liabilities :	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term debt;	744.69	744.69
(b) overdrawn Bank Balances	114.43	0.00
	859.12	744.69

(Amount in ₹in lakhs)

NOTE NO : 20 Other Current Liabilities :	As at March 31, 2019	As at March 31, 2018
Advance from customers	57.00	146.64
Duties and taxes	3210.20	2904.72
Deferred sales tax Liability	67.89	45.26
	3335.09	3096.62

(Amount in ₹in lakhs)

NOTE NO : 21	As at	As at
Provisions	March 31, 2019	March 31, 2018
Provision for employee benefits	76.39	66.98
Provision for Gratuity	13.44	10.57
Provision for expenses	796.50	545.49
	886.33	623.05

(Amount in ₹in lakhs)

NOTE NO : 22	As at	As at
I. Revenue from operations	March 31, 2019	March 31, 2018
A. Sale of Products		
Direct Export Turnover	6273.23	5997.35
Domestic Turnover	50880.67	38453.98
	-	-
Gross Turnover	57153.90	44451.33
B. Other Revenue from operations	281.15	156.51
Total Revenue from operations	57435.05	44607.84

(Amount in ₹in lakhs)

Other operating revenue as under	As at	As at
	March 31, 2019	March 31, 2018
Duty Drawback & Export Incentives	281.15	156.51
Total	281.15	156.51

(Amount in ₹in lakhs)

NOTE NO : 23	As at	As at
Other Income :	March 31, 2019	March 31, 2018
Other Interest (TDS Rs 0.36 Lacs)(P Y Rs 0.39 Lacs)	7.50	4.92
Rent Income (TDS Rs 0.19 Lacs)(P Y Rs 0.19 Lacs)	9.60	9.60
Profit on Sale of Assets	0.94	0.00
Foreign exchange fluctuation Gain (Net)	114.92	196.38
Sundry balances written back(Net)	0.77	60.48
	133.73	271.38

Note : 24	Amount	31.03.2019	Amount	31.03.2018
Cost of Materials Consumed:	₹in lakhs		₹in lakhs	
Raw Material Consumed:				
Opening Stock of Raw Material	3200.25		3877.30	
Add : Purchases	37728.54		33218.63	
	-	40928.79	-	37095.93
Less : Closing Stock of Raw Material	1904.46		3200.25	
		39024.33		33895.67

NOTE NO : 25	As at March 31, 2019	As at March 31, 2018
Purchase of Stock-in-Trade	0.00	1210.23
Total	0.00	1210.23

Note : 26 Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	Amount ₹in lakhs	31.03.2019	Amount ₹in lakhs	31.03.2018
Opening Stock				
Finished Goods	2974.93		1102.95	
Stock-in-Progress	<u>507.69</u>		<u>89.41</u>	
		<u>3482.62</u>		<u>1192.36</u>
Less : Closing Stock				
Finished Goods	591.47		2974.93	
Stock-in-Progress	<u>267.40</u>		<u>507.69</u>	
		<u>858.87</u>		<u>3482.62</u>
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		<u>2623.75</u>		<u>-2290.26</u>

(Amount in ₹in lakhs)

NOTE NO : 27 Employee benefits expenses	As at March 31, 2019	As at March 31, 2018
Salary & Bonus	1472.62	1282.08
Contribution to Provident Fund etc.	52.86	43.33
Staff welfare expenses	67.63	73.89
	<u>1593.11</u>	<u>399.29</u>

(Amount in ₹in lakhs)

NOTE NO : 28 Finance Costs	As at March 31, 2019	As at March 31, 2018
Interest to Others	150.19	115.70
	<u>150.19</u>	<u>115.70</u>

Notes forming part of the Financial Statements

(Amount in ₹in lakhs)

Note : 29	Amount	31.03.2019	Amount	31.03.2018
Other Expenses	₹in lakhs		₹in lakhs	
Stores & Spares Consumed :				
Opening Stock	827.84		927.96	
Add : Purchases	1314.95		1652.35	
	2142.79		2580.30	
Less: Closing Stock	347.54	1795.25	827.84	1752.46
Power & fuel (Including cost of power generation)		8059.54		5266.39
Repairs & Maintenance :				
Machinery	48.04		51.31	
Building	2.28		10.61	
Others	18.77	69.08	39.49	101.40
Labour charges		591.60		780.02
Freight outward		615.99		1156.47
Audit Fees*		8.00		8.00
Bad Debts / Doubtful Advances		674.49		0.00
Sales Commision		58.47		17.88
General/ Miscellaneous Expenses		465.76		495.36
Insurance Expenses		12.65		12.60
Legal & Professional Charges		513.28		105.66
Vat Expense \$		331.16		0.00
Service tax		0.00		9.94
Rent,Rate and Taxes		66.05		171.81
Excise duty adjustment for stock*		0.00		-122.15
		13261.30		9755.82

(Amount in ₹in lakhs)

	As at March 31, 2019	As at March 31, 2018
As auditors - Statutory audit	8.00	8.00
For other Services	0.00	0.00
	8.00	8.00

(Amount in ₹in lakhs)

NOTE NO : 30	Year Ended March 31, 2019	Year Ended March 31, 2018
Earnings Per Share :		
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year	849.67	849.67
Number of Equity Shares allotted during the year		
Number of Equity Shares at the end of the year	849.67	849.67
Weighted average number of equity shares		
Profit for the year (after tax,available for equity shareholders) In Rs	-2159.73	4239.08
Basic and Diluted Earnings Per Share Rs	-2.54	4.99

NOTE NO : 30A Contingent liabilities and commitments (to the extent not provided for):	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) Contingent liabilities:		
Disputed Excise Demand (Matter Under appeal)	1682.24	1,682.24
Disputed Custom duty demand (Matter Under appeal)	50.00	50.00
Disputed Custom duty service tax demand (Matter Under appeal)	48.12	25.55
Disputed Value added Tax demand (Matter Under appeal)	704.55	839.46
Claims not acknowledge as debt against the company (including interest and penalty)		
Others	3403.15	3,403.15
<p>Provident Fund: The Honorable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.</p> <p>It is not practical for the company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.</p> <p>The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse impact on its financial results.</p>		
(B) Commitment:		
<p>Estimated amount of contracts, remaining to be executed on capital account and not provided for Rs.Nil net of advance (Previous Year: Rs. 492.78 lac).</p> <p>Commercial Tax Department has challenged by way of Tax Appeal before Supreme Court, the order of Gujarat High Court wherein Judgment of Joint Commissioner of Commercial Tax (Legal) was quashed and decided that non cooking coal used in the manufacturing process for Sponge Iron as raw material and eligible for ITC under Section 11 (3)(b). The result of the appeal will decide whether company has to claim amount of ITC or refund ITC already taken. However, amount of contingent liability cannot be ascertained.</p>		

31. The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company for the year ended on 31st March 2019 and considering the view of the management, the financial results of the Company have been prepared on a "going concern basis".

32. SEGMENT REPORTING:

The Company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the company in its power plant is used for captive as well as trading purpose. In view of this, the company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Indian Accounting Standard - 108 'Operating Segments'. Reporting. However, due to substantial competition, risk, on-going position of Company and largely in the interest of the Company as well as interest of the stake holders involved, therefore, management has not made disclosure of Primary Reportable segment as per Indian Accounting Standard - 108 'Operating Segments'.

33. Financial and derivative instruments

- Capital Management

The company's objective when managing capital is to:

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

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

Notes forming part of the Financial Statements

Disclosures

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are dis-closed in Note given hereunder :

(i) Categories of Financial Instruments

(Amount in ₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	9406.49	3737.65
(ii) Cash and Cash Equivalents	25.58	241.86
(iii) Loans	5.83	12.63
(iv) Other Financial Assets	0	0
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	16247.60	16743.35
(ii) Trade Payables	5035.05	3193.99
(iii) Other Financial Liabilities	903.17	788.74

(ii) Fair Value Measurement

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

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

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

(iii) Financial Risk Management Objectives

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

Market Risk

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

Foreign Currency Risk

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

Interest Rate Risk

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

Liquidity Risk

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

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

Notes forming part of the Financial Statements

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

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

(Amount ₹ in Lakhs.)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2019				
Borrowings	240.22	16007.38	0.00	16247.60
Trade Payables	4894.56	140.49	0.00	5035.05
Other Financial Liabilities	859.12	44.05	0.00	903.17
Total	5993.90	16191.92	000	22185.82
As at 31st March, 2018				
Borrowings	13.91	4332.36	12397.08	16743.35
Trade Payables	2691.72	502.27	0.00	3193.99
Other Financial Liabilities	744.69	44.05	0.00	788.74
Total	3450.32	4878.68	12397.08	20726.08
Credit Risk				

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

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 3 and 7, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

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

(Amount ₹ in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2019				
Loans to Employees	5.83	0	0	5.83
Trade Receivables	9118.49	288.00	0	9406.49
Other Financial Assets				
Total	9124.32	288.00	0	9412.32
As at 31st March, 2018				
Loans to Employees	12.63	0	0	12.63
Trade Receivables	3469.64	268.01	0	3737.65
Other Financial Assets				
Total	3782.27	268.01	0	3750.28

34. Disclosures Regarding Employee Benefits

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

Defined Contribution Plan

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

Particulars	2018-19 (Amount Rs in Lakhs)	2017-18 (Amount Rs in Lakhs)
Employers contribution to provident fund	52.86	43.33

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and

Notes forming part of the Financial Statements

Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, re-spectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

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

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

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

- (iii) **Major risk to the plan**

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

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

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

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

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

B. Investment Risk:

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

C. Liquidity Risk:

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

D. Market Risk:

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

E. Legislative Risk:

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

- (iv) **Defined Benefit Cost**

Particulars	For the year ended	For the year ended
	31st March 2019 (Amount Rs in Lakhs)	31st March 2018 (Amount Rs in Lakhs)
Current Service Cost	13.79	17.75
Interest Expense on Defined Benefit Obligation (DBO)	4.71	4.76
Defined Benefit Cost included in Profit and Loss	-	-
Remeasurements - Due to Financial Assumptions	-0.26	-2.19
Remeasurements - Due to Experience Assumptions	-	-
Remeasurements - Due to Experience Adjustments	-9.33	-22.33
Defined Benefit Cost included in Other Comprehensive Income	-9.59	-24.52
Total Defined Benefit Cost in Profit and Loss and OCI	8.91	-1.20
(v) Movement in Defined benefit liability:		

Notes forming part of the Financial Statements

Particulars	For the year ended	For the year ended
	31st March 2019 (Amount Rs in Lakhs)	31st March 2018 (Amount Rs in Lakhs)
Opening Defined Benefit Obligation	67.22	71.71
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Current Service Cost	13.79	17.75
Total Remeasurements included in OCI		
Less: Benefits paid	4.39	3.28
Less: Contributions to plan assets		
Closing benefit obligation	71.74	67.23
Current Liabilities of Closing benefit obligation	13.44	10.57
Non-Current Liabilities of Closing benefit obligation	58.30	56.66

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount ₹ in Lakhs)

	2018-19	2017-18
(A) Discount rate Sensitivity		
Increase by 0.5%	69.27	64.94
(% change)	-3.43%	-3.40%
Decrease by 0.5%	74.38	69.67
(% change)	3.68%	3.64%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	74.32	69.64
(% change)	3.60	3.58
Decrease by 0.5%	69.33	64.98
(% change)	-3.36%	-3.35%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	71.81	67.21
(% change)	0.10%	-0.02%
W.R. x 90%	71.62	67.20
(% change)	-0.17%	-0.04%

(vii) Actuarial assumptions:

Particulars	For the year ended	For the year ended
	31st March 2019	31st March 2018
Mortality Table : Indian Assured Lives Mortality (2006-08) Table		
Discount Rate (per annum)	7.65%	7.60%
Rate of escalation in salary (per annum)	6.00%	6.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

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

35 During the Year under review, the company has written off an amount of Rs.912.32 Lakhs paid as advances for capital projects shown under the heading of "Long term loans and advances" up to the Financial year 2017-18.

36 RELATED PARTY DISCLOSURES:

List of Related Parties and Relationships:

i. Concern where significant interest exists.

Name of the Concern**Nature of Relationship**

Shah Alloys Limited

Promoter Group Company

SAL Care Private Limited

Promoter Group Company

SAL Corporation Pvt Ltd

Promoter Group Company

ii. Key Management Personnel:

Notes forming part of the Financial Statements

Name of the Key Management Per-sonnel	Nature of Relationship
Shri Rajendra V Shah	Chairman
Shri Sujal A Shah	Executive Director
Shri B M Singhal	Whole Time Director Cum CFO
Shri Anil Pandya	Whole Time Director
Shri Jayant J Garai	CEO (Up to 21/10/2018)
Shri Nirajkumar Jain	Company Secretary (Up to 03/01/2019)
Shri Manish Daulani	Company Secretary (w.e.f. 04/01/2019)

(Related Parties have been identified by the Management)

(a) Disclosure of Related Party Transactions (Amount Rs In lakhs)

Sr No.	Related Party	Nature of Transaction	2018-19	2017-18
1.	Shah Alloys Limited	Purchases	480.71	5176.32
		Sales (Incl Power)	28898.11	21086.43
	SAL Corporation Pvt Ltd	Rent Income	9.60	9.60
		Loan repaid	0	108.94
		Interest	0	0.49
	Balance as at the year end		0	0
3.	SAL Care Pvt Ltd	Loan taken	340.00	356.25
		Loan repaid	120.00	1286.16
		Interest	7.01	56.54
		Balance as at the year end		226.31
	Key Management Personnel			
4.	Mr. Sujal Shah	Salary	4.32	4.32
5.	Mr. B.M Singhal	Salary	4.92	4.92
6.	Mr. Anil Pandya	Salary	4.80	4.80
7.	Mr. Jayant Garai	Salary	24.50	28.00
8.	Mr. Nirajkumar Jain	Salary	3.72	4.20
9.	Mr. Manish Daulani	Salary	0.61	0

37. Certain Balance of Debtors, Creditors, are non- moving / sticky since last 3 years. However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.
38. The balance confirmation from the suppliers, customers as well as to vari-ous loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties
39. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.
40. During the year under ended on 31st March 2019, the company has carried out a techno economic assessment for the valuations of its Capital Projects, to identify the impairment loss and provision thereof if any. Based on the said techno economic assessment of the capital projects, the company has pro-vided Rs 2001.00 Lakhs as impairment of Capital work in progress and the same is shown as Exceptional item in the Standalone statement of Profit and loss account The same is in accordance with Indian Accounting Standard – 36 'IMPAIRMENT OF ASSETS', which states that impairment loss is recognized when the carrying amount of an assets exceeds its recoverable amount.
41. Inventories are as taken, valued and certified by the management.

Notes forming part of the Financial Statements

42. Deferred Tax Liabilities

The breakup of Deferred Tax as at 31.03.2019 is as under.

(Amount in Rs.in lakhs)

Particulars	Amount (As on 31/03/2019)	Amount (As on 31/03/2019)
Deferred Tax Liabilities.		
- Timing Difference of Depreciation (Deferred tax liability)	2598.49	2597.32
Deferred Tax Assets.		
- Gratuity & other Payment		
- Unabsorbed Loses	163.91	562.81
	60.25	963.86
Net Deferred Tax Liabilities	1871.77	1573.21

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

43A Donation to Political Parties

Donation includes Rs 2,50,000/- (P.Y Nil) contributed to Kalol Taluka Congress Samiti

44 IND AS 115- Illustrative disclosures

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Earnings Per Share :		
Revenue from contracts with customers	57,435.05	44,607.84
Total revenue	57,435.05	44,607.84

Revenue is recognized upon transfer of control of products to customers

(a) Disaggregation of revenue from contract with customers

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from		
- Outside India	6,273.23	5,997.35
- In India	51,161.82	38,610.49

Single customer contributed 10% or more to the company's revenue for 2018-19 Amounting to 28898.11 Lakh and in 2017-18 amounting to 21086.43 Lakh.

(b) Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contract Assets	9,406.49	3,737.65
Total contract assets	9,406.49	3,737.65
Contract liability	57.00	146.64
Total contract liabilities	57.00	146.64

(c) Performance obligations

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

Notes forming part of the Financial Statements

45 STATEMENT OF CHANGES IN EQUITY

Reconciliation of Other Equity as at 1st April 2017

(Amount in ₹in lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(14,407.33)	(10,724.02)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	(15.96)	(15.96)
Profit for the year	-	-	-	4,239.06	4,239.06
Balance at the end of the reporting period	5.11	2,878.20	800.00	(10,152.31)	(6,469.00)

Reconciliation of Other Equity as at 1st April 2018

(Amount in ₹in lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(10,152.31)	(6,469.00)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	(6.24)	(6.24)
Profit for the year	-	-	-	(2,159.73)	(2,159.73)
Balance at the end of the reporting period	5.11	2,878.20	800.00	(12,305.80)	(8,622.49)

(Amount in ₹in lakhs)

46 TAX RECONCILIATION

Income taxes recognised in Statement of Profit and Loss

For the Year Ended
March 31, 2019For the Year Ended
March 31, 2018

Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
	-	-
Deferred tax(credit) /Charged	295.21	2,156.95
Total income tax expense recognised in respect of continuing operations	295.21	2,156.95

Tax reconciliation

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit before taxes	-	-
Enacted tax rate in India	34.944%	34.940%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Effect of:		
Deferred tax(credit) /Charged	295.21	2,156.95
Income taxes recognised in the Statement of Profit and Loss	295.21	2,156.95

The tax rate used for the 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Notes forming part of the Financial Statements

Income tax recognised in other comprehensive income

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(3.35)	(8.57)
Total income tax recognised in other comprehensive income	(3.35)	(8.57)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(3.35)	(8.57)
Income tax recognised in other comprehensive income	(3.35)	(8.57)

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

Components of deferred tax assets and liabilities

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
(a) Deferred tax liabilities		
Difference between book and tax depreciation	2,598.49	2,597.32
	2,598.49	2,597.32
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	163.91	60.25
Unabsorbed loss	562.81	963.86
	726.72	1,024.11
Deferred Tax Liabilities (Net)	1,871.77	1,573.21

47. The financial statements were authorized for issue by the directors on 30th May 2019.

Signatures to Notes - 1 to 47.

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

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)

Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th May,2019

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[Anil Pandya]
Whole Time Director
(DIN : 02453919)

Sd/-
[B L Singhal]
Whole Time Director & C F O
(DIN : 01484213)
Sd/-
[Manish Daulani]
Company Secretary

S.A.L. STEEL LIMITED

CIN: L29199GJ2003PLC043148

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

ATTENDANCE SLIP

DP ID*	Folio
Client ID*	No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 16TH ANNUAL GENERAL MEETING of the Company held on Wednesday, 25th September, 2019 at 01:00 PM at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380 060.

Signature of the Shareholder | Proxy

* Applicable for investors holding shares in electronic form.

S.A.L. STEEL LIMITED

CIN: L29199GJ2003PLC043148

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

Form No. MGT- 11 [PROXY FORM]

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

Name of Members : _____

Registered Address : _____

E-mail Address : _____

Folio No. | Client ID : _____

DP Id : _____

I/we, being the member(s) of _____ shares of S.A.L. Steel Ltd, hereby appoint:

1) _____ of _____

having e-mail id _____ or failing him

2) _____ of _____

having e-mail id _____ or failing him

3) _____ of _____

having e-mail id _____ and whose signature(s) are appended below as my/

our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **16th ANNUAL GENERAL MEETING** of the Company, to be held on Wednesday, 25th September, 2019 at 01:00 PM at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380060 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO	RESOLUTIONS
1	Adoption of financial statements for the year ended on March 31, 2019.
2	Reappointment of Shri Rajendra V Shah as Director who retire by rotation.
3	Re-aappointment of Shri Ambalal C. Patel as Independent Director of the Company.
4	Re-aappointment of Shri Harshad M. Shah as Independent Director of the Company.
5	Re-aappointment of Shri Tejpal Shah as Independent Director of the Company.
6	Re-aappointment of Shri Shrikant Jhaveri as Independent Director of the Company.
7	Approval of Related Party Transactions
8	Re-appointment of Shri Sujal Shah as Wholetime Director of the Company
9	Re-appointment of Shri Babulal M. Singhal as Wholetime Director of the Company
10	Appointment of Cost Auditor of the Company

Signed this _____ day of _____ 2019

Signature of first proxy holder

Signature of Second proxy holder

Signature of Third proxy holder

Affix
Revenue
Stamp

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

Route map to reach venue of the Annual General Meeting





SAL STEEL LIMITED

If undelivered please return to

Administrative Office

Corporate House, Sola-Kalol Road,
Santej - 382 721. Ta. Kalol, Dist.-Gandhinagar

www.salsteel.co.in

CIN: L29199GJ2003PLC043148

