



SCAN STEELS LTD.

CIN : L27209MH1994PLC076015

Registered Office : Office No.: 104, 105, E-Square, Subhash Road,

Opp. Havmor Ice Cream, Vile Parle (East), Mumbai-400057

Ph.: +91-0222 618 5461, +91-0222 618 5462, Fax : +91-0222 618 5463

E-mail : scansteels@scansteels.com, Web.: www.scansteels.com

Date:05th September, 2020

To,
The Secretary,
Listing Department,
Bombay Stock Exchange Limited
Floor 25, P.J. Towers, Dalal Street,
Mumbai- 400 001.

Sub.: Submission of Annual Report pursuant to Regulation 34 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Scrip Code - 511672.

Dear Sir/Madam,

Please find enclosed herewith the 27th Annual report along with Annual Accounts of Scan Steels Limited for the Financial Year 2019-20. The Notice convening the Annual General Meeting of the Company forms part of this Annual report.

The Annual Report is also available on our website Under Investor Relations Segment

This information is being submitted pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records.

Thanking you,
For Scan Steels Limited

Prabir Kumar Das
President and Company Secretary

Encl: As above.



Works : Vill- Rambahal, Po- Keshramal, Near Rajgangpur, Dist- Sundargarh-770017 Odisha
Ph.: 06624 - 280 327 / 328, Fax : 06624 - 280 326

MANUFACTURERS OF : SPONGE IRON, M.S. BILLETS, TMT RODS & ANGLES



ANNUAL REPORT & FINANCIAL STATEMENTS 2019-2020

27th Annual General Meeting

SCAN STEELS LTD.

Regd. Office : Off. No. 104,105, E-Square, 1st Floor, Subhash Road,

Opp. Havmor Ice- Cream, Vile Parle (East), Mumbai- 57

Tel: 022-26185461/62 Fax 022-26185463

Web site: www.scansteels.com,

E-mail: scansteels@scansteels.com / secretarial@scansteels.com



Sawarmal Gadodia
Scan Group Founder & Visionary

SHRISHTII TMT[®]
ANDAR SE MAZBOOT



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Go Green Initiative

Scan Steels Ltd.

Achievements

Scan Steels a name to reckon in the steel industry with diversified steel products with the world class technology & infrastructure. It is self sufficient in all most all aspects of steel making with own Sponge Iron Plants, Induction Furnace, Rolling Mills, Billet-Caster, & Power Plant that supports India's Infrastructure Growth.

The Company has been honoured with ISO 9001:2008, ISO: 14001, OHSAS: 180001 & ISI: 1786 Certificates.

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Rajesh Gadodia	: Non- Executive Chairman
Shri. Ankur Madaan	: Whole - Time Director
Shri. Praveen Kumar Patro	: Executive Director
Shri. Punit Kedia	: Independent Director
Shri. Vinay Goyal	: Independent Director
Smt. Debjani Sahu	: Independent Women Director

PRESIDENT & COMPANY SECRETARY

Shri. Prabir Kumar Das

CHIEF FINANCIAL OFFICER

Shri. Gobinda Chandra Nayak

AUDITORS

STATUTORY AUDITORS

SRB & Associates,
Chartered Accountants
5th Floor, IDCO Tower,
Janapath, Bhubaneswar - 751022, ODISHA

COST AUDITORS

M/s. Ray Nayak and Associates,
Cost Accountants

SECRETARIAL AUDITORS

M/s. Amarendra Mohapatra & Associates,
Practicing Company Secretary

INTERNAL AUDITORS

M/s. C B A & Associates,
Chartered Accountants

BANKERS

State Bank of India
Punjab National Bank
Oriental Bank of Commerce

INSURANCE

United India Insurance Company Limited
The New India Assurance Company Limited

REGISTRAR & TRANSFER AGENT

Adroit Corporate Services Pvt. Limited
17-20, Jafferbhoy Industrial Estate,
Makwana Lane, Marol Naka,
Andheri (E), Mumbai-400 059.
Tel: +91 22 42270400 / +91 22 42270423
+91 22 42270427 / +91 22 42270422
Fax: +91 22 28503748
Email: sandeeps@adroitcorporate.com
rameshg@adroitcorporate.com
prafuls@adroitcorporate.com
info@adroitcorporate.com
Web Site: www.adroitcorporate.com

REGISTERED OFFICE:-

104-105, "E- Square", 1St Floor,
Subhash Road, Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai - 400057
Ph.: 022-26185461/62, Fax: 022-26185463
Email - id: secretarial@scansteels.com
Web: www.scansteels.com

CORPORATE OFFICE

Trishana Nirmalya
Plot No. 516/1723/3991, 2ND Floor
Magnetics Chowk, Patia, Bhubaneswar - 751024
Ph. 0674-2726237, 2726438
Fax- 0674-2726591
Email - id: secretarial@scansteels.com
Web: www.scansteels.com

WORKS

Scan Steels Limited

Unit -1 Rambahal, At- Keshramal, Rajgangpur,
Sundergarh (Odisha)

Unit -2 Gangajal, Budhakata, Sundergarh, Odisha

Unit-3 Bai-bai, Tudalaga, Sundergarh, Odisha

Unit-4 Vill -Veniveerapura, Bellary, Karnataka

Email - id: secretarial@scansteels.com
Web: www.scansteels.com

CHAIRMAN'S MESSAGE

Scan Steels Limited believes in the strength of their aspirations and focuses its efforts to help accelerate sustainable socio-economic growth. We are aware of the challenges ahead, but our conviction in the nation's long-term potential continues to be strong.

Dear Shareholders,

It gives me great pleasure to welcome you all to the 27th Annual General Meeting of Scan Steels Limited. I would have very much liked to meet and address you in person, but as you know, we are holding this meeting over a virtual platform due to the prevailing unprecedented circumstances. I would like to thank you for sparing the time to join us today from wherever you are, and for your continued faith in Scan Steels Limited and its management. I hope you and your family members are remaining healthy and staying safe.

As you know, the Fiscal year 2020 started off as a promising year on all fronts, we were on track in terms of revenue growth & profitability until January 2020, when the country began witnessing early signs of the pandemic. In a manner of speaking, FY20 ended abruptly, and at the same time, it became clear that the summer season as well as the rest of FY21 would be challenging periods as well. As I speak, the infection rate continues to rise in several parts of the country, but we are learning to live and work in the changed circumstances.

The advent of a few lifesaving medicines provides welcome relief and there is hope that a vaccine will be available before the end of this calendar

year. I must salute the spirit of the Government authorities, healthcare workers, police, and the public, in fighting the pandemic. I must acknowledge the understanding and support of our numerous customers, on whose trust we continue to evolve and grow.

I would also like to convey my appreciation to the employees of Scan Steels Limited as well as its dealers, business associates and vendors and their families for their laudable efforts in pursuing business continuity and their ongoing and relentless efforts towards restoring normalcy. With courage and conviction, and diligence and determination, they continue to contribute, placing the Company's interests above their own. Their commitment and sacrifices will definitely be recorded in the history of your glorious Company.

Q1FY21 financial results, The Board of Directors in its meeting approved the Unaudited Financial Results for Q1FY21. Much of the crucial summer season (Construction Season) sales were washed out under lockdown. Most project sites were not available for execution.

Things began opening up slowly, albeit with restrictions, only in the month of June. Understandably, therefore, the financial performance of Q1FY21 is impacted. With the

good monsoon season being witnessed, I expect economic activity to improve progressively from now on. Apart from big cities in Odisha, our presence is strong in rural packets too and SHRISHTI TMT brand is always a household name in eastern India.

Apart from adjusting to the new normal and coping with intermittent lockdowns, our focus continues to be on maintaining market leadership in our chosen geographical areas of business. Prudent capital allocation, efficient cash management and a tight cost structure shall be our top priorities.

It is important for us to preserve our identity and leadership as a trusted by our value chain partners both in B2B and B2C sales segments and to pursue profitable growth with distinctly different and appropriate strategies that the businesses call for.

In the AGM, I would like to tender my goodwill and thankfulness for the stakeholders, value chain partners and all employees of Scan Steels Ltd. The unstinted supports of all have put us right picture throughout the year.

Thanking you,

Place: Bhubaneswar
Date: 27th August, 2020

With kind regards,
Rajesh Gadodia
Chairman
(DIN: 00574465)

SCAN STEELS LIMITED

(CIN: L27209MH1994PLC076015)

Regd. Office: Off. No. 104-105, "E-Square", Subhash Road,

Opp.Havmor Ice- Cream, Vile Parle (East), Mumbai - 57

Tel: 022-26185461/62 Fax 022-26185463

Web site: www.scansteels.com, E-mail: secretarial@scansteels.com

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of **SCAN STEELS LIMITED** will be held on Wednesday, the 30th day of September, 2020 at 10.00 A.M. IST through two-way Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Praveen Kumar Patro (DIN: 02469361), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

3. **Re-Appointment of Mr. Ankur Madaan (DIN 07002199) as a Whole-time Director**

To consider, and if thought fit, to pass, the following Resolution as an 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), and the Nomination and Remuneration Policy of the Company, approval of the members be and is hereby accorded to re-appoint Mr. Ankur Madaan (DIN 07002199) as a Whole-time Director, designated as Executive Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from May 24, 2021, liable to retire by rotation, upon the terms and conditions including remuneration as set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment, and/or remuneration as it may deem fit which shall not exceed an overall ceiling Limit provided in Schedule V to the Act.

RESOLVED FURTHER THAT the Board, including any Committee thereof, be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the aforesaid resolution."

4. **Re-Appointment of Mr. Punit Kedia (DIN 07501851) as an Independent Director**

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

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Punit Kedia (DIN 07501851), who was appointed as an Independent Director and who holds office of Independent Director up to 23.05.2021, has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for re-appointment for the next (Second) term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for re-appointment to the office of Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not subject to retirement by rotation, for a second term of 5 (five) consecutive years on the Board of the Company effective from 24th May, 2021 .”

5. Approval of Related Party Transaction

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

RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules,

2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Pursuant to the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company (including any committee thereof) to enter into contract(s)/ arrangement(s)/ transaction(s) with the Shrishti Trading Corporation Pvt. Ltd., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1) (zb) of the Listing Regulations, for Purchase / Sale of Raw material and Finished Goods, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 300 Crore per Financial Year from the financial year 2020-2021 and onwards, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall at all times be on arm’s length basis and in the ordinary course of business of the Company.

“RESOLVED FURTHER THAT Mr. Prabir Kumar Das, Company Secretary of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

6. Ratification of Cost Auditors’ Remuneration

To consider, and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 148 and other applicable provisions,

if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors), Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the remuneration, as approved by the Board of Directors, to be paid to the cost auditors Messrs. Ray, Nayak & Associates, Cost Accountants, appointed by the Board of Directors of the Company to conduct audit of Cost Records maintained in respect of all applicable products of the Company for the financial year 2020-21, at ₹55000/- plus tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.”

REGISTERED OFFICE:-

104-105, “E- Square”, Subhash Road
Opp. Havmor Ice Cream, Vile Parle (E)
Mumbai – 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email – id: secretarial@scansteels.com

BY ORDER OF THE BOARD
FOR SCAN STEELS LIMITED

Sd/-

Prabir Kumar Das
(President & Company Secretary)

Place: Bhubaneswar
Date: 27th August, 2020

NOTES

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the 27th Annual General Meeting of the Company (the "Meeting" or "AGM") under Item Nos. 3 to 6, is annexed hereto
2. Information under regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the directors seeking appointment / re-appointment (and fixation of the terms of remuneration of Directors) at the AGM, forms integral part of the notice. The Director(s) have furnished consent / declaration for his/their appointment / re- appointment as required under the Companies Act, 2013 and the Rules there under.
3. As one of the measures to contain the spread of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular No. 20/2020 dated May 5, 2020 read with circulars No. 14/2020 dated April 8, 2020 and circulars No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") read with Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 Issued by the Securities and Exchange Board of India (SEBI) permitted the holding of Annual General Meetings through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA /applicable SEBI Circulars, the **forthcoming Annual General Meeting of the Company ("AGM") is being held through two-way video conferencing (VC) or other audio visual means (OAVM) only**. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, SEBI Circular dated May 12, 2020 read with MCA General Circular No. 17/2020 dated April 13, 2020 and 20/2020 dated May 5, 2020 as the Forthcoming AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, the facility to appoint proxy to attend and cast vote for the members is not available for this 27th AGM. And therefore, the Proxy Form and Attendance Slip is not annexed to this Notice.

However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) intending to appoint authorised representative are required to send a scanned certified copy (PDF Format) of their Board of Directors or governing body's Resolution/Authorization, authorizing their representative(s) to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, to the Scrutinizer by uploading in PDF format in the system for the scrutinizer to verify the same. Alternatively, to the Scrutinizer and to the Company at the email address viz; secretarial@scansteels.com , if they have voted from individual tab & not uploaded

- same in the CDSL e-voting system for the scrutinizer to verify the same before the commencement of the AGM.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act read with MCA Circular No. 14/2020 dated April 8, 2020.
 7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 14/2020 dated April 8, 2020 read with circulars No. 17/2020 dated April 13, 2020, and circular No. 20/2020 dated May 5, 2020 the Notice calling the 27th AGM has been uploaded on the website of the Company at www.scansteels.com under Investor Relation Segment. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com
 8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 read with applicable SEBI circulars.
 9. Members are requested to notify changes, if any, with the requisite Documents pertaining to their change in name, postal address/ residential status, email address, telephone/ mobile numbers, Permanent Account Number (PAN), AADHAR No. , mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., :
 - a. To their depository participants (DP) in respect of shares held in dematerialized form, and
 - b. To Registrar and Share Transfer Agent of the Company- **Adroit Corporate Services Pvt. Ltd**, whose office is located at 17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Lane , Marol Naka, Andheri-E, Mumbai - 400059, Maharashtra, in respect of shares in physical form, under their signatures and quoting respective folio number.
 10. The Securities and Exchange Board of India (SEBI) Pursuant to SEBI circular dated April 20, 2018, has mandated the submission of Permanent Account Number (PAN) and Bank account details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN and Bank account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit the same to the Company / RTA - Adroit Corporate Services Pvt. Ltd.
 11. As per Regulation 40 of SEBI Listing Regulations, as amended (vide SEBI Circular dated June 08, 2018 read with SEBI Circular dated December 03, 2018 with effect from April 01, 2019) securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Adroit Corporate Services Pvt. Limited for assistance in this regard.
 12. Members are requested to kindly mention
 - their Folio Number / Client ID and DP ID
 - Number (in case of demat shares) in all
 - their correspondence with the Companies

Registrar in order to reply to their queries promptly, and for easy identification.

13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
14. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23rd day of September, 2020 to Wednesday, the 30th day of September, 2020 (both day inclusive).
15. Members desirous of obtaining any information concerning Accounts and operations of the Company are requested to address their questions in writing to the Company or by sending an email to Company on secretarial@scansteels.com at an early date so as to enable the management to keep the information ready at the meeting.
16. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government in full measure, and to receive notices of meetings, annual reports and other documents or communications from the Company, members who have not registered /Updated their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar & Share Transfer Agent - Adroit Corporate Services Pvt. Ltd, whose office is located at 17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Lane, Marol Naka, Andheri-E, Mumbai - 400059,

Maharashtra. Tel: +91 22 42270400 or can send Email: on info@adroitcorporate.com -cc: to sandeeps@adroitcorporate.com, rameshg@adroitcorporate.com, prafuls@adroitcorporate.com or to the company at secretarial@scansteels.com with details of Name, folio number and attaching a self-attested copy of the PAN Card.

17. In compliance with the aforesaid MCA Circulars (April 13, 2020 , may 5, 2020 read with April 08, 2020) and SEBI Circular dated May 12, 2020, issued in the wake of COVID-19 pandemic Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company's RTA - Adroit Corporate Services Pvt. Ltd / Depositories.

We, request all the shareholders, who have not yet registered their e-mail addresses, and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company at secretarial@scansteels.com By following the process as guided to capture the email address for sending the soft copy of the notice and e-voting instructions along with the User ID and Password.

Alternatively, member may send an e-mail request to RTA at info@adroitcorporate.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

18. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their

demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

19. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form SH - 13 can be obtain from Adroit Corporate Services Pvt. Limited (RTA). Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant (DP).

The said form can also be downloaded from the Company's website www.scansteels.com (under 'Investors' section).

20. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to Registrar & Share Transfer Agent - Adroit Corporate Services Pvt. Ltd for consolidating their holdings under one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

21. VOTING THROUGH ELECTRONIC MEANS

In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and Secretarial Standard-2 on General Meetings and also, in light of Covid-19 pandemic as per MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 read with SEBI circulars, the Company is pleased to provide to its members facility to exercise

their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by Central Depository Services (India) Limited ("CDSL"). The members may cast their votes using an electronic voting system ("remote e-voting") for the ensuing Annual General Meeting. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Instructions for e-voting are given here in below.

The Process and manner for remote e-voting are as under:

- (i) The remote e-voting period begins on Sunday, 27th September, 2020 from 9.00 a.m. and ends on Tuesday, 29th September, 2020 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 29th September, 2020.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" Tab.
- (v) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the image verification as displayed and Click on Login
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the given sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant SCAN STEELS LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password / login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

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

(xix) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module as Corporate and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com And on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@scansteels.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding attending AGM / grievances connected with the facility for e-voting on the day of the AGM & remote e-voting, from

the e-Voting System, you may also refer the Frequently Asked Question (FAQ) and e-voting manual available at www.evotingindia.com under the help section or write an email to helpdesk.evoting@cdslindia.com OR Contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

(xxi) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23rd September, 2020 and as per the Register of Members of the Company.

(xxii) Any person, who acquires shares of the Company and become member of the Company after E-Mailing of the Notice of Annual General Meeting and holding shares as on the cut-off date, i.e., 23rd September, 2020, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evotingindia.com. Alternatively, Members can also send request to RTA at info@adroitcorporate.com.

(xxiii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the

depositories as on the cutoff date only shall be entitled to avail the facility of remote e-voting before the AGM (During the E-voting Period) or e-voting at/ During the Annual General Meeting to cast vote on all the resolutions set forth in the Notice of AGM

(xxiv) M/s. A J & Associates (CS Abhijeet Jain), Practicing Company Secretaries, (Membership No. FCS 4975, CP No. 3426) of Diamond Chambers, 4, Chowringhee Lane, Block - 1, 4th Floor, Suite #4M, Kolkata - 700016. has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting At/ during the AGM by electronic mode in a fair and transparent manner. They have communicated their willingness to be appointed as such and they are available for the said purpose.

The Scrutinizer's decision on the validity of the votes will be final. Members can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM.

22. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice and Explanatory Statement/ Annual Report will be available for inspection during business hours in between 11.00 a.m. to 01.00 p.m. on all working days (except Saturday, Sunday and Public Holiday) at the Registered Office of the company up to the date of the AGM, the same shall be available during the meeting hours in electronic mode however, suitably possible by the Company Alternatively, Members can also request by sending an e-mail to the Company at secretarial@scansteels.com up to and including the date of the Annual General Meeting of the Company.

23. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
2. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis (as per the MCA Circulars).
3. No restrictions on account of First come first served basis entry into AGM will be applicable to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc..
4. The attendance of the Members (members logins) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Shareholder will be provided with a facility to attend the 27th AGM through VC/OAVM or view the live webcast through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. On this page The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
6. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

7. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
9. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (secretarial@scansteels.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (secretarial@scansteels.com). These queries will be replied to by the company suitably by email.
10. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting once the floor is open for shareholders queries. The Company reserves the right to restrict the number of speakers/Time depending on the availability of time for the AGM. Please note that, members questions will be answered only if the shareholder continues to hold shares of the Company as of the cut-off date.
11. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
12. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall order voting, and Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
13. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
14. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and votes cast at the AGM shall be treated as invalid.
15. Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.
16. Members will be required to grant access to the web-cam to enable two-way video conferencing.
24. The Scrutinizer shall immediately after the conclusion of voting at the 27th Annual General Meeting, first count the votes cast At/during the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and submit a consolidated Scrutinizer's Report of the total votes cast

- in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
25. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
26. The results (of e-voting) declared along with the Scrutinizer's Report shall be placed on the Company's website at www.scansteels.com and on the website of CDSL www.evotingindia.com as well as displayed on the notice board at the Registered Office and Corporate Office of the Company, immediately after the result declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to BSE Limited, where the shares of the Company are listed not later than 48 hours of the conclusion of the AGM.
27. The resolutions, if passed by a requisite majority, shall be deemed to have been passed on the date of the Annual General Meeting (i.e. 30th September, 2020)
28. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: secretarial@scansteels.com
29. The recorded transcript of the forthcoming AGM on 30.09.2020 shall be maintained by the Company and also be made available on the website of the Company www.scansteels.com in the Investor Relations Section, at the earliest soon after the conclusion of the Meeting
30. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

REGISTERED OFFICE:-

104-105, "E- Square", Subhash Road,
Opp. Havmor Ice Cream, Vile Parle (E), Mumbai-400057
CIN: L27209MH1994PLC076015

Web Site: www.scansteels.com

Email – id: secretarial@scansteels.com

Place: Bhubaneswar

Date: 27th August, 2020

BY ORDER OF THE BOARD
FOR SCAN STEELS LIMITED

Sd/-

Prabir Kumar Das
(President & Company Secretary)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as “the Act”) the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice dated 27th August, 2020

ITEM NO. 3:

Mr. Ankur Madaan (DIN:07002199), Aged 30 Years is a commerce graduate having more than 8 years of experience in the steels and cement sector business.

The Board of Directors of the Company (“the Board”) at its meeting held on May 24 2016, based on the recommendation of the Nomination & Remuneration Committee and the approval of members sought on 30.09.2016, appointed Mr. Ankur Madaan as a Whole Time Director for a period of five years w.e.f. 24.05.2016.

In this regard The Board of Directors of the Company (“the Board”) again at its meeting held on 27th August, 2020 has, subject to approval of members, re-appointed Mr. Ankur Madaan (DIN 07002199) as a Wholetime Director, designated as Executive Director, for a further period of 5 (five) years from the expiry of his present term, that is, May 23, 2021, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the ‘NRC Committee’) of the Board and approved by the Board.

It is proposed to seek the members’ approval for the re-appointment and remuneration payable to Mr. Ankur Madaan as a Wholetime Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Act.

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

The details of remuneration payable to Mr. Ankur Madaan and the terms and conditions of the appointment are given below:

(1) **Period:** From 24th May, 2021 to 23 May, 2026

(2) **Nature of Duties:**

The WTD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him in all respects and conform to and comply with all such directions and regulations and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint venture companies and/or subsidiaries. This includes performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or joint venture companies and/or subsidiaries or any other executive body or any committee of such a company for which he may be allowed to receive remuneration as may be determined by the Board of such associated companies and/or joint venture companies and/or subsidiaries, subject to compliance with the applicable provisions of the prevailing laws and regulations.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole-time Director shall adhere to the Company's Code of Conduct.

(3) A) Remuneration:

In the Board Meeting held on 27th August, 2020, it was proposed to pay salary of Rs. 6,00,000/- per annum. The salary payable to Mr. Ankur Madaan is in consonance & comparable with industry norms and in accordance with the provisions of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies Act, 2013.

Increment in salary, payable to Mr. Ankur Madaan, as may be determined by the Board and / or the Nomination and Remuneration committee of the Board, shall be in addition to the remuneration under (a) above.

Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging during business trips shall be reimbursed at actuals and not considered as perquisites.

B) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of WTD, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits and perquisites and allowances, bonus/performance linked incentive if

any, as approved by the Board and to the extent permitted under Part-II of Section II of Schedule V to the Companies Act, 2013 or any amendments thereto.

The overall remuneration payable every year to the Whole-time Director by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate 5% (five percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

(4) (i) The WTD shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

(ii) The terms and conditions of his appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule V to the Act, or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and him, subject to such approvals as may be required.

(iii) The employment of the WTD may be terminated by the Company without notice or payment in lieu of notice:

(a) If the WTD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or joint venture company or associated company to which he is required by the Agreement to render services; or

- (b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained in the agreement to be executed between the Company and him; or
- (c) In the event the Board expresses its loss of confidence in him.
- (iv) Upon the termination by whatever means of the WTD's employment:
- (a) He shall immediately cease to hold offices held by him in any subsidiary or Joint Venture Company or associated company and other entities without claim for compensation for loss of office.
- (b) He shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or joint venture companies or associated companies.
- (v) If and when the agreement expires or is terminated for any reason whatsoever, Mr. Ankur Madaan will cease to be the WTD and also cease to be a Director. If at any time he ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the WTD and the agreement shall forthwith terminate. If at any time, he ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and WTD of the Company.
- ii. If Mr. Ankur Madaan is guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as Director or any breach of the terms of his appointment, as in the opinion of all other Directors renders his retirement from the office desirable, the opinion of such other Directors shall be final, conclusive and binding on him and the Company may, by giving thirty days' notice in writing, terminate this appointment and he shall cease to be the Director of the Company, upon expiration of such notice.
- iii. In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

Notes:

- i. Mr. Ankur Madaan shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment with the business or affairs or other matters whatsoever of the Company and it shall be Mr. Ankur Madaan's endeavour, during the continuance of his employment, to prevent any other person from disclosing the aforesaid information.
- Mr. Ankur Madaan satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being

appointed as Director in terms of Section 164 of the Act.

Further, the Board of Directors and its Nomination and Remuneration Committee while considering re-appointment (including Remuneration) of Mr. Ankur Madaan as a Whole-Time Director also verified that he is not debarred from holding the office of Director pursuant to any SEBI order and accordingly, it is hereby affirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Details of Mr. Ankur Madaan are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Ankur Madaan does not hold any Equity Share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way.

Except Mr. Ankur Madaan himself, none of the Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 3 of the Notice.

The other relatives of Mr. Ankur Madaan may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, The Board commends the Ordinary Resolutions set out at Item Nos. 3 of this Notice for approval of the members for the re-appointment and terms of remuneration of Mr. Ankur Madaan as WTD.

ITEM NO. 4

Mr. Punit Kedia (DIN 07501851), was appointed as an Independent Directors on the Board of the Company for the First Terms for 5 (five) consecutive years pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with the members approval accorded at the Twenty Third Annual General Meeting held on 30 September, 2016. Mr. Punit Kedia (DIN 07501851) holds office as an Independent Director of the Company up to 23.05.2021 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report.

In view of the above provision, The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, had recommended to the Board re-appointment of Mr. Punit Kedia (DIN 07501851), as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company vide resolution passed by the Committee on 27th August, 2020.

The Board, based on the performance evaluation of Mr. Punit Kedia (DIN 07501851) and as per the recommendation of the Nomination and Remuneration Committee, considered that, given his background and experience and contributions made by him during his tenure, the continued

association of Mr. Punit Kedia (DIN 07501851) would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, Board of Directors of the Company at its meeting held on 27th August, 2020, approved, subject to the approval of the members at the ensuing Annual General Meeting, the re-appointment of Mr. Punit Kedia (DIN 07501851) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 [five] consecutive years on the Board of the Company from 24th May, 2021.”

The re-appointment is recommended based on knowledge, skills, experience and performance evaluation of Mr. Punit Kedia. he had attended all the Board Meetings and the Committees of which he is a Chairman and/or Member during his tenure as an Independent Director. his performance evaluation has been considered annually by the Nomination and Remuneration Committee and the Board. He was evaluated on parameters including proactive discussions, understanding of the Company's business, engagement with the Company's management, exercising of Independence of behaviour and judgement in his decisions and if he strives to bring in the best practices regarding governance, disclosures and operations.

Mr. Punit Kedia (DIN 07501851) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. Further, the Board of Directors and its Nomination and Remuneration Committee while considering re-appointment of Mr. Punit Kedia as an Independent Director also verified that he is not debarred from holding the office of Director pursuant to any SEBI order and accordingly, it is hereby affirmed that he is not debarred from holding the office of Director

by virtue of any SEBI order or any other such authority.

The Company has received notices(s) in writing from a member under Section 160 of the Act proposing the re-appointment of Mr. Punit Kedia (DIN 07501851) for the office of Independent Director of the Company for another term of five consecutive years effective from his respective date of expiry of the First term.

The Company has also received declarations from Mr. Punit Kedia (DIN 07501851) that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In terms of Regulation 25(8) of SEBI Listing Regulations, Mr. Punit Kedia (DIN 07501851) have confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfill the conditions specified in the Act, Rules and SEBI Listing Regulations for re-appointment as an Independent Director and he is independent of the management of the Company.

Brief profile of Director whose re-appointment as an Independent Director is proposed at Item Nos. 4, is provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India and a detailed profile with remuneration/ Sitting Fees paid to Mr. Punit Kedia (DIN 07501851) is also provided in the Corporate Governance Part of this Annual Report.

Copy of draft letter of appointment of Mr. Punit Kedia (DIN 07501851), setting out the terms and conditions of his appointment and The notice received from the member proposing his candidature is available for inspection by the members during business hours in between 11.00 a.m. to 01.00 p.m. on all working days (except Saturday, Sunday and Public Holiday) at the Registered Office of the company up to the date of the AGM.

Mr. Punit Kedia (DIN 07501851) does not hold any Equity Share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way.

Mr. Punit Kedia (DIN 07501851) is interested in the resolutions set out at Item Nos. 4 of the Notice with regard to his re-appointment.

The relatives of Mr. Punit Kedia (DIN 07501851) may be deemed to be interested in the respective resolution 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 this resolution.

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

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Punit Kedia (DIN 07501851) as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board commends the Special Resolutions set out at Item Nos. 4 of this Notice for approval of the members.

ITEM NO. 5

To ensure stability of supplies in terms of quality and logistics, your Company in the ordinary course of its business may enter into contracts or arrangements with its related party as listed in the resolution, on arm's length basis for Purchase/ Sale of Raw Material and Finished Goods for an aggregate amount not exceeding the limit as set out in the resolution as aforesaid. The purchase of materials from this company is dependent on the requirement of the Company for its products from time to time and the ability of supply of specified material by this company. During the course of its business the Company also sells its products to this company.

Section 188 of the Companies Act, 2013 and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transaction with a related party is material if the transaction /transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Further, the Listing Regulations requires all material related party transactions to be approved by the shareholders through a resolution and all the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

Even though approval of the Shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules framed thereunder for transactions (or for the specified transactions with the said company) which are in the ordinary course of the Company's business and are at arm's length basis, but the monetary limit of the transaction may exceed the limits as

provided under Section 188 of the Companies Act, 2013 and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company therefore requires approval of the shareholders through a special resolution for entering into contract(s)/ arrangement (s)/ transaction(s) with Shrishti Trading Corporation Pvt. Ltd. up to a maximum amount as mentioned in the respective resolution from the financial year 2020-2021 and onwards as an abundant precautionary measure in terms

of Section 188 of the Companies Act, 2013 read with the applicable rules and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

All related parties shall abstain from voting on this resolution.

The details as required under Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 are as follows :

Name of the Related Party	Name of the Director / KMP who is related / Nature of Relationship	Nature, Duration and Particulars of the Contract	Material Terms, Monetary value and particulars of contract or Arrangement.	Any advance paid or received for the contract.	The Manner of determining the pricing and other commercial terms	Whether all factors relevant to the contract have been considered
Shrishti Trading Corporation Pvt. Ltd.	One Director (Mr. Rajesh Gadodia) is common.	a) Nature of Transaction: Purchase / Sale of raw material and finish goods. b) Particulars of Contract or arrangement: Purchase / Sale of raw material and finish goods in ordinary course of business.	a) Material Terms : at par on Arm's Length basis. b) Monetary Value: ₹ 300 Crore per financial year.	NIL	Market Value	Yes

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on 27th August, 2020 and have approved the proposed arrangements with the Related Party (i.e Shrishti Trading Corporation Pvt. Ltd.) and have also decided to seek approval of shareholders by way of special resolution pursuant to section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules , 2014 and Regulation 23(4) of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Directors / key managerial personnel of the Company or their respective relatives are deemed to be concerned or interested in the Resolutions mentioned at Item No. 5 of the Notice only to the extent of shares held by them, if any, in the Company.

The Board Commends the Special Resolution set out at item No. 5 of the Notice for approval by the Members.

ITEM NO. 6

The Board of Directors of the Company ('the Board') at the meeting held on 30th June, 2020, on the recommendation of the Audit Committee, have approved the appointment and remuneration of M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants, to conduct audit of Cost Records maintained by the Company in respect of all applicable products of the Company for the financial year 2020-21 at a remuneration of ₹ 55000/- plus tax as applicable and reimbursement of out-of-pocket expense incurred.

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, needs ratification by the Members. Accordingly, The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members for ratification of the payment of remuneration of the cost auditors for F.Y. 20-21.

None of the Directors and Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 06 of the Notice.

REGISTERED OFFICE:-

104-105, "E- Square", Subhash Road,
Opp. Havmor Ice Cream, Vile Parle (E),
Mumbai – 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email – id: secretarial@scansteels.com

Place: Bhubaneswar
Date: 27th August, 2020

BY ORDER OF THE BOARD
FOR SCAN STEELS LIMITED

Sd/-
Prabir Kumar Das
(President & Company Secretary)



INFORMATION REQUIRED TO BE FURNISHED UNDER REGULATION 36 (3) & 26(4) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH CLAUSE 1.2.5 OF THE SECRETARIAL STANDARD-2] FOR DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING.

Name	Date of Birth and Age	Qualification	Experience	Position in the Company	Listed Co. (other than SSL) in which directors hold directorship and committee membership.			Share-holdings in the Company	Directors inter-se relation	Date of first appointment on the Board
					Directorship	Chair person of Board committee	Members of Board Committee			
Mr. Praveen Kumar Patro	01.04.1973 47 Years	B-Tech (Electric)	having more than 18 years of industrial and business experience in steel sector. He is involved in Projects and operations of the Company.	(Executive) Director- Project	Nil	Nil	Nil	Nil	Nil	30.05.2018
Mr. Ankur Madaan	06.01.1990 30 Years	Graduate in commerce	He has more than 8 years of industrial and business experience in steel sector. He is involved in administration, production, & purchase	Whole-time Executive Director	Nil	Nil	Nil	Nil	Nil	24.10.2014
Mr. Punit Kedia	20.09.1990 30 Years	Graduate in commerce	He has wide experience in steels sector.	Non- Executive Independent Director	Nil	Nil	Nil	Nil	Nil	24.05.2016

* The details of Board and Committee Meetings attended by these Directors during the year 2019-20 are stated in the Corporate Governance Report which forms part of this Annual Report.

*only two Committees namely, Audit Committee, Stakeholders Relationship Committee have been considered.

* The details of remuneration, wherever applicable, are provided in the respective resolution(s) read with other relevant Details mentioned in Board and Corporate Governance Report which forms part of this Annual Report .

STATUTORY REPORTS

2019-20

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS / RESULTS

Your Directors take pleasure in presenting the 27th Annual Report on the business and operations of your Company along with the financial statements for the year ended 31 March, 2020.

(₹n Lacs)

	2019-2020	2018-2019
Gross Turnover and other Income	66853.68	69,620.70
Profit / (Loss) before Tax	1322.50	1,709.33
Less : Tax Expenses		
Current Tax	-	396.00
Deferred Tax (Charge)/ Credit	1290.61	648.77
Profit After Tax	31.90	664.56
Less : Prior Period Expenses	-	-
Net Profit/(Loss) for the year	31.90	664.56
Add: Other Comprehensive Income	12.73	(99.72)
Total Comprehensive Income for the year	44.63	564.83
Surplus Brought Forward from last balance sheet	(107.46)	(772.02)
Add: Earlier Year Adjustment (Tax)	-	-
Less: Adjustment for net carrying amount of tangible fixed assets	-	-
Balance at the end of the year (excluding comprehensive income)	(75.56)	(107.46)

INDIAN ACCOUNTING STANDARD (IND AS)

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company has complied with the new Accounting Standards, IND AS in preparation of financial statements under Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect

from 1st April 2016. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

Accordingly the Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April 2016 with the transition date of 1st April 2015 and the financial Statements for the year ended 31st March 2020 has been prepared in accordance with Ind AS.

RESULTS OF OPERATIONS & STATE OF AFFAIRS OF THE COMPANY

Gross Turnover including Other incomes for the year 2020 was stood at ₹66,853.68 Crores which was around 4% downward side in comparison to fiscal 2019. But in the better part of the company is, the company has able to achieve 1.36% incremental manufacturing sales against last fiscal. Your company continues with its focus on quality and strength of its products. Your Company has initiated steps to explore new markets in addition to developing existing ones.

The Company has produced 1,22,355 metric tonnes (MT) of TMT Rods in FY 2019-20, increased by 26.78% in comparison to the previous year. The company is in the growth path by utilizing the better capacity installed.

The Company's sustained efforts towards back-end cost control, efficiency improvement measures, supported the insulation and limited the impact on the profitability margins. The Company's ability to better utilisation of capacities will help derive better margins out of the businesses. The outlook of each business has been discussed in detail in the 'Management Discussion & Analysis' which forms a part of this Annual Report.

PRODUCTION & TURNOVER / SALES

The production of steel product during the year under report, compared to the previous year is given below.

Item	Production (Qty in MT)		Turnover (Qty in MT)	
	Years ended 31 st March, 2020	Years ended 31 st March, 2019	Years ended 31 st March, 2020	Years ended 31 st March, 2019
Sponge Iron	1,78,155	1,49,813	65,710.250	72,023.380
MS Ingot/ Billet	1,32,193	97,024	17,185.000	20,613.570
Long and Flat Products	1,22,355	96,507	1,24,011.610	97,290.950

OUTLOOK

The outlook for its margins and profitability for this business depends on overall economic outlook. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing a significant disruption and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services and the uncertainty associated with the lifting or reimposition of these restrictions, have further aggravated the business environment.

The phased easing of restrictions in India also augurs well for the economic revival. Further, India unleashed policy stimulus equivalent to 10% of GDP or ₹20 trillion to revive the economy.

Workforce remobilisation will be a key challenge for the core sectors of the economy. However, lower energy prices and expectations of a normal monsoon are positive for consumption outlook. With this a gradual recovery in economic activities is expected in the second half of FY 2020-21.

India's annual consumption of steel is now 100 MnT. Given the large market size it attracts imports of steel from various countries notably FTA nations (South Korea, Japan, ASEAN). As on March 2020, about 64% of steel imports originates from the FTA countries where the import duty is nil. This poses a threat to the health of domestic steel industry necessitating close monitoring and effective remedial measures.

For India to become a U.S.\$5 trillion economy, the infrastructure sector will serve as a critical pillar of economic growth. India's growing urban infrastructure and manufacturing sectors indicate that demand for steel is likely to remain robust in the coming years. Several government initiatives, such as providing affordable housing, expanding road and railway networks, developing the domestic shipbuilding industry, opening up the defence sector to private participation, and growth in the automobile sector are expected to create significant demand for steel in the country.

The National Steel Policy 2017 envisages construction & infrastructure to grow at a CAGR of 7% from FY 2015-16 to FY 2030-31. Under the New Steel Policy, the government targets to increase steel production capacity to about 300 MTPA by 2030. To participate in the strong India growth story, the Company laid out an expansion plan making innovative changes and technological improvements, leaving no stone unturned in fulfilling dreams of its founding fathers, tuning every activity to meet the subtle demands of its customers.

In the Union Budget 2020-21, the government announced its plan to invest ₹100 trillion in infrastructures over the next five years. The government is also targeting to attract ₹50 trillion investments in the railways sector via public-private partnerships by FY 2029-30. Blueprints are also being prepared for the development of gas-grids, water-grids, i-ways (communication networks) and regional airports, on the lines of 'One Nation-One Grid' for power.

BUSINESS IMPACT OF COVID-19

The revenue of the Company has been impacted and the most of the manufacturing facilities of the Company were disrupted during the First half of this year whereas the company continued to incurring its revenue and fixed expenses as well.

The Company is not facing any migrant labour issues as most of the labours are from local areas/villages. Our domestic despatches in few territories have resumed. However it is expected to improve gradually as and when markets are fully opened and logistics are improved in due course of time.

We estimate that future impact of COVID -19 on its operations may move either side depending on the normalization of its business and demand of products.

At present Company is not planning for any capital restructuring, and profit margin would be impacted to the extent due to loss of revenue during the lockdown period. Though the Company has tried to maintain the liquidity position in spite of the negative impact due to fund flow stalled, also Company has adequate resources to service the debt.

Company is engaged in manufacturing of the basic essential TMT Rod product and demand for the same is expected to increase gradually with lockdown relaxations and measures to be taken to curb COVID 19 Impact in future.

MARKETING ARRANGEMENT

The Company has a Well-organized Marketing Department We have around very good market share in Odisha and also catering to outside states. We are in the process of expanding our market plan in India by appointment of Dealers at other major cities across India. We also directly sell to the Customers through our Marketing staffs and agents.

ENVIRONMENT

The Company aims to be the benchmark for environmental stewardship in Steel Industry by focusing on climate change mitigation and reducing its resource footprint. Given the nature of the business and the industry that we operate in, the Company recognises its impact on the environment and is conscious of its duty towards

safeguarding the environment. The Company is committed to responsible use and protection of the natural environment through conservation and sustainable practices. The Company focuses on operational excellence aimed at resource efficiency through a 'Prevent, Minimise, Recover, Reuse and Recycle' hierarchical approach to reducing its ecological footprint.

RESEARCH AND DEVELOPMENT

The competitive business environment in which the Company operates makes innovation imperative for success of the business. Recognizing the need to improve, expand and innovate, the Company is concentrating efforts on research and development of alternate materials and new products.

The Company has started working on the technology roadmap that aligns with its vision of becoming a leader among the innovation driven organizations. Venturing into new market areas is another focus area for research and development and accordingly, a number of new product developments have been targeted.

DIVIDEND

Your Company is gradually overcoming its losses of Past years and looking forward to declare the dividend in the coming years. Hence for the F.Y 19-20 your Board of Directors has not recommended any dividend on equity shares as well as on preference shares.

PROSPECTS

In terms of Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on the Management Discussion and Analysis covering prospects is provided as a separate section in this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion & Analysis is provided as a separate section in the Annual Report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not recommend any dividend therefore there were no such funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

TRANSFER TO RESERVE

During the financial year 2019-20, no amount has been transferred to reserve account. There is a loss of ₹ (75.56) Lacs in retained earning accounts is to be carried forward to next year.

CONSOLIDATED FINANCIAL STATEMENT

As per the definition in the Companies Act, 2013 ("the Act") and Ind AS - 110 on Consolidated Financial Statements read with Ind AS - 28 on Investment in Associates and Ind AS-31 Interest in Joint Venture, the company does not have any investment in the Subsidiary Company, Joint Ventures Company or any other Associates Company therefore the Consolidation of Financial Statements is not applicable.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Associates and Joint venture Companies there by; there are no details to be provided under [Rule 8 of the Companies (Accounts) Rules, 2014]. Read with section 129 (3) of the Companies Act, 2013. during the year under review, no company has become or ceased as subsidiary, associate or joint venture companies.

FIXED DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

Pursuant to Section 73, 74 & 76 Rule 8(5)(v) of Companies (Accounts) Rules, 2014. The details relating to deposits, covered under Chapter V of the Act are as follows:-

- a. accepted during the year – ₹Nil
- b. remained unpaid or unclaimed as at the end of the year – Nil
- c. whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved –
 - i. at the beginning of the year - Nil
 - ii. maximum during the year - Nil
 - iii. at the end of the year - Nil

There was No default in repayment of deposits or payment of interest thereon during the year by Company and accordingly No details to be provided by the Company in this regard.

The details of deposits which are not in compliance with the requirements of Chapter V of the Act –

Your Company has not accepted any deposits which are not in Compliance with the requirement of Chapter V of the Act.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there are no changes in the nature of business. The Company is continuing into the Steel Manufacturing Business.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

INTERNAL CONTROL SYSTEMS AND AUDIT OVERVIEW

The Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies.

INTERNAL CONTROL

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to the Company's corporate governance policy.

Some of the significant features of internal control systems include:

- Documenting of policies, guidelines, authorities and approval procedures, encompassing the Company's all primary functions.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/ resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorised recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors, comprising Independent Directors. The Audit Committee regularly

reviews audit plans, significant audit findings, adequacy of internal controls, and compliance with accounting standards and so on.

- Forming a comprehensive Information Security Policy and continuous up-gradation of IT Systems.

As per the newly inserted Regulation 9A - Institutional Mechanism for Prevention of Insider trading via Notification 31.12.2018 SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 below mentioned points also included in internal controls:

- a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
- d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under these regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

INTERNAL AUDIT

The Company has a strong internal audit department reporting to the Audit Committee comprising Directors and Independent Directors who are experts in their field. The scope of work, authority and resources of Internal Audit (IA) are regularly reviewed by the Audit Committee and its work is supported by the services of M/s. C B A & Associates, the Internal Auditor of the Company.

The Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Through IA function the Board obtains the assurance it requires to ensure that risks to the business are properly identified, evaluated and managed. IA also provides assurance to the Board on the effectiveness of relevant internal controls.

Audit plan and execution

Internal Audit department has prepared a risk-based Audit Plan. The frequency of audit is decided by risk ratings of areas functions. The audit plan is carried out by the internal team. The audit plan is reviewed periodically to include areas which have assumed significant importance in line with the emerging industry trend and the aggressive growth of the Company.

In addition, the audit committee also places reliance on internal customer feedback and other external events for inclusion of areas into the audit plan.

INTERNAL FINANCIAL CONTROLS

As per Section 134 (5) (e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems and framework of internal financial controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. To enable them to meet these responsibilities, the Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls. These are in turn reviewed at regular intervals.

The Company has developed a framework for designing and assessing effectiveness of internal controls over financial reporting and Financial Statements and has already laid down entity level policies and process level standard operating procedures.

The entity level policies comprise anti-fraud policies (code of conduct, including conflict of interest, confidentiality and whistle-blower policy) and other policies (organization structure, roles and responsibilities, insider trading policies and code of conduct, HR policy, related party policy, prevention of sexual harassment policy, IT security policy, business continuity and disaster recovery plan and treasury risk management policy). The Company has also prepared Standard Operating Practices (SOP) for each of its processes of revenue to receive, procure to pay, hire to retire, finance and accounts, fixed assets,

treasury, inventory, manufacturing operations, and administrative expenses.

Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and During the year, such controls were tested and no reportable material weakness in the design or operation were observed and such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties referred to in Section 188 (1) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis and Detail of which is furnished in the Annexure 'A' in Form AOC-2 attached with this Report in compliance with Section 134 (3) (h) read with 188 (2) of the Companies Act, 2013.

Further, there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed, Standard Operating Procedures for

purpose of identification and monitoring of such transactions. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Moreover, on the recommendations of the Audit Committee, your Board had revised the Policy on Related Party Transactions in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the amended provisions of the Companies Act, 2013. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.scansteels.com - Investor Relations Segment. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Your Directors draw attention of the members to Note No. 28 to the financial statement which sets out related party disclosures.

ISO 9002 CERTIFICATION

Your company is having status of ISO 9001, ISO 14001 and ISO 18001 certification, which is internationally recognized for the production, quality control and Environmental as well as OHSAS respectively.

CREDIT RATING

During the year, the rating of the company has been upgraded to IVR BB / Stable Outlook (IVR Double B with Stable Outlook) for Long Term Debt and Fund Based Facilities and IVR A4 (IVR A Four) for Short Term Non Fund based Facilities from Informerics Valuation and Rating Pvt Ltd.

The Ratings derives strength from the experienced promoters and management team, long track record and established presence in the steel making, diversified product portfolio, growth in scale of operation along with moderate capital structure and debt protection metrics.

AUTHORITY TO DETERMINE MATERIALITY OF AN EVENT AND DISCLOSURE OF THE SAME TO STOCK EXCHANGE UNDER REGULATION 30(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

Mr. Ankur Madaan, Whole- Time Director, of the Company, and Mr. Prabir Kumar Das, Company Secretary and Compliance Officer of the Company and Mr. Gobinda Chandra Nayak, Chief Financial Officer of the Company authorized by the Board for the purpose of determining the materiality of an event or information, in terms with the Company's Policy on disclosure of material event / information and archival policy to comply with the Provisions of Regulation 30 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are jointly and severally authorized to make necessary disclosure to stock exchanges regarding the same on behalf of the Company.

BRANDING INITIATIVE

The "SHRISHTII" brand for its TMT bars are well accepted in the market in varied segments and sectors with wide customer base.

INSURANCE

The Assets of the company are adequately insured against the loss of fire, riot, earthquake, loss of profit etc, and other risk which is considered by management, In addition to this coverage, a statutory public liability insurance policy has been taken by the company for providing coverage against the public liability arising out of industrial accidents for employees working in plants.

CUSTOMER RELATIONSHIP

The Company endeavors to develop and sustain long-term value-creating partnerships with our customers and channel partners through a wide range of product offerings, innovative services and unique solutions.

FINANCE

During the year, the company has not availed any further finance. Rather believe in and taken steps towards reduction of debt level and repaid a tune of ₹. 10 crore by the company to the lenders.

BANKERS AND CONSORTIUM ARRANGEMENT

The Company has consortium arrangement of their bankers with State Bank of India as Lead Bank. This consortium arrangement is well defined and takes care of company's credit facilities requirement from time to time. The consortium meetings are hold quarterly on regular basis and they also visit company's plant from time to time as per their requirement.

SAFETY

The company has continued to scale up safety performance at all locations. Safety measures have been strengthened and employees are being trained to think on hazards/risks associated with their job. Systems have been established to make employees responsible and accountable for safety. Good safety performance is being rewarded. While Safety has been included as a corporate value, the main objective is to achieve better standard of safety in the shortest possible time.

HUMAN RESOURCE DEVELOPMENT AND PERSONNEL

The Company's Human Resources (HR) management practices ensure fair and reasonable process that are compliant with regulatory and governance requirements. The company has been given much emphasis on Human Resources Development and thus has been well recognized in the steel industrial for sound Human Resources Management. Over a period of time, we have built and nurtured a dedicated and excellent workforce and also recruiting new people in order to meet the revival plans of the company. The Company has emerged as a true national firm with cosmopolitan atmosphere.

The company's HR polices and remuneration practices aim to attract and retain top talent, thus supporting the Company's long-term strategy and driving a sustainable performance. Finding, retaining and developing the right talent has always been a core strategy in order to maintain high-productivity and a value-driven organisational culture. The policy is well aligned to effectively suit its expanding business horizons and future manpower requirement. This has been achieved by continuously stressing upon training & development, empowerment and aids them with tools that help in continuously learning and the development of new skills and creating a compelling work environment and maintaining well structured reward & recognition mechanism. Company is committed to the welfare of its people and their families and to improve the quality of their life by providing the required facilities. During the year under the review, industrial relations at all units of the Company continued to be cordial and peaceful.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and

their families as well as of the local community and society at large. As a part of its policy for corporate social responsibility, the Company is associated with charitable and social activities and thereby playing a pro-active role in the socioeconomic growth. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes account guidelines and statements issued by stakeholders and other regulatory bodies.

The management has adopted corporate social responsibility (CSR) well at par with its business, with the objective of creating wealth in the community with focus on education, health, water and society. Social welfare, community development, economic and environmental responsibilities are at the core of the CSR of the Company.

The Corporate Social Responsibility Committee (CSR Committee) Composition and Terms of reference of which is detailed in the Corporate Governance Part of this Annual Report, has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified six focus areas of engagement which are as under:

- Rural Transformation : Creating sustainable livelihood solutions, addressing poverty, hunger, malnutrition and Drinking Water Facility.
- Health: Affordable solutions for healthcare through improved access, awareness and health seeking behavior.

- Education: Access to quality education, training and skill enhancement, Specially in Nearby Villages where the Plants of the Company Located.
- Environment: Environmental sustainability, ecological balance, conservation of natural resources.
- Water: The Company makes affordable solution for water crises in the local area within the factory.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act as amended.

The CSR activities are monitored by internal / CSR Committee. As per the CSR policy, progress of the CSR activities is reviewed periodically or as and when needed by the Board-level CSR Committee, as well as by the management at the sites. Also, The Company through its Board and the CSR Committee follows a comprehensive approach to deliver socially inclusive and holistic interventions that help create equitable opportunities for the underprivileged and contribute to nation building.

The disclosures required to be made as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 or Details of CSR expenditure spent During the current financial year 2019-20 by the Company is annexed to this report as Annexure 'B'.

The CSR Policy of the Company is available on the company's website at www.scansteels.com - Investor Relations Segment.

RISK MANAGEMENT

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholder's interest, to achieve its business objectives and

enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans. Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has constituted a sub-committee of Directors to oversee Enterprise Risk Management Framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately. The Audit Committee has additional oversight in the area of financial risks and controls. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

A Risk Management Policy was reviewed and approved by the Committee and which can be accessed on the website of the Company at www.scansteels.com - Investor Relations Segment.

CORPORATE GOVERNANCE

Transparency is the cornerstone of your Company's philosophy and all requirements of Corporate Governance are adhered to both in letter and spirit. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. All the Committees of the Board of Directors meets at regular intervals as required in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

and Companies Act, 2013. Your Board of Directors has taken all necessary steps to ensure compliance with all statutory requirements. The Directors and Key Management Personnel of your Company have complied with the approved 'Code of Ethics for Board of Directors and Senior Executives' of the Company.

The Report on Corporate Governance as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements is also attached to Directors Report as Annexure 'I'. Further as required under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from the Whole-Time Director & CFO is being annexed with this Annual Report.

SHARE CAPITAL

ISSUED/SUBSCRIBED/PAID UP CAPITAL

The **authorized share capital** of the Company is ₹ 70,00,00,000/- (Rupees Seventy Crores only) divided into 5,50,00,000 (Five Crore Fifty Lacs) equity shares of ₹. 10/- (Rupees Ten) each and 1,50,00,000 (One Crore Fifty Lacs only) Non-cumulative Redeemable Preference Share of ₹ 10/- (Rupees Ten) each.

The **paid-up equity share capital as on March 31, 2020 and as on date** is ₹ 52,35,22,950 (Fifty Two Crore Thirty Five Lakhs Twenty Two Thousand Nine Fifty) divided into 5,23,52,295 (Five Crore Twenty Three Lakhs Fifty Two Thousand Two Hundred Ninety Five) fully paid up Equity Shares of ₹ 10/- (Rupees Ten Only) each and the **preference share capital** is ₹ 12,84,96,050/- (Twelve Crore Eighty Four Lacs Ninety Six Thousand Fifty) divided into 1,28,49,605 (One crore Twenty Eight Lacs Forty Nine Thousand Six Hundred Five only) fully paid up NCRPS of ₹ 10/- (Rupees Ten) each.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Praveen Kumar Patro (DIN: 02469361), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The proposal / resolution regarding the re-appointment of the aforesaid Director is placed for shareholders' approval. The Board of Directors recommends his re-appointment.

- The first term of office of Mr. Punit Kedia (DIN 07501851) as an Independent Director is up to / expires on 23.05.2021.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Mr. Punit Kedia as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from March 24, 2021 at the ensuing AGM for the approval of the Members by way of special resolution. Further, in the opinion of the Board, Mr. Punit Kedia is a person of high integrity, expertise and experience and qualify to be appointed as an Independent Director of the Company

Pursuant to the provisions of Section 149 of the Act, Mr. Punit Kedia, have submitted declaration that he meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting his

status as an independent director of the Company.

Your company has received a notice under section 160 of the companies act, 2013 from a member, signifying his intension to propose the name of Mr. Punit Kedia, for re-appointment as an Independent Director of the company in the forthcoming Annual General Meeting.

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Amendment Rules from time to time, all Independent Directors of the Company have enrolled themselves on the Independent Directors Databank and will undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

- The first term of office of Mr. Ankur Madaan (DIN 07002199) as a Whole Time Director is up to / expires on 23.05.2021.

The Board of Directors at its meeting held on 27th August, 2020, on the recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Mr. Ankur Madaan as a Whole Time Director of the Company, designated as Executive Director, for a second term of 5 (five) consecutive years with effect from March 24, 2021 In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act and on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NRC Committee') of the Board and approved by the Board at the ensuing AGM for the approval of the Members by way of Ordinary resolution.

Mr. Ankur Madaan satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Punit Kedia and Mr. Ankur Madaan are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

- During the year under review at the 26th Annual General Meeting of the Company Mr. Vinay Goyal (DIN 07002206) and Mrs. Debjani Sahu (DIN:02674022) was re-appointed as an Independent Directors of the Company for a second term of 5 (five) consecutive years with effect from the conclusion of the 26th Annual General Meeting and March 26, 2020 respectively.

The following policies of the Company are attached herewith marked as **ANNEXURE 'C'** and **ANNEXURE 'D'**:

- a) Policy for selection of Directors and determining Directors independence; and
- b) Nomination and Remuneration Policy.

Suitable resolution(s) for appointment / reappointment of Director(s), as referred above, will be placed for approval of the members in the forthcoming Annual General Meeting. The brief resume and other information of the concerned director(s), in terms of the Regulation 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings ("SS-2") have been detailed as an annexure in the notice convening the forthcoming Annual General Meeting.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

KEY MANAGERIAL PERSONNEL

Mr. Ankur Madaan, Whole Time Director, Mr. Prabir Kumar Das, President & Company Secretary and Mr. Gobinda Chandra Nayak, Chief Financial Officer are the Key Managerial Personnel of your company in accordance with the provision of Section 2(51) and 203 of the companies act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with SEBI (LODR) Regulations, 2015.

Company's policy of appointment and remuneration for directors, KMP and other employees including criteria for determining qualifications, positive attributes, director's independence (read with Sections 178 (1) (3) (4))

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As at March 31, 2020 the Board of Directors comprises 6 Directors, of

which 4 are non-executive, including one women director. The number of Independent Directors is 3, which is one half of the total number of Directors.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure 'C' and is attached to this report.

Further, Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is furnished in Annexure 'D' and is attached to this report.

Declaration by Independent Director(s)

As required under section 149(7) of the Companies Act, 2013, The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence and / or to qualify themselves to be appointed as an Independent Directors as prescribed both under Section 149 (6) of the Companies Act' 2013 and Regulation 16(1) (b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board considered the independence of each of the Independent Directors in terms of the above provisions and is of the view that they fulfill/meet the criteria of independence. And the declarations are put up on the website of the Company at www.scansteels.com - Investor Relations Segment.

Familliarisation Programme for Independent Directors.

All New Independent Directors (IDs) whenever inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of our operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group

structure, Board constitution and Procedures, matters reserved for the Board, and our major risks and risk management strategy. Visits to Plant and Factory locations are organized for the IDs to enable them to understand the business better.

The company familiarises the New and Existing Independent Directors of the Company from time to time with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.. and also by updating them about latest amendments in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of Same are put up on the website of the Company at www.scansteels.com - Investor Relations Segment.

Separate Independent Director Meeting

In term of requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the independent directors ("Annual ID meeting") was convened on 20th February, 2020 and All the Independent Directors were present at the said Meeting.

The Independent Directors at the meeting reviewed the following:

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

Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairperson of the Nomination Remuneration Committee with the Board covering performance of the Board as a whole, performance of the non-independent directors and performance of the Board Chairman. In addition to formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

BOARD ANNUAL EVALUATION

Pursuant to Regulation 17(10) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and In compliance with the Section 134(3) (p) Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The Board carried out an annual performance evaluation of its own performance, the individual Directors, as well as the evaluation of the working of the Committees of the Board pursuant to the provisions of the Act and SEBI Listing Regulations. The performance evaluation of the Chairman, Whole- Time Director and the Non- Independent Directors was carried out by Independent Directors. The performance evaluation of the Independent Directors was carried out by the entire Board in compliance with the Companies Act, 2013. The performance evaluation of all the Directors/ its committees and / or Board as a whole was also carried out by the Nomination and Remuneration Committee and NRC also review its implementation and compliance. Details of the same are given in the Report on Corporate Governance annexed hereto.

The Chairman of the Board had one-on-one meetings with the IDs. The Chairperson of the Nomination and Remuneration Committee

(NRC) held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as on each of the other Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning such as adequacy of the composition and structure and quality of the Board, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, execution and performance of specific duties, obligations and governance and effectiveness of board processes, information and functioning were taken into consideration. Committee performance was evaluated by the Board on the basis of their effectiveness in carrying out respective mandates, and after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.. A separate exercise was carried out to evaluate the performance of Independent Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution to Board deliberations, independence of judgment, safeguarding the interest of the Company and focus on creation of shareholders value, ability to guide the Company in key matters, attendance at meetings, etc. The Executive Directors were evaluated on parameters such as strategy implementation, leadership skills, quality, quantity and timeliness of the information flow to the Board, etc.

The Board considered and discussed the inputs received from the Directors. Further, the IDs at their meeting reviewed the performance of non Independent Directors, Board as a whole and Chairman of the Board after taking into account views of Executive Directors and Non-Executive Directors.

The Directors expressed their satisfaction with the evaluation process.

The evaluation process endorsed the Board

Members' confidence in the ethical standards of the Company, the resilience of the Board and Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable the Board Members to discharge their responsibilities.

The Detailed Policy on Performance Evaluation of Independent Directors, Board, Committees and other individual Directors can be accessed from the website of the Company at www.scansteels.com - Investor Relations Segment.

MANAGERIAL REMUNERATION:

Based on the recommendations of the NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMPs') and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The following disclosures have been mentioned in detail under the heading "Corporate Governance", part of this Annual Report:—

- (i) all elements of remuneration package such as salary, benefits, etc., of all the directors;

- (ii) details of fixed component and performance linked incentives along with the performance criteria;
- (iii) service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

CODE OF INDEPENDENT DIRECTORS - SCHEDULE - IV

The Board has considered Code of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013. The code is a guide to professional conduct for independent directors' adherence to these standards by independent directors and fulfillment of their responsibility in a professional and faithful manner will promote confidence of the investment community and regulators.

The broad items for code for independent directors are:

- (i) Guidelines for Professional conduct.
- (ii) Role and Functions.
- (iii) Duties
- (iv) Manner and process of appointment.
- (v) Re-appointment on the basis of report of performance evaluation.
- (vi) Resignation or Removal.
- (vii) At least one Separate meeting of Independent Directors in a year without attendance of non independent directors or members of management.
- (viii) Evaluation mechanism of Independent Directors by entire Board of Directors.

The Detailed Code of Conduct of Independent Directors of the Company and Code of Conduct for Board of Directors and Senior Management

of the Company can be accessed on the website of the Company at www.scansteels.com - Investor Relations Segment.

SCAN STEELS'S CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. As well as the consequences of violation. The Policies/Code has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities.

The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives in terms of Regulation 9 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated in terms of Regulation 8 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Policies and Procedural for inquiry in case of leak of Unpublished Price Sensitive Information, or Suspected Leak of Unpublished Price Sensitive Information in terms of Regulation 9A the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, and Vigil Mechanism / Whistle Blower Policy in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015 is available on our website at www.scansteels.com - Investor Relations Segment.

COMPLIANCE WITH CODE OF ETHICS FOR BOARD OF DIRECTORS AND SENIOR EXECUTIVES

All Directors and Senior Management Personnel have affirmed Compliance with the Code of Ethics

for Board of Directors and Senior Executives. A Declaration to that effect is attached with The Corporate Governance Report.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 134(3) (c) and 134(5) of the Companies Act, 2013, your directors hereby state and confirm that –

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act (as amended from time to time) have been followed and there are no material departures from the same;
- 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 as at March 31, 2020 and of the profit and loss of the company for the year ended on that date;
- 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 had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

and

- 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.

AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITORS

The Auditors, M/s. SRB & Associates, Chartered Accountants, (Firm's Registration No. 310009E), Bhubaneswar, were re-appointed with Members approval sought at the 26th AGM for the second term of 5 (five) consecutive financial years i.e. up to 2023-24. And CA K P Swain, CP No 306323, Chartered Accountant has been authorized as an auditor on behalf of the firm to conduct the audit as per the Act.

The Company has received necessary consent and certificates under Section 139 from the above Auditors to the effect that they satisfied the criteria provided in section 141 of the Companies Act, 2013 read with Cos. (Audit & Auditors) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force.

No frauds have been reported by the Auditors under Section 143 (12) of the Companies Act, 2013 requiring disclosure in the Board Report.

AUDITORS' REPORT

Explanation to Auditor's emphasis of matter:

Auditors have in their report drawn attention to Note No- 38 to the financial statements which describes on steps taken by the company for transition to the Ind AS compliances.

In the opinion of the Board, the company has implemented / adopted the following policies and procedures for accounting:

Componentization: As per prevailing practice, company componentized fixed assets as detailed in the Invoice. It does not have a separate componentization policy. Accordingly,

components identified (as mentioned above) are also depreciated based on the useful lives prescribed under Schedule-II (of the Companies Act.) for the main asset.

Steps: The Company is in the process of identification of the major components significant to the total cost of the asset accordingly necessary requirements to be complied.

Stores and Spares: The Company on purchases of stores and spares, if it relates to an item of PPE, the same are capitalized on the date of issue, and which are issued for revenue expenditure purpose, are charged to Profit & Loss Account on the date of consumption.

Auditors have in their report drawn attention to Note No- 39 to the financial statements which describes the impact of expected credit loss on trade receivables.

The company after considering the general nature of the industry and average collection period of trade receivables being 30-60 days, the receivables are considered as having low credit risk. Accordingly, the impact of the expected credit loss arises to an insignificant amount.

Except of the emphasis of matters mentioned above all other observations made by the Statutory Auditors in their report for the financial year ended 31st March 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

COST AUDITORS

Pursuant to Section 148 (1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, your Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and

Audit) Amendment Rules, 2014, the Company is also required to get its cost accounting records audited by a Cost Auditor Accordingly, the Board at its meeting held on June 30, 2020 has on the recommendation of the Audit Committee, re-appointed M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants, having office at MIG-26, Manorama Estate, Rasulgarh, Bhubaneswar - 751010 (Odisha), as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the financial year 2020-21 on a remuneration of ₹55,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

The Cost Audit Report for the financial year ended 31st March, 2019 was filed in XBRL mode on 26/12/2019.

SECRETARIAL AUDITORS AND AUDIT REPORT

M/s. K.K. Giri and Associates, who was appointed by the Board at their Meeting held on 30.05.2019 as a Secretarial Auditors of the Company for the financial year 2019-2020, desired not to continue their services as Secretarial Auditors of the Company due to some Pre-occupational Assignment, thereby, In supersession of the resolution passed by the Board as per recommendation of the audit committee the name of M/s. Amarendra Mohapatra & Associates, Prop. CS. Amarendra Mohapatra, Practicing Company Secretaries, of House No. 56/1, MIG II, Phase I, Chandrasekharapur Housing Board Colony CS. Pur, Bhubaneswar, Odisha - 751016, was suggested for appointment as Secretarial Auditor of the Company for financial year 2019-20 in place of M/s. K.K. Giri and Associates which was approved by the Board in their meeting held on 14.08.2019, to undertake the Secretarial Audit of the Company Pursuant to the provisions

of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Report of the Secretarial Audit carried out by M/s. Amarendra Mohapatra & Associates is annexed herewith as Annexure "E".

During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

Further Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019. The company has also received Annual Secretarial Compliance Report issued by M/s. Amarendra Mohapatra & Associates, Prop. CS. Amarendra Mohapatra, Practicing Company Secretary for the Year ended on 31st March, 2020 which was duly filed with Bombay Stock Exchange Limited.

The Annual Secretarial Compliance Report and Secretarial Audit report contains the following observation or qualification requiring explanation or comments or action to be taken by the Board under Section 134(3)(f)(ii) of the Companies Act, 2013.

SEBI - by ADJUDICATION ORDER NO. - Order / KS/AA/2019-20/6513 dated 23.01.2020 has levied a penalty of Rs. 18.80 lakh on scan steels limited under the provisions of section 15HA of the SEBI Act for indulging in fraudulent trading in the stock options segment of the BSE, between April 2014 and September 2015 that created large scale reversal of trades in stock options segment of the BSE and led to creation of artificial trading volumes in the stock options contracts that violated the provisions of PFUTP (Prohibition of Fraudulent and Unfair Trade Practices) norms.

As per the Auditors discussion held with the company Management it was observed that The Company is aggrieved with the said order, and has filed appeal under Securities Appellate Tribunal

against the aforementioned order.

The Board at its meeting held on June 30, 2020, has re-appointed M/s. Amarendra Mohapatra & Associates, Prop. CS. Amarendra Mohapatra, a Practicing Company Secretary (CP No- 14901) having office at House No. 56/1, MIG II, Phase I, Chandrasekharapur Housing Board Colony CS. Pur, Bhubaneswar, Odisha - 751016, as Secretarial Auditor, for conducting Secretarial Audit of the Company for F.Y. 2020-21.

AUDIT COMMITTEE.

Audit Committee is constituted as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. Composition of Audit Committee is as per Section 177 (8) of Companies Act, 2013. The Prime Objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting and to review matters related to SEBI (Prohibition of Insider Trading), Regulations, 2015.

Composition and Terms of reference of the Committee is explained in Detail in the Corporate Governance Part of this Annual Report.

There was no recommendation as such in the Financial Year 2019-2020 from the Audit Committee which was not accepted by the Board.

VIGIL MECHNISM

In pursuance of Section 177(9) of the Companies Act, 2013 and Regulation 22 read with Regulation 4(2)(d)(iv) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Vigil Mechanism has been Constituted for directors and employees to report genuine concerns and Audit committee shall oversee the vigil mechanism through the committee and provide adequate

safeguards against victimization of employees and directors who availed of the vigil mechanism and have a direct access to the chairman of the audit committee in exceptional case.

Further, Audit Committee revised the Vigil Mechanism / Whistle Blower Policy in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015, which can be accessed from our website at www.scansteels.com - Investor Relations Segment.

In case of repeated frivolous complaints being filed by the director or an employee the audit committee may take suitable action including reprimand if necessary.

CONSTITUTION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholders Relationship Committee According to 178 (5) of the Companies Act 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

Composition and Terms of Reference of the SR Committee is Detailed in Corporate Governance Report Part of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Board has set up a Nomination and Remuneration Committee In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Committee is responsible for making Policy pursuant to Proviso to Section 178 (3) & (4) read with Rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or recommending to the Board, the

remuneration package of Directors, KMP & other employees, including their annual increment and commission after reviewing their performance and also to decide the Criteria for determining appointment Qualifications, Positive attributes, and Independence of a Director.

The Details Regarding the Composition of the Committee, Meetings held and Terms Of reference etc.. is Detailed in Corporate Governance Report Part of this Annual Report. And the Detailed Nomination and Remuneration Policy is attached as Annexure 'D' to this Report.

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Scan Steels's commitment towards excellence in Health, Safety and Environment is one of the company's core values by complying with the Laws and Regulations first, and then going beyond the mandate to keep our planet safe for future generations. Minimizing the environment impact of our operations assumes utmost priority.

The company is unwavering in its policy of "safety of persons overrides all production targets" which drives all employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities in which Scan Steels operate. Our dedicated measures by conducting the Risk Assessment, Identification of significant environment aspects of all manufacturing plants and signatory commitment of Responsible Care, Greatest emphasis is given to safety measures for minimizing accidents and incidents.

In View of the above The Board has Constituted Corporate Social Responsibility Committee to Comply the Section 135 of the Companies Act, 2013. Composition and Terms of Reference of which is Detailed in Corporate Governance Report Part of this Annual Report.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

Further, company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

E-VOTING FACILITY AT AGM

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 27th Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-voting facility.

LISTING ON STOCK EXCHANGE

The Company continues to remain listed with Bombay Stock Exchange Limited and annual listing fee for the same has been paid.

DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, Nine Board Meeting were convened and held, details of the meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EXTRACT OF THE ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92(3) read with Rule 12 of the Companies (Management and administration) Rules, 2014 and Section 134(3)(a) of Companies Act, 2013 is furnished in Form No. MGT-9 as Annexure 'F' and is attached to this Report.

The same can be downloaded from the <https://scansteels.com/wp-content/uploads/2020/08/2019-20-1.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no loans, made by the Company under Section 186 of the Companies Act, 2013 during the year under review. However the company has given the corporate guarantee and made investment in quoted securities as a long term investments and the details of the guarantees and investments covered under the provisions of section 186 of the companies act, 2013 are given in the financial statements.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 'G' and is attached to this report.

PARTICULARS OF EMPLOYEES (RULE 5(2), AND 5(3)) AND MANAGERIAL REMUNERATION (RULE 5(1)) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 , AND UNDER SECTION 197(12) OF THE ACT

The total number of employees as on 31st March, 2020 stood at 1591.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1), 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Annexure 'H' in this Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

In term of Section 134(3)(l) of the Companies Act, 2013, no material changes and commitments have occurred after the close of the year till the date of this Report, which could affect the financial position of the Company.

Although, due to adverse impact of COVID 19, The revenue of the Company has been impacted and the most of the manufacturing facilities of the Company were disrupted during the First half of this year whereas the company continued to incurring its revenue and fixed expenses as well.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. SEBI - by ADJUDICATION ORDER NO. - Order / KS/AA/2019-20/6513 dated 23.01.2020 has levied a penalty of Rs. 18.80 lakh on scan steels limited under the provisions of section 15HA of the SEBI Act for indulging in fraudulent trading in the stock options segment of the BSE, between April 2014 and September 2015 that created large scale reversal of trades in stock options segment of the BSE and led to creation of artificial trading volumes in the stock options contracts that violated the provisions of PFUTP (Prohibition of Fraudulent and Unfair Trade Practices) norms. - The Company is aggrieved with this order, and has filed appeal under Securities Appellate Tribunal against the aforementioned order.

No other significant or material orders were passed by the Courts or Tribunals which impact the going concern status and Company's operations in future.

4. There is No Revision of Financial Statement or Board Report Adopted by the Company, thereby there is no Disclosures to be made by the Company u/s 131 of the Companies Act, 2013 for Voluntary Revision of Financial Statement.
5. Your Company has No Holding or Subsidiary Company and thereby, Whole time Director of the Company do not receive any commission or remuneration from the same. Accordingly there are no Details to be provided by the Company pursuant to Section 197 (14) of the Companies Act, 2013.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

Place: Bhubaneswar
Date: 27th August, 2020

FOR AND ON BEHALF OF THE BOARD

Ankur Madaan, Whole- Time Director
(DIN: 07002199)

Praveen Patro, Director
(DIN: 02469361)

ANNEXURES TO THE BOARD REPORT

ANNEXURE NO.	CONTENTS
ANNEXURE 'A'	Form AOC – 2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 and Related Party Transactions Justification for Entering into Related Party Transactions referred to in sub-section (2) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.
ANNEXURE 'B'	Annual Report on CSR
ANNEXURE 'C'	Policy for Selection of Directors and determining Directors' independence.
ANNEXURE 'D'	Nomination and Remuneration Policy
ANNEXURE 'E'	Secretarial Audit Report (In Form - MR 3)
ANNEXURE- 'F'	Extracts of the Annual Return (In Form MGT – 9)
ANNEXURE 'G'	Particulars of Conservation of Energy, Technology Absorption and foreign Exchange Earnings and outgo.
ANNEXURE 'H'	Rule 5 (1) (2) AND (3) of Companies (Managerial Remuneration) Rules
ANNEXURE 'I'	Certificate of Compliances With Corporate Governance Requirement Pursuant To Regulation 34(3) Read With Schedule V (E) - of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

ANNEXURE 'A'

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 and Related Party Transactions Justification for Entering into Related Party Transactions referred to in sub-section (2) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

Scan Steels Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2020. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules.

a. Name(s) of the related party and nature of relationship	NIL (All the contracts or arrangements or transactions with related parties are at arm's length basis.)
b. Nature of contracts /arrangements / transactions	
c. Duration of the contracts / arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. date(s) of approval by the Board	
g. Amount paid as advances, if any:	
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
Scan Energy & Power Limited, One director is holding more than two percent of its paid up share capital	Sale of Steel Products,	Continuous Basis	Sale of Steel Products, providing guarantee, etc. at arm's length basis. (for details of transactions during the year refer Note -28 to the financial statements)	Please refer note below	Nil

Note: as per regulation 23 of the SEBI Listing Regulations erstwhile Clause 49 of Listing agreement, transaction with above mentioned related party was considered material and approval of shareholders has been obtained at the Extraordinary General Meeting held on 26.03.2015 for an estimated amount around ₹200 cr. every financial year and which is also reviewed by Audit Committee.

FOR AND ON BEHALF OF THE BOARD

Ankur Madaan, Whole- Time Director
(DIN: 07002199)
Praveen Patro, Director
(DIN: 02469361)

Place: Bhubaneswar
Date: 27th August, 2020

ANNEXURE 'B'

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

As a part of its policy for corporate social responsibility, the Company is associated with charitable and social activities and thereby playing a pro-active role in the socioeconomic growth. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes in account guidelines and statements issued by stakeholders and other regulatory bodies.

The management has adopted corporate social responsibility (CSR) with the objective of creating wealth in the community with focus on education, health, water and society. Social welfare, community development, economic and environmental responsibilities are at the core of the CSR of the Company.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified six focus areas of engagement which are as under:

- Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger, malnutrition and Drinking Water Facility.
- Health: Affordable solutions for healthcare through improved access, awareness and health seeking behaviour.
- Education: Access to quality education, training and skill enhancement, Specially in Nearby Villages where the Plants of the

Company Located.

- Environment: Environmental sustainability, ecological balance, conservation of natural resources.
- Water: The Company makes affordable solution for water crises in the local area within the factory.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. The CSR Policy may be accessed on the Company's website at www.scansteels.com - Investor Relations Segment.

2. The Composition of the CSR Committee.

The Committee is constituted in line with the Provision of Section 135 of the Companies Act 2013. It is the commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large give Social Contribution to the Society.

The composition of CSR Committee is as Mentioned below:

- Shri Vinay Goyal - Non Executive Chairman & Independent Director
- Shri Ankur Madaan - Member & Whole- Time Director
- Shri Punit Kedia - Member & Independent Director

3. Average net profit of the company for last three financial years - 2,55,00,000
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)- 5,10,000

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year – 5,59,000

(b) Amount unspent, if any- Nil

(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1.	Education & Drinking Water facility	Schedule VII – item I and II	Local Areas ie. In nearby villages of Rambahal, and Budhakata, where Company's Plants are Located	5,10,000	5,59,000	5,59,000	Direct Contribution
	TOTAL			5,10,000	5,59,000	5,59,000	

*Give details of implementing agency – No implementing agency is involved in the spending or covering of CSR activity.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – N.A

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

The CSR committee of Scan Steels Limited hereby declares that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the company.

Sd/-

Vinay Goyal

Chirman of CSR Committee
& Independent Director

Place: Bhubaneswar

Date: 27th August, 2020

Sd/-

Ankur Madaan

Member of committee &
Whole- Time Director

Sd/-

Punit Kedia

Independent Director &
Member of Committee

ANNEXURE 'C'

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Introduction

- 1.1 Scan Steels Limited (SSL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, SSL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 SSL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. SSL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion :

- 2.1 This Policy sets out the guiding principles for, Nomination and Remuneration Committee for identifying person who are qualified to become Director and to determine the independence of Directors, in case of their appointment as independent director of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meaning :

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by SSL's Board in accordance with the provision of section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of section 149 of the companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- #### 4. Policy :
- 4.1 Qualification and criteria
- 4.1.1 The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.
- 4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as:
- General understanding of the Company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 4.1.3 The proposed appointee shall also fulfill the following requirements:
- Shall possess a Director Identification Number;

- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall Endeavour to attend all Board Meetings and wherever he is appointed as a committee members, the committee Meetings;
- Shall abide by the code of conduct established by the Company for Directors and senior Management Personnel;
- Shall disclose his concern or interest in any company or companies bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

4.1.4 The Nomination and Remuneration committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The Nomination and Remuneration Committee shall assess the independence of Director at the time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b.(i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors/ persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship, other than sitting fees / remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. None of whose relatives –
 - i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
 - (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such

- amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
- (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
- (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);”;
- e. Who, neither himself nor any of his relatives –
- (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- “Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.”.
- (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial in which he is proposed to be appointed, of –
- (A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) Any legal or a consulting firm that has or any transaction with the company its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) Holds together with his relative two per cent or more of the total voting power of the company; or
- (iv) Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoter, directors or its holding, subsidiary or associate company or that holds two per cent or more of more of the total voting power of the company; or
- (v) Is a material supplier, service provider or customer or a lessor or lessee of the company
- f. Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company’s business.
- g. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013
- h. Who is not less than 21 years of age
- i. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.
- 4.2.3 The Independent Director shall abide by the “Code for Independent Directors” as specified in schedule IV to the Companies Act, 2013

4.3 Other directorship/committee memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorship in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Directors and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies and 8 Listed Company (w.e.f 01.04.2020 - 7 Listed Companies).

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 listed Companies in case he is serving as a whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of reckoning Limit of Directorship Dormant Co. (whether Pvt. Or Public) to be excluded.

For the purpose of considering the limit of the Committees, Audit Committee and stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.



ANNEXURE 'D'

SCAN STEELS LIMITED (SSL) NOMINATION AND REMUNERATION POLICY

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of this policy is to lay down a framework in relation to appointment/Re-appointment and remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3 Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To develop a succession plan for the Board and to regularly review the plan.
- 1.9. To assist the Board in fulfilling responsibilities.
- 1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- A. Directors (Executive and Non Executive)
- B. Key Managerial Personnel
- C. Senior Management Personnel

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

“Senior Management” means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

CONSTITUTION OF COMMITTEE

- The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors.
- The Chairman of the Committee is an Independent Director. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.”
- Minimum Two (2) members or one third of the members of the committee, whichever is greater, including at least one

independent director in attendance shall constitute a quorum for the Committee meeting.

- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

FREQUENCY OF COMMITTEE MEETING

The meeting of the Committee shall be held at least once in a year.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. **Appointment Criteria and Qualifications**
 - a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 - b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - c) The Company shall not appoint or continue the employment of any person as Whole-time Director / Managing Director / Manager who has attained the age of seventy years and non-executive director who has attained the age of seventy five years. Provided that the term of the person holding this position may be extended beyond the age of seventy years and seventy Five Years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification

for extension of appointment beyond the specified years.

Provided that in case of Whole-time Director/ Managing Director / Manager where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

- d) A person shall not be a director in more than eight listed entities and in not more than seven listed entities with effect from April 1, 2020.

2. Term / Tenure

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period

of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall specify the manner and carry out effective evaluation of performance of Board and its committees /every Director, KMP and Senior Management Personnel at regular interval (yearly) and review its implementation and compliance.

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/ KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration/ compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

COMMITTEE MEMBER'S INTEREST

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.

- Considering any other matters as may be requested by the Board.

MINUTE MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting or before the Next Committee Meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

REVIEW AND AMENDMENT

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

ANNEXURE 'E'

Form No- MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31st March 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,
The Members,

Scan Steels Limited

Office No. 104-105, E-square, Subhash Road,
Opp. Havmor Ice Cream, Vile Parle (E), Mumbai
- 400 057

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Scan Steels Limited ("The Company") for the Financial Year ended on 31st March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. SEBI (Depositories and Participant) Regulations, 2018
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the company during the audit period);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; to the extent applicable;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018 and amendments from time to time; to the extent applicable;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; (Not Applicable to the Company during the audit period)

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the company during the audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018; (Not Applicable to the company during the audit period) and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable
 - j. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable to the Company during the audit period)
6. Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/ trading companies, the following laws/acts are also, inter-alia, applicable to the company:
- a. Legal Metrology Act, 2009 and the Rules made thereunder;
 - b. Orissa Electricity (Duty) Act, 1961 and Rules made thereunder;
 - c. The Static & Mobile Pressure Vessels Rules, 1981;
 - d. The Gas Cylinder Rules, 2004;

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

(i) Secretarial Standards

The Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings.

(ii) Listing Agreements

The Listing Agreement entered into by the Company with BSE read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Composition of the Board of Directors that took place during the year under review carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Dissenting member's views were not required to be captured and records as a part of the minutes as there was no such instance.

we further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the

Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period Company has received SEBI ADJUDICATION ORDER NO. - Order /KS/AA/2019-20/6513 dated 23.01.2020 imposing a penalty of Rs. 18.80 lakh on scan steels limited under the provisions of section 15HA of the SEBI Act for indulging in fraudulent trading in the stock options segment of the BSE, between April 2014 and September 2015 that created large scale reversal of trades in stock options segment of the BSE and led to creation of artificial trading volumes in the stock options contracts that violated the provisions of PFUTP (Prohibition of Fraudulent and Unfair Trade Practices) norms.

In this regard we would further like to intimate that The Company is aggrieved with the said order, and has filed appeal under Securities Appellate Tribunal against the aforementioned order.

We further report that other than the aforementioned order during the audit period the Company has not undertaken any specific events to report and there were no specific events/ actions such as public/right/ debentures/ sweat equity of securities, buy back, foreign technical collaborations etc. which require compliance of applicable provisions thereof.

For M/s. AMARENDRA MOHAPATRA & ASSOCIATES
Company Secretaries

Place: Bhubaneswar
Date: 27th August, 2020

Sd/-
Amarendra Mohapatra
ACS No.: 26257
C.P. No. 14901

*This report is to be read with our letter of even date which is annexed as 'Annexure E-1' and forms an integral part of this report.

‘ANNEXURE E-1’

To,
The Members,
Scan Steels Limited
104/105, ‘E-Square’,
Subhash Road, opp. Havmor Ice- Cream,
Vile-Parle (East), Mumbai – 400057.

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. Where ever 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 further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Whole-Time Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For M/s. AMARENDRA MOHAPATRA & ASSOCIATES
Company Secretaries

Sd/-
Amarendra Mohapatra
ACS No.: 26257
C.P. No. 14901

Place: Bhubaneswar
Date: 27th August, 2020

ANNEXURE- 'F'

Annual Return Extracts in MGT 9 Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Details
1.	Corporate Identification Number	L27209MH1994PLC076015
2.	Registration Date	18/01/1994
3.	Name of the Company	Scan Steels Limited
4.	Category of the Company	Public Company
5.	Sub-Category of the Company	Limited by Shares
6.	Address of the Registered office and contact details	104/105, 'E-Square', Subhash Road, Opp. Havmor Ice-cream, Vile-Parle (East), Mumbai – 400057, Maharashtra. Email: secretarial@scansteels.com Website: www.scansteels.com Tel. Ph. 022-26185461/62 Fax: 022-26185463
7.	Whether listed company	Yes
8.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Pvt Limited 17-20, Jafferbhoy Industrial Estate, Makwana Lane, Marol Naka, Andheri (E), Mumbai-400 059. Tel Ph. – 022-42270400 Email: sandeeps@adroitcorporate.com rameshg@adroitcorporate.com prafuls@adroitcorporate.com info@adroitcorporate.com Website: www.adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/ Services	NIC Code of the Product/ service	% to total turnover of the Company#
1	Manufacturing of TMT Re bars /Flat/ Angel/ Chennel	27151	63.45%
2	Manufacturing of Sponge Iron	24102	17.14%

#% of Total T/o of the Company

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – N.A

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY 2(87) (ii) / ASSOCIATE 2(6)	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	N.A
2	N.A	N.A	N.A	N.A	N.A

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% of change during the years
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	10233164	-	10233164	19.55	10233164	-	10233164	19.55	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) state Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	14950076	-	14950076	28.56	14950076	-	14950076	28.56	-
e) Banks/FI	-	-	-	-	-	-	-	-	-

f) Any other	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (1)	25183240	-	25183240	48.10	25183240	-	25183240	48.10	-
(2) Foreign									
a)NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d)) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB-TOTAL(A) (2)	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A) (2)	25183240	-	25183240	48.10	25183240	-	25183240	48.10	-
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	299069	-	299069	0.57	0.57
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Other	-	-	-	-	-	-	-	-	-
SUB- TOTAL(B) (1)	-	-	-	-	299069	-	299069	0.57	0.57

2. Non-Institutions									
a)Bodies Corporate									
i)Indian	22676875	42200	22719075	43.40	21933976	42200	21976176	41.98	(1.42)
ii)Overseas	-	-	-	-	-	-	-	-	-
b)Individuals									
I)Individual shareholders holding nominal share capital up to ₹1 lakh	631241	206600	837841	1.60	657355	204400	861755	1.65	0.05
II) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3577332	26300	3603632	6.88	3997785	26300	4024085	7.69	0.81
c) others	-	-	-	-	-	-	-	-	-
Clearing Member	4751	-	4751	0.01	1213	-	1213	0.00	(0.01)
NRI	3406	-	3406	0.01	6757	-	6757	0.01	-
Corporate Body - Broker	350	-	350	-	-	-	-	-	-
SUB-TOTAL(B) (2)	26893955	275100	27169055	51.90	26597086	272900	26869986	51.33	(0.57)
TOTAL PUBLIC SHAREHOLDING (B)=(B) (1) + (B)(2)	26893955	275100	27169055	51.90	26896155	272900	27169055	51.90	-
c. SHARE HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A + B + C)	52077195	275100	52352295	100	52079395	272900	52352295	100	-

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2019)			Share holding at the end of the year (31-03-2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares*	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares*	
1	ARCHANA GADODIA	1363007	2.60	-	1363007	2.60	-	-
2	ARTLINE COMMERCE PRIVATE LIMITED	9566575	18.27	-	9566575	18.27	-	-
3	BAYANWALA BROTHERS PRIVATE LIMITED	5383501	10.28	-	5383501	10.28	-	-
4	BINITA GADODIA	1431662	2.73	-	1431662	2.73	-	-
5	NIMISH GADODIA	3408316	6.51	47.71	3408316	6.51	47.71	-
6	RAJESH GADODIA	3536786	6.76	47.23	3536786	6.76	47.23	-
7	SARASWATI DEVI GADODIA	21815	0.04	-	21815	0.04	-	-
8	SAWARMAL GADODIA	471578	0.90	-	471578	0.90	-	-
	Total	25183240	48.10	13.09	25183240	48.10	13.09	-

* The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Shareholders listed under Sl. No. 1 to 8 are disclosed as promoters under regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as on March 31, 2020.



iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Transaction	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		Number of shares held as on 01.04.2019	% of total shares of the Company				Number of shares held as on 31.03.2020	% of total shares of the Company
1	Bayanwala Brothers Pvt. Ltd.	5383501	10.28					
				Nil	Nil	No Change		
				31-03-2020			5383501	10.28
2	Artline Commerce Pvt. Ltd.	9566575	18.27					
				Nil	Nil	No Change		
				31-03-2020			9566575	18.27
3	Nimish Gadodia	3408316	6.51					
				Nil	Nil	No Change		
				31-03-2020			3408316	6.51
4	Sarswati Devi Gadodia	21815	0.04					
				Nil	Nil	No Change		
				31-03-2020			21815	0.04
5	Sawarmal Gadodia	471578	0.90					
				Nil	Nil	No Change		
				31-03-2020			471578	0.90
6	Rajesh Gadodia	3536786	6.76					
				Nil	Nil	No Change		
				31-03-2020			3536786	6.76
7	Binita Gadodia	1431662	2.73					
				Nil	Nil	No Change		
				31-03-2020			1431662	2.73
8	Archana Gadodia	1363007	2.60					
				Nil	Nil	No Change		
				31-03-2020			1363007	2.60

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Transaction	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		Number of shares held as on 01.04.2019	% of total shares of the Company				Number of shares held as on 31.03.2020	% of total shares of the Company
1	ORBIS FINANCIAL CORPORATION LIMITED	0	0					
				19/04/2019	2499999	4.78	2499999	4.78
				26/04/2019	-500000	0.96	1999999	3.82
				03/05/2019	500000	0.96	2499999	4.78
				13/09/2019	-500000	0.96	1999999	3.82
				20/03/2020	2499999	4.78	4499998	8.60
				31/03/2020	0	0.00	4499998	8.60
2	FLORENCE SECURITIES PRIVATE LIMITED	3499997	6.69					
				Nil	Nil	No Change		
				31-03-2020			3499997	6.69
3	DECENT VINCOM PRIVATE LIMITED	2547221	4.87					
				Nil	Nil	No Change		
				31-03-2020			2547221	4.87
4	GOPIKAR SUPPLY PRIVATE LIMITED	2000000	3.82					
				Nil	Nil	No Change		
				31-03-2020			2000000	3.82
5	YADUKA FINANCIAL SERVICES LIMITED	133313	0.25					
				20/12/2019	1650000	3.15	1783313	3.41
				31/03/2020	0	0.00	1783313	3.41
6	BLUE CIRCLE SERVICES LIMITED	1385770	2.65					
				Nil	Nil	No Change		
				31-03-2020			1385770	2.65

7	ASCON MERCANDISE PVT. LTD.	688000	1.31					
				Nil	Nil	No Change		
				31-03-2020			688000	1.31
8	CONSOLIDATED MERCANTILES PRIVATE LIMITED	604000	1.15					
				Nil	Nil	No Change		
				31-03-2020			604000	1.15
9	SHYAM LAL KHETAN	600000	1.15					
				Nil	Nil	No Change		
				31-03-2020			600000	1.15
10	VALUETIME COMMODEAL PRIVATE LIMITED	588395	1.12					
				Nil	Nil	No Change		
				31-03-2020	0	0.00	588395	1.12
11	MONOTYPE INDIA LIMITED	2470820	4.72					
				31-03-2019	2470820	4.72	2470820	4.72
				31/05/2019	-300000	0.57	2170820	4.15
				26/07/2019	-100000	0.19	2070820	3.96
				11/10/2019	2641	0.01	2073461	3.96
				06/12/2019	-3337	0.01	2070124	3.95
				13/12/2019	14494	0.03	2084618	3.98
				20/12/2019	-1693082	3.23	391536	0.75
				31/03/2020	0	0.00	391536	0.75

*Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

Note: List Top 10 Shareholder was taken as on 31st March 2020.

MONOTYPE INDIA LIMITED. Is Not in the list of Top 10 shareholders as on 31-03-2020. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2019.

v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Transaction	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		Number of shares held as on 01.04.2019	% of total shares of the Company				Number of shares held as on 31.03.2020	% of total shares of the Company
A	DIRECTORS							
1	Mr. Rajesh Gadodia, Non -Executive Chairman	3536786	6.76					
				Nil	Nil	No Change		
				31-03-2020			3536786	6.76
2	Mr. Ankur Maddan Whole- Time Director	-	-	-	-	-	-	-
3.	Mr. Praveen Kumar Patro Executive Director	-	-	-	-	-	-	-
4.	Mr. Punit Kedia Independent Director	-	-	-	-	-	-	-
5.	Mr. Vinay Goyal Independent Director	-	-	-	-	-	-	-
6.	Mrs. Debjani Sahu Independent Women Director	-	-	-	-	-	-	-
B	KMP'S							
1	Mr. Prabir Das President & Company Secretary	-	-	-	-	-	-	-
2	Mr. Gobinda Chandra Nayak Chief Financial Officer	-	-	-	-	-	-	-

V. INDEBTEDNESS

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

Amount (₹In Lakhs)

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	12,734.14	885.00	--	13,619.14
ii. Interest due but not paid	47.74	7.67	--	55.41
iii. Interest accrued but not due			--	
Total (i + ii + iii)	12,781.88	892.67	--	13,674.55
Change in Indebtedness during the financial year				
· Addition	31.63	10.79	--	42.42
· Reduction	992.51	60.00	--	1052.51
Net Change	-960.88	-49.21	--	-1010.09
Indebtedness at the end of the financial year				
i. Principal amount	11,784.37	825.00	--	12,609.37
ii. Interest due but not paid	36.63	18.46	--	55.09
iii. Interest accrued but not due			--	
Total (i + ii + iii)	11,821.00	843.46	--	12,664.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and / or Manager:
Amount(₹ In Lakhs)

Sr. no.	Particulars of Remuneration	Name of MD / WTD / Manager		
		Mr.Ankur Maddan, Whole Time Director	Mr. Praveen Kumar Patro, Executive Director	
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	6.00	7.20	13.20
	b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-
	c) Profits in lieu of salary under Section 17 (3) of the Income Tax, Act 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
	- Others	-	-	-
5.	PF contribution	-	0.23	0.23
	Total (A)	6.00	7.43	13.43
Ceiling as per the Companies Act ,2013		@ 5% of profits calculated under Section 198 of the Companies Act, 2013		

B. Remuneration to other directors:
Amount (In ₹)

Sr. no.	Name of the Director	Commission	Sitting fees	Total Compensation
Non Executive & Independent Director				
1	Mr. Rajesh Gadodia	-	7000	7000
2	Mr. Punit Kedia	-	22000	22000
3	Mr. Vinay Goyal	-	22000	22000
4	Mrs. Debjani Sahu	-	12000	12000
	Total	-	63000	63000
Ceiling as per the Act		@1% of profits calculated under Section 198 of the Companies Act, 2013		

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Amount (₹ In Lakhs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Prabir Kumar Das, President & Company Secretary	Mr. Gobinda Chandra Nayak, Chief Financial Officer	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	12.00	24.00
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit - Others	-	-	-
5.	Others, please specify	-	-	-
	Total	12.00	12.00	24.00

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

(For the year ended 31st March, 2020)

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE 'G'

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020.

A) CONSERVATION OF ENERGY:

I. Steps taken or impact on for conservation of energy:

In addition to the existing measures being practiced, the following steps were taken:-

- i) Education of work at the Head Office regarding use of various office equipments, especially computers in a manner that use less energy.
- ii) Adoption of Policy of Having our heating and cooling equipment serviced regularly.
- iii) Moved to energy efficient compressors and motors along with optimisation of capacity;
- iv) Replacement of conventional lamps to LED for Street lights;
- v) All machines provided with timers to reduce idling;

II. Steps taken by the Company for utilising alternate source of energy:

The Company is under process for installation of Solar Power Plant.

III. The Capital investment on energy conservation equipments:

The company has Not made any capital investment for utilising alternate source of energy.

B) TECHNOLOGY ABSORPTION:

- I. the efforts made towards technology absorption

Coal Beneficiation:

Introduced "modifier" in flotation cell to increase clean coal yield.

Developed process flow sheet for new washery at Rajgangpur by introducing intermediate coal beneficiation to enhance clean coal recovery.

II. Research and Development:

Specific areas in which R & D is carried out by your company.

- i) Horizontal and vertical expansion of company's product profile.
- ii) New & Improved Product Development.
- iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Rambahal works to cater to the growing demand of products.

III. The benefit derived like product improvement, cost reduction, product development or import substitution:

- Quality of Coal improved and ultimately the production has been improved.
- Customer satisfaction, cost reduction and quality improvement.
- Efficiency and yield improvement, loss reduction and modernization program
- Increased Market share for various products.
- Better market penetration of various products.
- Strength of Products are being developed by up gradation and innovation.

IV. Information regarding imported technology (imported during last three years reckoned from the beginning of the financial year)

- a) the details of technology imported; Not Applicable
- b) the year of import; Not Applicable
- c) whether the technology been fully absorbed; Not Applicable
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not Applicable

(i) The expenditure incurred on Research and Development:

Sr. No.	Particulars	Amount (₹ in Crore)
1	Capital	Nil
2	Revenue	Nil
	Total	Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO:

	Current Year (Amount)	Previous Year (Amount)
Total foreign exchange outgo in terms of actual outflow In US \$	5550	5550
Total foreign exchange outgo in terms of actual outflow In Thailand Baht (THB)	1,00,000	Nil
Total foreign exchange earned in terms of actual inflows	Nil	Nil

ANNEXURE 'H'

DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5 (1) (2) & (3) OF COS (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

- (i) **The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary during the financial year 2019-2020 and ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20 are as under;**

Sr. No.	Name of the Director/ KMP and designation	Remuneration of Director/ KMP for the FY 2019-2020 (₹ in lacs)	% increase in remuneration in the FY 2019-2020	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Ankur Madaan	6.00	11.11%	4.55
2	Mr. Praveen Kumar Patro	7.43	10.57%	5.63
3	Mr. Prabir Kumar Das, Company Secretary & Compliance Officer	12.00	20%	Not Applicable
4	Mr. Gobinda Chandra Nayak, Chief Financial Officer	12.00	---	Not Applicable

- (ii) The median remuneration of employees of the company during the financial year was ₹1,32,000;
- (iii) In the Financial year, there was an increase 4.76% in the median remuneration of employees;
- (iv) There were 1591 permanent employees on the rolls of Company as on March 31, 2020;
- (v) Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 4.39 % whereas the increase in the managerial remuneration for the same financial year is 10.09% ; and
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employee.



THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

(INR in Lakhs)

SL.NO	Name	AGE IN YEARS	Qualification	Date of Commencement Of Employment	Designation	Remuneration (Amount in ₹s)	Total Experience (No. of yrs.)	Previous Employment (Designation)	Percentage of equity share held by employee in company
1	PRABIR KUMAR DAS	48	B.Com(Hons) , FCS, MBA(Finance & Marketing), LLB	1/12/2004	President & Company Secretary	12.00	22yrs	Rohit Ferro Tech Limited (Company Secretary cum Legal Officer)	NIL
2	GOBIND CHANDRA NAYAK	48	B.Com(Hons) , CA (Inter), ICWA (Inter)	01/11/2014	Chief Financial Officer	12.00	21 yrs	Sree Metaliks Ltd., GM (finance)	Nil
3	VINEET GADODIA	41	B. Com	01/10/2002	Factory Manager	9.12	18 yrs	NA	Nil
4	OMPRAKASH AGRAWAL	54	B.Com	01/02/2011	Senior Manager Accounts	9.12	32 yrs	Orissa Cement Limited, Chief Manager -Accounts	Nil
5	KALYAN MISHRA	51	B.Com,(Hons) , CA Inter	01/01/2015	GM , Accounts	8.90	24 yrs	Business	Nil
6	MUKESH KUMAR VERMA	38	B A	04/07/2010	DGM-Commercial	8.76	16 yrs	Navdurga Fuel Pvt. Ltd. (Manager-Marketing)	Nil
7	AMULYA RATAN SAHOO	45	B TECH	01/04/2018	Manager-Mechanical	7.20	15 yrs	NA	Nil
8	SAURAV SENGUPTA	47	Diploma (Tech.)	01/01/2017	General Manager (Operation)	7.20	25 yrs	Scan Energy & Power Limited GM (Operation)	Nil
9	SHEO SANKAR MISHRA	51	Diploma (Tech.)	01/04/2012	Manager-CCM	6.85	23 yrs	NA	Nil
10	PRAVAT KUMAR	47	Graduate	29/04/2019	Manager (HRD)	6.64	18 yrs	Sree Metaliks Ltd.	Nil

1. The remuneration includes salary, perquisites and contribution to provident fund.
2. None of the employee is a relative of any director of the company.
3. All appointments are/were contractual in accordance with terms and conditions as per company rules.
4. None of the employees hold by himself or along with his/her spouse and dependent children, 2% or more equity shares of the company.
5. Details of remuneration of Directors are given elsewhere in the Board Report and Corporate Governance Report.

FOR AND ON BEHALF OF THE BOARD

Ankur Madaan , Whole- Time Director
(DIN: 07002199)

Praveen Patro, Director
(DIN: 02469361)

Place: Bhubaneswar
Date: 27th August, 2020

ANNEXURE 'I'

CERTIFICATE OF COMPLIANCES WITH CORPORATE GOVERNANCE REQUIREMENT PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE V (E) - OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members,
Scan Steels Limited

We have examined the compliance of conditions of Corporate Governance by Scan Steels Limited (**"the Company"**), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the Listing Regulations"**).

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.

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

For M/s. AMARENDRA MOHAPATRA & ASSOCIATES

CS Amarendra Mohapatra
Company Secretary
M. No.: A26257
C.P. No. : 14901

Place: Bhubaneswar
Date: 27th August, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Driven by a visionary leadership, our strategic focus lies on increasing capacity, widening reach, maximising efficiency, allocating capital effectively and mainstreaming sustainability.

While pursuing these strategic goals, our broad objective is to deliver industry-leading stakeholder returns, and in the process, contribute to nation building, social empowerment and environmental conservation.

1.0 OVERVIEW

The following operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of Financial Year 2019-20.

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during the Financial Year 2019-20. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013 as amended and regulations/ guidelines issued by the Securities and Exchange Board of India ('SEBI'), from time to time. Your attention is also drawn to sections on Opportunities, Risks and Strategy Planning forming part of the Integrated Report.

2.0 ECONOMIC REVIEW

2.1 GLOBAL ECONOMY

ON EDGE AMID EMERGING NEW REALITIES

(Source: World Economic Outlook, International Monetary Fund, June 2020; World Trade Organisation)

Macroeconomic Condition With continued weakness in global trade and investment, global growth slumped to 2.9% in 2019, leading to varying degrees of deceleration in economies around the globe. Rising geopolitical tensions, worsening trade relations among some nations, trade policy uncertainties, and stress in key emerging market economies continued to impact global economic activity. Intensifying social unrest in several countries and weather-related disasters also contributed to declining global economic activity.

The world economy grew by 2.9% in CY 2019, at its slowest pace since the global financial crisis in 2008-09 and much below 3.6% expansion in CY 2018. The first half remained sluggish, as the sentiments prevalent in Q4 CY 2018 spilled over, which was aggravated by higher tariffs and uncertain trade environment. This led to a broad-based slowdown in manufacturing and global trade, aided by disruptions in the automobile industry from new emission standards in the Euro area and a slowing economic growth in China. Consequently, global merchandise trade also weakened, largely due to protectionist trade policies. The fourth quarter witnessed a bottoming out of growth, which fuelled expectations of a recovery on the backdrop of a softening US-China trade tensions. In India, growth slowed down to 4.2% in 2019. This economic slowdown can be attributed to weak investments and declining consumer demand. Further, several sectors such as real estate, aviation, automobile, and construction sectors suffered a consistent decline in demand. the banking sector. Overall,

increasing trade tensions, worsening financial market sentiments, intense social unrest across many countries, and sluggish economic growth led to slowdown in global economy.

2.9 %

CY 2019 WORLD ECONOMIC GROWTH

Advanced Market Economies (AMEs)

Growth in AMEs slowed down to 1.7% in CY 2019 from 2.2% in CY 2018. Lower business spending and the prolonged trade dispute, combined with rising geopolitical tensions, led to a moderation in US growth to 2.3% from 2.9%. Euro area growth weakened further to 1.2% from 1.9%, due to weakness in manufacturing and trade. A sluggish German economy further dampened business sentiment, even as financial conditions eased with increased liquidity.

Emerging Market and Developing Economies (EMDEs)

Growth in EMDEs moderated to 3.7% in CY 2019 from 4.5% in CY 2018, as growing trade restrictions impaired business confidence and delayed investment plans. China, reeling under the trade war with the US and persistently high inflation, recorded growth at 6.1% in CY 2019. Growth was largely muted in rest of the EMDEs due to domestic factors.

GLOBAL ECONOMIC OUTLOOK

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. Global economic activity improved in the second half of CY2019, especially in advanced economies. Growth picked up in the US as firms grew more confident about future demand. The economy also recorded a lower rate of unemployment and buoyant consumer demand. However, the global economic growth, at 3.1% on a y-o-y basis, fell short of expectations in CY2019 as deceleration in key emerging markets and developing economies (EMDEs) overshadowed the modest recovery in

major developed countries. The EMDEs contribute to more than half of the global economic growth rate. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced economies, and emerging markets and developing economies owing to differences in governance capacity, health care systems, strength of financial institutions, and currency strength.

The International Monetary Fund (IMF) has warned that the coronavirus-induced downturn could snowball into a global recession, which could see the world economy record its steepest decline since the Great Depression of the 1930s. The impact is expected to be more pronounced in low income households, threatening to roll back the progress made in poverty alleviation in the past few decades. Towards this end, the IMF has called for strong multilateral cooperation on various fronts to help the world navigate through this 'crisis like no other'. It has also provided blanket guidelines in terms of financial assistance, healthcare support, and economic policy.

Growth is expected to be slower in most advanced economies. Countries in the emerging market and developing economies will also witness a slump in growth due to external demand shock, tightening in global financial conditions, and a plunge in commodity prices. In China, where recovery from the sharp contraction in the first quarter is underway, growth is projected at 1% in 2020, supported in part by policy stimulus. The IMF projects a partial recovery in 2021; however, the level of GDP growth is expected to remain below the pre-COVID-19 trend, with uncertainty about strength of the rebound.

Their deceleration was accompanied by a modest increase in commodity prices, subdued global trade, financial market volatility and weakening capital flows. Although China's growth turned out

to be better than expected on the back of policy stimulus, it was lower than CY2018. Activity remained weak in fuel and nonfuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth

RISK FACTOR

According to the IMF, risks to the above forecasts remain on the downside, and are likely to be influenced by how the pandemic is contained. Health, economic and trade risks remain prevalent. Development of vaccines, norms of social distancing, and productivity gains from the emergence of differentiated models will determine the actual outcomes.

The **obstruction** due to the pandemic:

(COVID-19) IMPACT

The novel coronavirus (COVID-19) has affected life and livelihood across the globe. By the last week of July 2020, around 16,650,570 confirmed cases and 656,649 deaths had been reported on account of COVID-19. The pandemic is estimated to have severely impacted both supply and demand sides of businesses. As production and global trade has been curtailed around the world, many sectors will experience shortage of inputs and a severe consumption slowdown.

Global Response

Globally, governments and central banks, especially the G20, have synchronised their fiscal and monetary policy response to the extent of US\$ 19 trillion to cope with the crisis. Emergency lifelines provided include higher spending and foregone revenues (US\$ 3.3 trillion), public sector loans and equity injections (US\$ 1.8 trillion) and guarantees (US\$ 2.7 trillion). The IMF's executive

board agreed on a new round of bilateral borrowing to secure its US\$ 1 trillion lending capacity. The Catastrophe Containment and Relief Trust (CCRT) is being increased to US\$ 1.4 billion to ease debt burdens of low-income member nations.

Remarkable global efforts to create a vaccination

The race to find a vaccine for the new coronavirus is well underway. Governments and researchers are aiming to provide billions of people with immunity in eighteen months or less. As per the report around June 22, 2020 by World Health Organization (WHO), there are 13 candidate vaccines in the clinical evaluation stage and 129 in the preclinical evaluation stage.

2.2 INDIAN ECONOMY

India's economic growth is gradually improving since 2016. The favourable policy as well as executive reforms by the Government to support strong and sustainable growth, prudent fiscal regime and calibrated monetary easing that reigned in inflation has helped to strengthen macroeconomic stability. The lower crude oil prices have also helped to reduce current account deficit, improve fiscal positions, and lower inflation. This, in turn, has helped boost economic activities in India. Driven by these positive developments, the country has emerged as the world's fastest growing major economy.

The growth momentum should rise, driven by the Government's policy initiatives in areas such as taxation (GST), foreign direct investment (FDI), and the ease of doing business, among others. Other major factors helping India stay as a bright spot in the global economic landscape include the lower global oil price, with positive impact on the country's import bill, a well-regulated monetary policy by the Reserve Bank to stabilise prices, and improving fiscal condition. The Government's endeavour to drive a bigger as well as a cleaner GDP is expected to augur well for the economy in the medium and long terms.

EFFORTS CARRIED OUT TO REVIVE ECONOMIC GROWTH

Returning to power with an even bigger mandate, the National Democratic Alliance (NDA) government reiterated its commitment to continue structural reforms. This was evidenced by a steep cut in corporate tax rates; continued rationalisation of the GST structure; speeding up of insolvency proceedings; financial restructuring of public sector banks (PSBs); boost to real estate, auto, housing and export industries; and easing funding pressure for NBFCs. With the target of making India a US\$ 5 trillion economy by FY 2024-25, the National Infrastructure Pipeline (NIP) was announced in the Union Budget 2020-21 with a spending commitment of US\$ 1.4 trillion. The NIP will create jobs, enhance ease of living, and provide equitable access to infrastructure. Of the total outlay, 42% projects by value are under implementation, 32% are at the conceptualisation stage and the rest are under development. The core sectors to benefit from the NIP are Energy (24% of total spending), Roads (19%), Urban (16%), and Railways (13%), while irrigation, rural infrastructure and others are to receive single-digit allocation.

The Union Budget 2020-21 also announced certain key policy measures for different sectors and stakeholder groups to create large-scale impact over the long term.

Agriculture: Seamless development of cold supply chain for perishables through railway and air connectivity; incentivised 20 lakh solar pumps

Social sector: Funding for hospitals in the Public Private Partnership (PPP) mode and increased allocation towards healthcare and Swachh Bharat

Investor community: Investment Clearance Cell for end-to-end facilitation for new investments; removal of Dividend Distribution Tax

Industry: Boost for manufacturing sector, development of transportation infrastructure and emphasis on clean technologies for power generation

Individuals and small businesses: A simplified, alternate personal income tax structure with options to continue with the existing one; raising audit limits for MSMEs

However, while formulating these policy actions, the government was mindful not to indulge in fiscal indiscipline. Although the budget fiscal deficit overshoot the target, the deviation was within the upper limit laid down under the Fiscal Responsibility and Budget Management Act (FRBMA).

In CY 2019, the RBI made a cumulative 135 basis points (bps) cut in policy rates, with inflation staying within its comfort range. In view of the COVID-19 pandemic and following the nationwide lockdown, RBI in its advanced monetary policy cut repo rates by an additional 75 bps in March 2020. Furthermore, the RBI undertook a series of measures to keep rates lower for longer periods of time. 'Operation Twist', which involved simultaneous purchase and sale of government securities, was carried out in three tranches. In the first tranche, under Open Market Operations (OMOs), the central bank purchased securities worth ₹ 10,000 crore and sold securities for ₹6,825 crore. In the second special OMO, the RBI bought ₹ 10,000 crore of long-term government securities and sold ₹ 8,501 crore of three short-term bonds. In January 2020, the RBI followed up by purchasing long-term bonds worth ₹10,000 crore and selling short-term debt maturing in FY 2019-20 of the same amount.

This move from the RBI was aimed at lowering longer-term yields, after a review of the prevalent liquidity and market situation and an assessment of the evolving financial conditions. Additionally, it implemented other measures like cash reserve ratio (CRR) exemption, external benchmarking of interest rates and long-term repo operations (LTROs) to infuse liquidity in the system. The liquidity injection was to the tune of 3.2% of GDP between February and March 2020.

GOVERNMENT MEASURES TO BOOST ECONOMY DURING THE TIMES OF COVID-19 PANDEMIC

The outbreak and spread of the COVID-19 pandemic during the fourth quarter dealt a severe blow to any prospects of an economic recovery. The government was quick to announce a ₹ 1.7 lakh crore interim relief package (Pradhan Mantri Garib Kalyan Yojana) primarily aimed at the bottom of the economic pyramid and frontline healthcare workers fighting the pandemic. This was followed up with a comprehensive package, in coordination with the RBI, of ₹ 20 lakh crore (equivalent to 10% of GDP) aimed at softening the blow to the domestic industry and setting the foundation for a self-reliant India movement. Titled 'Aatma Nirbhar Bharat Abhiyan', the movement rests on the five pillars of Economy, Infrastructure, System, Vibrant Demography and Demand. The post-COVID revival strategy lays renewed thrust on agriculture and micro, small and medium enterprises (MSMEs), along with preference for domestically manufactured products.

INDIAN ECONOMIC OUTLOOK

The IMF estimates Indian GDP to contract by 4.5% in FY2020-21. However, the economy is likely to rebound by 6.0% in FY 2021-22, supported by the synchronised fiscal and monetary policy stimulus.

The COVID-induced near halt in economic activities is expected to result in demand-side issues for all the major sectors, including the steel industry which can lead to pressure on steel spreads.

That said, the government, along with the RBI, has been bold, proactive and decisive in combating the crisis. It stepped in to ease compliance burden on companies and boost domestic production and consumption with a clarion call for being 'vocal for local'.

Notwithstanding the ensuing risks to the economy, India has the capacity and scale to expand its share in the global supply chain, which has been disrupted by COVID-19. Industry leaders see significant opportunities for Indian manufacturers

to corner a fair share in the world trade, as global corporations look for alternative sourcing destinations to lower their dependence on China.

SCAN STEELS VIEW:

From an organisational standpoint, SSL views FY 2019-20 as an eventful and somewhat challenging year. The COVID-19 situation led to liquidity crunch. On the other, the re-emergence of the country's incumbent leadership, post the general elections, ensures policy continuity and concerted action for the nation's development. The rollout of multiple interventions through the year by the government to infuse liquidity and support the economy has been commendable.

We, are looking forward to the implementation of the National Infrastructure Pipeline, which will go a long way in spurring demand. And in turn will help to front-loading of infrastructure projects will give a much-needed boost to the economy and will ensure adequate employment.

Scan steels stand strong with India and the world in the wake of the COVID-19 outbreak and is actively contributing to relief efforts in its possible ways. While the disruptions in the economy and supply chains have temporarily dented the Company's performance, the Management has engaged a Business Continuity Plan that guides operations and ensures productivity, across the organisation.

India is expected to be elastic, during the pandemic that creates the negative impact on the country's economy. Timely interventions by the central and state governments, together with the efforts of medical and other professionals, have helped slow down the spread of the pandemic, when viewed in relation with India's population size. On the economic front, the '**Aatma Nirbhar Bharat Abhiyan**' and ₹20 lakh crore package announced by the central government will help boost economy and small business as well as create domestic demand. Growing Population helps to derive benefits of favourable demographics. The steep fall in oil prices is a big advantage to the Indian

Government to source its energy requirements at relatively lower prices and simultaneously augment tax revenues with additional taxes on petro fuels. Expansion of infrastructural sector with access to technology helps the Economic Growth in a meaningful way.

3. STEEL INDUSTRY

3.1 Global steel industry – 1,654 Mnt Expected Global Steel Demand in CY 2020

Global crude steel production in 2019 saw a growth of 3.4% over 2018 to reach 1,869.69 MnT. This increase was primarily due to the growth in steel consumption in infrastructure, manufacturing, and equipment sectors. The automotive production trended down across most countries over the second half of 2019 which had an impact on the steel demand towards the end of the year.

China continued to be the world's largest steel producer with increase in production by 8.3% to reach 996 MnT. China contributed to 53% of the global crude steel production in 2019. While steel demand remained relatively strong, the country faced significant downside risks due to broader global uncertainty and tighter environmental regulations. In United States, crude steel production went up to 88 MnT, recording an increase of 1.5% over 2018, owing to lower global automotive production and prevailing trade tensions. In Japan, steel consumption declined largely due to a slowdown in manufacturing during 2019.

In 2019, India became the second largest crude steel producing country in the world, with a crude steel production of 111 MnT, an increase of 1.8% over the previous year. However, the growth rate was much lower compared to the previous year. Growth in the construction sector weakened due to falling investments in fixed asset formation. Sharp fall in the private consumption led to weaker growth in automotive and consumer durables. The tighter liquidity conditions due to defaults in NBFC sector impacted credit availability. The automotive sector was also impacted by factors

such as regulatory changes, rise in ownership cost, and shared economy while, the capital goods sector continued to remain weak due to the decreasing output and stagnant investment in the manufacturing sector.

OUTLOOK

The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, outlook for the steel industry includes scenarios regarding the pandemic's speed of propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak, and the effectiveness of the stimulus announced by the Governments of various nations. After slower than expected growth in 2019, steel demand is estimated to contract significantly in the Financial Year 2020-21. According to the World Steel Association ('WSA'), it is possible that the impact on steel demand in relation to the expected contraction in GDP may turn out to be less severe than that seen during the erstwhile global financial crisis. In comparison with other sectors, the manufacturing sector is expected to rebound quicker though supply chain disruptions are likely to continue.

The World Steel Association (world steel) forecasts steel demand to decline by 6.4% y-o-y to 1,654 MnT in CY 2020, due to the COVID-19 impact. However, it has asserted that the global steel demand could rebound to 1,717 MnT in CY 2021 and witness a 3.8% rise on a y-o-y basis. Chinese demand is likely to recover faster than in the rest of the world. The forecast assumes that lockdown measures will be eased by June and July, with social distancing continuing and major steelmaking countries not witnessing a second wave of the pandemic.

Steel demand is expected to decline sharply across most countries, especially in the second quarter of CY 2020, with a likely gradual recovery from the third quarter. However, risks to the forecast remain on the downside as economies make a graded exit from the lockdowns, without

any particular cure or vaccine for COVID-19.

Most of the steel producing regions are expected to witness a decline in crude steel output due to production cuts amidst ongoing lockdowns. However, it is expected that compared to other countries, China will move faster towards normalisation of economic activity as it was the first country to come out of the COVID-19 crisis. Governments of different nations have announced sizeable stimulus packages which are expected to favour steel consumption through investment in infrastructure and other incentives for the steel industry.

In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilisation in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21 due to the lockdown during the first quarter followed by the monsoons during the second quarter. Further, the demand from automobile, white goods and capital goods sectors are likely to reduce significantly with consumers deferring discretionary spends in the near term. Effective government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the Financial Year 2020-21.

3.2 Indian steel industry

(Source: IBEF, Worldsteel, Joint plant committee, Ministry of Coal)

India is 2nd largest manufacturer of crude steel and consumer of finished steel

The steel industry has been one of the primary beneficiaries of India's rapid economic growth over the past couple of decades. However, steel demand remained subdued in CY 2019, largely due to lower consumption from construction, auto, infrastructure, real estate, and manufacturing

Industries. Further, the slowdown in the government's infrastructure investments and credit tightness

impacted demand and consequently weighed on pricing.

DEMAND

India became the second-largest consumer of finished steel products in the world, surpassing the US in CY 2019. While the government's thrust on infrastructure development provided a boost, it was largely offset by the continued weakness in the auto and real estate sectors. Finished steel consumption grew by 1.4% to 100.01 MnT during FY 2019-20, non-alloy steel accounting for 94% (94.06 MnT) and the rest being alloy steel (5.95 MnT). Within the non-alloy, non-flat segment, bars and rods consumption was up 9.6% y-o-y to 39.72 MnT, while the non-alloy flats were led by hot rolled coils (HRCs) which was 40.63 MnT, down by 2.7% during FY 2019-20.

India's per capita steel consumption, which has a direct correlation with economic growth, grew at a CAGR of 4.12% to 68.9 kg between FY 2007-08 and FY 2017-18, driven by rapid growth in the industrial sector and robust infrastructure development (railways, roads and highways). However, compared with the global average of 208 kg, there exists a significant growth potential. Keeping this in mind, the National Steel Policy (NSP) was introduced in CY 2017 to increase per capita steel consumption to 160 kg by FY 2030-31. The NSP also set a target of achieving 300 MnT of production capacity, which translates into additional investments of ₹ 10 lakh crore (~US\$ 156.08 billion).

PRODUCTION

According to the Joint Plant Committee, crude steel production declined by 1.5% y-o-y to 109.22 MnT in FY 2019-20, with a sharp contraction of 20% in March 2020 due to COVID-19 containment measures. Finished steel production grew 0.8% y-o-y to 102.06 MnT; non-alloy steel accounted for 96% (up from 93%), or 97.66 MnT, while alloy steel contributed the balance 4.4 MnT. In the non-alloy, non-flat finished steel segment, bars and rods grew by 3.6% y-o-y to 40.48 MnT, whereas in non-alloy flats, HRC grew by 2.6% y-o-y

to 43.29 MnT.

India remained a net exporter of finished steel during FY 2019-20, with exports of 8.36 MnT, up 31.4% y-o-y. Non-alloy HRC was the most exported product at 4.82 MnT, while bars and rods led the non-alloy, non-flat segment exports with 0.51 MnT.

Meanwhile, India imported 6.77 MnT of finished steel, down 13.6% y-o-y, with non-alloy HRC accounting for 34% of the total imports. Imports from Korea accounted for 40% of the total imports.

GOVERNMENT INITIATIVES FOR STEEL INDUSTRY

(Source: IBEF)

One of the designated core industries, steel is key to the government's focus on driving growth in the infrastructure segment. Towards this end, the following initiatives have been rolled out in support of the steel industry:

- › Implemented Steel Import Monitoring System (SIMS), which aids in monitoring real-time import data on quantity, quality and value; the system helps detect misclassification and mis-declaration regarding over/ under-invoicing, preventing import of defective steel
- › Imposed anti-dumping duty on galvalume products, ranging from US\$ 28-200/tonne; imports from China, South Korea and Vietnam are subject to duties.
- › To ensure iron ore availability for domestic manufacturing, it introduced a 30% export duty on export of high grade iron ore (lumps and fines).
- › Other measures are underway like the proposed steel scrap policy, safety codes, proposal to reduce royalty to 5% on low grade iron ore fines; Remission of Duties or Taxes on Export Products (RoDTEP) to replace existing Merchandise Export from India Scheme (MEIS); and engagement with international agencies to promote steel intensive design for roads, bridges and commercial and residential

housing.

The National Infrastructure Pipeline (NIP) is a noteworthy government initiative, which holds tremendous promises for the steel sector's growth. The NIP announced an investment of ₹ 102 lakh crore by FY 2024-25, of which roads, energy and urbanisation will contribute 60% of the total infrastructure build. For FY 2020-21, infrastructure spending is estimated at ₹ 19.5 lakh crore, up 43% from ₹ 13.5 lakh crore for FY 2019-20.

India is world's 2nd Largest Coal Consumer, 3rd Largest Energy Consumer and 5th Largest Iron Ore Supplier

Production of 1 tonne of Steel requires 1.6-1.7 Tonnes of Iron Ore

OUTLOOK

"Opportunities abound in growing economies and opening of economy in India has created opportunities for Indian enterprise to move beyond national boundaries as well to create productive assets".

The World Steel Association (worldsteel) expects Indian steel demand to contract by 18% in CY 2020 on the back of pandemic induced abrupt halt of economic activities. CY 2021 demand is expected to sharply recover and expand by 15%. While the domestic steel industry is likely to witness a decline in demand in the near term as the economy heads towards near normalcy level in the coming months. But a gradual recovery, especially in the second half of FY 2020- 2021 is expected, mainly led by the government's thrust on infrastructure and construction related projects with improving consumer sentiment in other sectors.

India is looking to modernise, expand and accommodate the aspirations of a growing population where industrialisation, urbanisation, and access to technology are the key pillars of economic growth. Thus, steel consumption growth is expected to rise on account of government

expenditures on infrastructure and fiscal stimulus to manufacturing industries in the long run.

OPPORTUNITIES AND THREATS

Opportunities abound in growing economies and opening of economy in India has created opportunities for India enterprise to move beyond national boundaries as well to create productive assets. Presently, the Company is consolidating its gains out of creating additional production capabilities.

Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for hotel accommodation and improved infrastructure.

Competition in Steel industry is escalating and technological changes will spur or drag the forward march of individual units in steel industry. Supply side could also be an issue in next few years because of increase in production capacity by steel industry in India and expression of interest by foreign companies to set up new steel making units. However, coming years are also going to witness substantial additions particularly in the Asian regions.

STRENGTH

Company having fully integrated sufficient steel making multi-location manufacturing facilities and the various plants comprises of:

- ❖ DRI Unit
- ❖ Induction Furnace with Concast
- ❖ Steel Melting Shop
- ❖ TMT Rolling Mills
- ❖ Captive Power Plant
- ❖ Coal Washery

Company has produced the TMT Rod under the brand name of “SHRISHTII TMT”. The marketing network of the company is very well organized. It fulfills the demand and requirements of all type of customers in urban area as well as in rural areas.

RISK AND CONCERNS

Global economic uncertainties have affected India’s economy, Key risks synonymous to industry

include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as, steel and labour etc., coupled with market fluctuations. The Company does not apprehend any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- shortage of Labour
- rising manpower and material costs,
- Approvals and procedural difficulties.
- Lack of adequate sources of finance.
- Impact created by COVID-19 Pandemic in the First Half of the Current F.Y.

The Company is also exposed to risks from market fluctuation of interest rate and stock market fluctuation of the share prices.

Macroeconomic Risks

Overcapacity and oversupply in the global steel industry as well as increased levels of imports may adversely affect steel prices, impacting profitability.

key mitigation strategies Diversification of product portfolio, Development of alternate markets etc.

Regulatory Risks

Non-compliance to increasing stringent regulatory environmental norms may result in liabilities and damage to reputation.

key mitigation strategies Focus on compliance Dialogue with regulatory authorities for greater clarity and availing legal consultations for timely clearances, Working with industry associations towards simplification of rules, a predictive policy regime and transition time for regulatory changes.

Operational Risks

The steel industry is prone to high proportion of fixed costs and volatility in the prices of raw materials and energy. Limitations or disruptions in the supply of raw materials could adversely affect the Company’s profitability. Failure of critical

information systems/ servers that control the Company's manufacturing plants may adversely impact business operations.

key mitigation strategies Enhancing in-house capability and leveraging from past learnings and expertise, Establishing sources of supplies from alternate geographies.

Market Related Risks

Steel is a cyclical industry and excess volatility in the steel and raw material markets may adversely impact the Company's financial condition. Competition from substitute materials, or changes in manufacturing processes, may lead to a decline in product demand, resulting in loss of market share.

key mitigation strategies Development of value-added products and enhanced services and solutions Strengthening contractual agreements.

Post COVID -19 Risk

Covid 19 pandemic impacted revenue of the Company and most of the manufacturing facilities of the Company were disrupted during the first of the Current Year, also, impact of the pandemic may move either side depending on the normalization of business and demand of products which will in turn affect the profit margin to the extent loss of its revenue.

key mitigation strategies

the Company continued to incur its revenue and fixed expenses during the Lock down period with the available resources with minimum capacity utilization and ability to maintain operations as the Company did not face any migrant labour issues because most of the Labours are from local areas/villages. Also company has tried to maintain the liquidity position in spite of the negative impact due to fund flow stalled.

other key mitigation strategies

Apart from this there could be an oversupply position due to capacity expansion and setting up new projects in the steel industry and scarcity of raw material. Industry is highly labour intensive and is subject to stringent labour laws. Your

Company has identified the major thrust areas to concentrate on, which it believes to be critical to achievement of organizational goals. Company annually reviews the 'List of Risk Area' to identify potential business threats and suitable corrective actions are initiated. Confirmations of compliance with appropriate statutory requirements are obtained from the respective units/divisions. Corporate Governance Policy clearly laying down roles, duties and responsibilities of various entities in relation to risk management is in place.

MEDIUM - TERM AND LONG TERM STRATEGY

The Company focuses on the following strategy to make its competitive position and progress of the company:

- 1) In-house research, reports of specialized agencies and interactions with all concerned to help track macro environment.
- 2) Internal meetings ensure multi-disciplinary stress testing and regular tracking of assumptions to proactively respond, due diligence review before dealing with uncertainties.
- 3) Compliance with norms through selecting right equipment, processes, competencies, inputs and Security arrangements like access monitoring system, vigilance, mock drills.
- 5) Executive committee & other unit/functional meetings closely monitor operational plans; cost optimization, inventory, collections & vendor credit Initiatives have been taken up.

As a response to the COVID-19-related impact, the Company is strategically focusing on:

- › Targeted cost-saving measures to recalibrate the cost base across all areas of operations and leveraging technology and digitalisation to drive value
- › Conservation and broadening of additional line of liquidity
- › Renewed thrust on technology and innovation to drive efficiencies

SEGMENT WISE PERFORMANCE:

The Company is engaged in only one segment viz. Steel Manufacturing and as such there is no separate reportable segments as per IND AS -108 "Operating Segment."

PRODUCTS AND MARKET PERFORMANCE

It is imperative that we keep pace with the growing needs of our customers, primarily those in the Automotive and Construction sectors. We aim to deliver enhanced benefits through customised services and solutions and value-added products throughout the customer's purchase journey.

A SNAPSHOT

Scan Steels recorded steel production for FY 2019-20 at 1,22,355 MT. Besides this, the company has also produced 1,78,155 MT intermediary steels (i.e. Sponge Iron) in the FY 2019-20.

1. PRODUCT HIGHLIGHTS

1.1 LONGS

Volume

Long products are comprised of almost 63.45% of product portfolio (in terms of sales value) in FY 2020. Long products are manufactured at Rambahal unit.

Sector

Long Product in India is largely consumed by Construction & Infra and Industrial & Engineering sector. The volume movement was better in FY 2019-20 as compared to corresponding last fiscal.

2. OPERATIONAL REVIEW

The company is engaged in the manufacturing of TMT Rod, Sponge Iron, MS Billets/ Ingots and also generating power for captive consumption. The Company has Semi Automatic Rolling Mill.

2.1 Facilities:-

The company has its four Units' at different places of India:-

Unit -1 is situated at Rambahal, At- Keshramal, Rajgangpur, Sundergarh (Odisha) with the facilities of Rolling Mills - 2, Sponge Iron-2, Induction Furnace - 2.

Unit -2 is situated at Gangajal, Budhakata, Sundergarh, Odisha with the facilities of Sponge Iron- 4, SMS Billet Caster -3, Captive Power Plant - 1 and Coal Washery -1.

Unit-3 is situated at Bai-bai, Tudalaga, Sundergarh, Odisha with the facilities of Induction Furnace - 2.

Unit-4 is situated at Vill- Veniveerapura, Bellary, Karnataka with the facilities of Sponge Iron 2.

2.2 Overview

Scan Steels is an Integrated Steel Plant. It manufactures TMT Bars to fulfill the requirement of the state. It is a local brand in Odisha.

2.3 Turn Over:-

Gross Turnover including Other incomes for the year 2020 was stood at ₹ 668.54 Crores which was around 4% downward side in comparison to fiscal 2019. But in the better part of the company is, the company has able to achieve 1.36% incremental manufacturing sales against last fiscal. Your company continues with its focus on quality and strength of its products. Your Company has initiated steps to explore new markets in addition to developing existing ones.

2.4 Quality:-

Your Company continues to concentrate on quality, the strict adherence to this policy continuing to benefit your company in price realizations.



3. FINANCIAL PERFORMANCE

Highlights FY 2019-20

(₹In Cr.)

	2019-20	2018-19	Growth (%)
Gross Turnover & Other income	668.54	696.21	[3.97 %]
Operating EBIDTA	38.03	42.95	[11.45%]
EBIDTA margin (%)	5.69%	6.17%	[7.78%]
Depreciation and amortization expenses	12.60	12.52	0.64%
Interest Cost	14.93	14.27	4.63%
Profit before Exceptional Items	13.22	17.09	[22.64%]
Exceptional Items	-	-	-
PAT	0.32	6.65	[95.19%]
Earnings per shares (diluted)	0.06	1.27	[95.28%]

Note: The figures are in bracket shows negative

Other key Financial Indicators:

SL. NO.	RATIOS	2019-20	2018-19	CHANGE	%CHANGE
1	Debtors Turnover (No. Of days)*	17	17	-	-
2	Inventory Turnover (No. Of Days)**	69	57	12	21%
3	Interest Coverage Ratio ***	2.55	3.07	[0.52]	[16.94%]
4	Current Ratio ^	1.34	1.30	0.04	3.08%
5	Debt -Equity Ratio	0.27	0.30	[0.03]	[10%]
6	Operating EBITDA (Margin %) #	5.69	6.17	[0.48]	[7.78%]
7	Net Profit Margin (%) \$	0.05	0.96	[0.91]	[94.79%]
8	Return on Net worth (%) \$	0.12	2.48	[2.36]	[95.16%]

Note:

The figures are in bracket shows negative

* Collection period is prompt to maintain the liquidity of the company

** Inventory turnover days increased to 69 days due to overcome the lockdown declared on account of COVID-19 pandemic

*** Interest Coverage Ratio has decreased to 2.55 times due to lower profitability

^ Current Ratio is improved due to increased current assets and

Debt-Equity ratio improved due to timely repayment of Term Loans

operating EBITDA margin is lower due to farm steel prices across the finished steel segment

\$ Net Profit & Return on Networth is lower due to lower profitability

4. OPERATIONAL PERFORMANCE

4.1 PRODUCT WISE GROSS SALES:

Breakup (₹ in crores)

PRODUCT	2019-20	2018-19	% CHANGE
TMT REBARS	422.47	382.20	10.54
SPONGE IRON	114.12	142.86	(20.12)

4.2 PRODUCT WISE SALES QUANTITY:

Breakup (Qty in MT)

PRODUCT	2019-20	2018-19	% CHANGE
TMT REBARS	1,24,011.610	97,290.950	27.46
SPONGE IRON	65,710.250	72,023.380	(8.76)

In the financial year 2019-20, the company's TMT Rebar turnover improved by 10.54% whereas quantity movement of the same product stood at 27.46% higher than FY 2018-19, showing higher realisation price per MT of TMT sale. The Sponge Iron turnover as well as quantity sold got reduced due to more captive consumption of sponge iron in making own MS Billets for making TMT bars within the premises.

FINANCIAL MANAGEMENT

Senior management reviews the requirement of funds for projects under implementation periodically and after assessing the financial market, decisions are taken to identify the lenders. A part of fund requirement is arranged by way of borrowing from Banks on competitive terms and balance is met from internal accruals.

Finance department is working at Bhubaneswar & Factory establishment and is manned by qualified and experienced personnel.

The department properly records all financial transactions and proper financial reports are periodically sent to the senior management. Proper controls are in place and audit is conducted regularly.

INDUSTRIAL RELATIONS AND HUMAN MANAGEMENT

The total no. of employees as on 31.03.2020 was 1591. Human Resources Department

(HRD) works continuously for maintaining healthy working relationship with the workers and other staff members. The Company has adopted a progressive policy for helping employees to develop their organizational skills, knowledge and abilities to achieve efficiency. The focus of all aspects of Human Resource Development is on developing a superior workforce so that the organization and individual employee can accomplish their work goals of service to customers. Training programmes are regularly conducted to update their skills and apprise them of latest techniques. Senior management is easily accessible for counseling and redressal of grievances. The HR department continuously strives to maintain and promote harmony and co-ordination among workers, staff and members of the senior management. Social awareness and cultural/sports programmes are arranged regularly to create interest in living a meaningful life and release tensions.

INTERNAL CONTROL SYSTEMS AND AUDIT

The Company believes in systematic working and placing of proper checks. Proper systems are in place and regular reviews are held at higher levels to check efficacy and relevance of these systems. These reviews also prescribe changes wherever required. The internal auditors of the company conducts audit of various department and areas. Their reports are placed before the Audit

Committee, which reviews these reports and comments/suggestions of the Internal Auditors. The Audit Committee also oversees financial systems/procedures and internal controls and is competent to call for any information/document from any department.

CORE VALUES AND CULTURE:

Corporate success is based on certain core values and corporate culture developed by the Company. Underlying this is a firm belief that teamwork and motivation rooted in fairness are the key to success in business. The group sets benchmarks for itself in these areas and strives to achieve them, believing in seeking the active participation of everyone in decision-making rather than relying on the imposition of central diktats. Quality, productivity and optimal utilization of resources, human and materials, woven around the concept of the welfare of the community as a whole is central to the management's philosophy.

RESEARCH AND DEVELOPMENT A PRIORITY:

A research and development focus has provided strong scientific support to the group's quantitative growth with continuing enhancement in the quality of the product. The research and development policy keeps the group's long-term interests in view and believes in anticipating the needs of the future. It is committed to modernization and encourages it in every field.

CAUTIONARY STATEMENT

This report contains projections, estimates, and expectations etc., which are just "forward-looking statements". Actual results could differ from those expressed or implied in this report. Important factors that may have an impact on the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, changes in the Government regulations/policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward-looking statements on the basis of any further events or new information. Actual results may differ from those mentioned in the report.

CONCLUSION

Your Company is very conscious that it operates in a highly challenging and dynamic environment, where realities vary between place to place. We believe that the best way to navigate this environment is by constructing a robust strategy that puts consumer needs first, and thereafter focusing on sharp execution of that strategy. You will be happy to note that we have acted on both these priorities – robust strategy and perfect execution – and we believe that this will constitute a winning combination that, along with passion and commitment, will make us the finest natural beverages company on this planet.

FOR AND ON BEHALF OF THE BOARD

Ankur Madaan , Whole- Time Director
(DIN: 07002199)

Praveen Patro, Director
(DIN:02469361)

Place: Bhubaneswar
Date: 27th August, 2020

CORPORATE GOVERNANCE REPORT

(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended).

In accordance with Regulation 34 and Schedule V read with compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended the report containing the details of Corporate Governance systems and processes at Scan Steels Limited is as follows:

At Scan Steels Limited (SSL) Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder's value, be it shareholders, employees, suppliers, customers, investors, communities, or policy makers. This approach to value creation emanates from our belief that sound governance System, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of business. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. The Company strongly believes that Good Corporate Governance is a pre-requisite for enhancing shareholder value and its image in the prevailing competitive business scenario. Your Company affirms its commitment to follow good corporate governance practices proactively. The Company

has consistently sought to improve its focus by increasing transparency and accountability to all its stakeholders.

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

The Corporate Governance framework of the Company is based on the following broad practices:

- a) Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law;
- b) Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organisation;
- c) Adoption and implementation of fair, transparent and robust systems, processes, policies and procedures;
- d) Making high levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- e) Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements and zero tolerance for non-compliance.

Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees

to discharge its responsibilities in an effective manner. SSL's Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 1956 / Companies Act, 2013. The Whole- Time Director (WTD) provides overall direction and guidance to the Board. Concurrently, the WTD is responsible for overall implementation. In the operations and functioning of the Company, the WTD is assisted by One Executive Director and a core group of senior level executives.

Audits and internal checks and balances

M/s. SRB & Associates, Chartered Accountants, audit firm audit the accounts of the Company. The Company has an Internal Audit Cell besides external firms, and M/s. C B A & Associates, Chartered Accountants, acting as independent internal auditors that review internal controls and operating systems and procedures. A dedicated Legal Compliance Cell ensures that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances.

Best Corporate Governance practices

SSL maintains the highest standards of Corporate Governance. It is the Company's constant Endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies.

Some of the best implemented global governance norms include the following:

- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders' Relationship Committee of Directors.
- The Company's internal audit is also conducted by independent auditors.
- Internal Audit is conducted regularly and report on findings of Internal Auditor are submitted to the Audit Committee on quarterly basis.
- The Company also undergoes quarterly

secretarial audit conducted by an independent company secretary who is in whole-time practice. The quarterly secretarial audit reports are placed before the Board and the annual secretarial audit report placed before the Board, is included in the Annual Report.

- Observance and adherence of the Secretarial Standards issued by the Institute of Company Secretaries of India.

Ethics/Governance Policies

At SSL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies in line with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to carry out our duties in an ethical manner. Some of these codes and policies are as follow and the detailed code and / or Policies can also be accessed from the website of the Company www.scansteels.com / Investors Relations / Corporate Governance segment:

- Code of Conduct for Directors & Senior Management and Independent Directors of Scan Steels Limited
- Familiarisation Programme for Independent Directors (IDs)
- Performance Evaluation Policy of Directors of Scan Steels Limited
- Sexual Harassment Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives
- Policies and Procedural for inquiry in case of leak of Unpublished Price Sensitive Information,

or Suspected Leak of Unpublished Price Sensitive Information

- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Policy on Disclosure of Material Events and Information
- Corporate Social Responsibility Policy
- Policy on Preservation of Documents & Archival of Documents on the Website.
- Risk Management Policy

Policy for Selection of Directors and determining Directors Independence is attached as Annexure 'C' and Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees is attached as Annexure 'D' to the Board Report.

BOARD OF DIRECTORS:

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

The Board of Directors (The Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The management committee of the Company is headed by the Whole-Time Director and has functional heads as its members, which looks after the management of the day to day affairs of the Company.

Chairman of the Board

Mr. Rajesh Gadodia, (DIN 00574465) has been appointed as non-executive chairman of the board w.e.f. 24.05.2016 on the recommendation received from the Nomination and Remuneration Committee.

Responsibilities of the Chairman, and Whole-Time Director

The Company has appointed a non-executive chairman of the Board (the Chairman) – Mr. Rajesh Gadodia, and a Whole-Time director Mr. Ankur Madaan w.e.f 24.05.2016.

The responsibilities and authority of these officials are as follows:

The chairman is the leader of the Board. As Chairman, he is responsible for fostering and promoting the integrity of the board while nurturing a culture where the board works harmoniously for the long – term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company. In doing so, the Chairman **presides** over meetings of the Board and of the shareholders of the Company.

The Chairman takes a lead role managing the Board and facilitating effective communication among directors. He is responsible for matters pertaining to governance, including the organization, composition and effectiveness of the Board and its committees, and the performance of individual directors in fulfilling their responsibilities. The chairman provides independent leadership of the Board, identifies guidelines for the conduct and performance of directors, and oversees the management of the Board’s administrative activities such as meeting, schedules, agendas, communication and documentation.

The Chairman actively works with the nomination and remuneration committee to plan the Board and Board committees’ composition, induct director to the Board, plan for director succession, participate in the Board effectiveness evaluation process and meet with individual directors to provide constructive feedback and advice.

The WTD is responsible for corporate strategy, brand equity, planning, external contacts and all matters related to the management of the

company. He is also responsible for achieving annual and long-term business targets.

Board Leadership

A majority of the Board, 3 out of 6, are Independent Directors. At SSL, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board’s actions and decisions are aligned with the Company’s best interests. It is committed to the goal of sustainably elevating the Company’s value creation. The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees.

These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

The Board critically evaluates the Company’s strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews related party transactions, possible risks and risk mitigation measures, financial reports from the CFO and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company’s future growth.

Composition

The Board of Scan Steels Limited Comprises Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors and Non Executive Chairman of the Company.

(a) The Company has composition of Executive and Non-Executive Directors. **As on 31 March 2020**, the Board consisted of Six Directors. Out of which 3 (Three) directors is

Non-Executive & Independent Directors which include one woman director (Mr. Vinay Goyal, Mr. Punit Kedia and Mrs. Debjani Sahu), (The number of Independent Directors is 3 which is in compliance with the stipulated one half of the total number of Directors.) One Executive Director (Mr. Praveen Kumar Patro) and one Whole-Time Director (Mr. Ankur Madaan) and The Non Executive Chairman of the Company who is also the promoter of Company (Mr. Rajesh Gadodia). The composition of the board is in conformity with Reg. 17 of the SEBI (Listing Regulation), 2015 read with Section 149 of the Companies Act, 2013.

Further, between Year End date 31st March 2020 and the Date of Director Report, Mr. Punit Kedia (DIN 07501851) Independent Director and Mr. Ankur Madaan (DIN 07002199) Whole-Time Director of the Company were re-appointed for a second term of 5 (five) consecutive years on the Board of the Company vide resolution passed by the Nomination and Remuneration Committee and Board on 27th August, 2020.

- (b) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees (as specified in Regulation 26 (1) of SEBI (LODR) Regulations) across all the Public Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies as on March 31, 2020 have been made by the Directors. None of the directors of the Company holds office as a director, including as an alternate director, in more than twenty companies or 7 listed companies at the same time. None of them has directorships in more than ten public limited companies. And none of the NEDs serve as IDs in more than Seven Listed Companies and none of the Executive or whole-time Directors serve as IDs on any listed company. No Director is related to any

other Director on the Board in terms of the definition of “relative” as defined in Section 2(77) of the Companies Act, 2013.

- (c) The Company had no pecuniary relationship or transactions with the Non-Executive Directors during FY 2020. The Independent Directors are not related to promoters or persons occupying management positions at the Board level or any level below the Board; they were neither in employment for the last three years nor they are material suppliers, service providers, customers, a lessor, or a lessee of the Company, which may affect their independence. They do not hold substantial shares in the Company. All these directors are above 21 years of age, Board of the Company Confirmed that independent directors fulfill the conditions specified in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of Companies Act, 2013 and are independent of the management.
- (d) All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. Independent directors are non executive directors as defined under Reg 16(1) (b) of SEBI (Listing Regulation), 2015 read with Section 149(6) of the Act along with rules framed thereunder. All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”). Maximum Tenure of Independent directors is in compliance with the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Further, the Independent Directors have declared that they have complied with Rule 6(1) & (2) of the companies (Appointment and Qualification of Directors) Rules, 2014 read with Amendment Rules from time to time.

- (e) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorship and Committee Chairmanships/ Memberships held by them

in other Companies are given herein below. Chairmanships/ Memberships of the Board Committees include only Audit and Stake Holders Relationship Committee.

- (f) The Information stipulated under Part A of Schedule II of SEBI (LODR Regulations) is being made available to the Board.

*Details Regarding Appointment and Re-appointment of all the Board of Directors has been detailed in the Director's Report.

Name	Designation	Category	Directorships & Committee Position		
			Directorships*	Committee Memberships#	Committee Chairmanships#
Mr. Rajesh Gadodia	Chairman	Promoter, Non Executive	2	-	-
Mr. Ankur Maddan	Whole-Time Director	Executive, Non-Promoter	1	2	-
Mr. Praveen Kumar Patro	Director	Executive, Non-Promoter	1	-	-
Mr. Vinay Goyal	Independent	Non Executive & Independent	1	2	2
Mr. Punit Kedia	Independent	Non Executive & Independent	1	2	-
Mrs. Debjani Sahu	Independent	Non Executive & Independent	1	-	-

* Directorship includes only Indian Public Companies Whether Listed or not including Scan Steels Limited has been considered. (Scan Steels Ltd. Is the only Listed Co. where the Directors of the Company hold Directorship in the Listed Company)

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only Audit Committee, Stakeholders Relationship Committee in all public limited companies Whether Listed or not including Scan Steels Limited have been considered.

Note:

- As required under the Indian Accounting Standard 24 (IndAD 21) transaction with related parties are furnished under note 28 of notes on accounts. There was no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

2. There are no inter-se relationships between our Board Members.
3. The details of familiarization programmes imparted to Independent Directors can be access at the website of the <https://scansteels.com/wp-content/uploads/2020/08/DETAILS-OF-FAMILIARISATION-PROGRAMMES.pdf>

PROFILE OF THE BOARD OF DIRECTORS

MR. RAJESH GADODIA

Mr. Rajesh Gadodia (DIN: 00574465) aged about 47 years is a Mechanical Engineer and has more than 24 years of industrial and business experience, primarily in the steel sector with hands on experience of setting up green field projects. He is primarily involved in business development activities of the company and manages the distribution network of the company in the coastal, northern and southern region of Odisha and southern India operation. In finance he had the exposure in Treasury, Accounting, MIS, Forex Risk Management, Taxation, IT and all other related areas with exposure in India and overseas. He is responsible for transforming Scan Steels into a leading player in the steel industry.

MR. ANKUR MADAAAN

Mr. Ankur Madaan (DIN:07002199) aged about 30 years is a **Whole-time Executive Director** of the company. He is an Commerce Graduate and has more than 8 years of industrial and business experience in steel sector. He is involved in administration, production, & purchase.

MR. PRAVEEN KUMAR PATRO

Mr. Praveen Kumar Patro (DIN: **02469361**), aged about 46 years is a **Executive Director (Director- Project)** of the company. He is a B.Tech (Electric) having more than 21 years of industrial and business experience in steel sector. He is involved in Projects and operations of the Company.

MR. PUNIT KEDIA

Mr. Punit Kedia (DIN: 07501851) aged about 30 years is an Independent Director of the company. He is a commerce graduate and has wide experience in steels sector.

MR. VINAY GOYAL

Mr. Vinay Goyal (DIN: **07002206**) aged about 32 years is a Non Executive & Independent Director of the company. He is a commerce graduate and having more than 9 years experience in the corporate sector and has excellent Command in the field of Finance, Legal and Administration.

MRS. DEBJANI SAHU

Mrs. Debjani Sahu, (DIN:**02674022**) aged about 42 years, is a Independent Woman Director of the Company. She is a Graduate in Arts and having over decades of experience in the field of Human Resource, Administration, Sales & Marketing in retails and Steel Sectors.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the company which are currently available with the Board.

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments with the help of Industry Knowledge and Technical Skills.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values with the help of Behavioural Competencies.

Further, In context of above the Board had in its meeting held on February 07, 2020 identified the names of directors who have such core skills/expertise/competencies as required in the context of the Company's business(es) and sector(s):

Sr No.	Skill/Expertise/Competencies	Names of Directors who have such Skill/Expertise/Competencies					
		Mr. Rajesh Gadodia	Mr. Ankur Madaan	Mr. Praveen Patro	Mrs. Debjani Sahu	Mr. Vinay Goyal	Mr. Punit Kedla
01	Industry Knowledge/Experience						
	Industry Experience	✓	✓	✓		✓	✓
	Knowledge of Sector	✓	✓	✓		✓	✓
	Knowledge of Government/Public Policy	✓	✓	✓		✓	
02	Technical Skills/Experience						
	Projects	✓		✓			
	Accounting	✓	✓	✓			✓
	Finance	✓	✓	✓		✓	✓
	Law	✓	✓	✓		✓	
	Marketing Experience	✓	✓	✓	✓	✓	
	IT and Digital Outreach	✓					
	Public Relations	✓	✓	✓	✓	✓	✓
	Risk Management Systems	✓	✓	✓	✓		
	Human Resources Management				✓		
	Strategy Development and implementation	✓	✓	✓		✓	
	Diversity	✓	✓	✓			
03	Governance Competencies						
	Strategic Thinking/Planning from governance perspective	✓	✓	✓	✓	✓	✓
	Executive performance management	✓	✓	✓			
	risk management	✓	✓	✓	✓		
	Compliance focus	✓	✓	✓		✓	✓
	Profile/Reputation	✓	✓	✓	✓	✓	✓
04	Behavioural Competencies						
	Ability and willingness to challenge and probe	✓	✓	✓	✓	✓	✓
	Sound Judgement	✓	✓	✓	✓	✓	✓
	Integrity and High ethical standards	✓	✓	✓	✓	✓	✓
	Leadership/Mentoring abilities	✓	✓	✓	✓	✓	✓
	Interpersonal relations	✓	✓	✓	✓	✓	✓
	Listening skills	✓	✓	✓	✓	✓	✓
	Verbal Communication Skills	✓	✓	✓	✓	✓	✓
	Understanding of effective decision making processes	✓	✓	✓	✓	✓	✓
	Willingness and ability to devote time and energy to the role	✓	✓	✓	✓	✓	✓

Board membership criteria

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required age, qualifications, integrity, expertise and experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully for the position. They should also possess deep expertise and insights in sectors/areas relevant to the Company, and ability to contribute to the Company's growth.

The age limit for managing director/executive director/independent director is 70 years and non-executive director is 75 years. A director's term may be extended at the discretion of the Board/committee beyond the age of 70 and 75 years with shareholder approval by passing a special resolution based on the explanatory statement annexed to the Notice for such motion indicating the justification for extension of appointment beyond 70 and 75 years.

Provided that in case of Whole-time Director/Managing Director / Manager where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

The Board members are expected to rigorously prepare for, attend and participate in all board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially

interfere with their responsibilities with us.

Directors' Induction and Selection of new directors

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Whole Time Director & CFO and the Company Secretary are jointly responsible for ensuring such induction. The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists exclusively of independent directors. The nomination and remuneration committee makes recommendations to the Board on the induction of new directors. After getting appointed, the Directors receive a formal letter of appointment which inter alia explains the role, functions, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliances required to be made under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations, 2015") and other relevant regulations.

Familiarization programme for Board Members

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a Whole. To this end, The Board members were given presentations on the global business environment, as well as all business areas of the Company including business strategy, risks opportunities, they are also provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

The management provides such information and training either at the meeting of Board of Directors or otherwise.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The Details of such Familiarizations Programmer for Directors are posted on the Website of the Company and can be accessed at www.scansteels.com - Investor Relations Segment.

Membership term

The Board constantly evaluates the contribution of the members, hence, the Directors of the Company (except Nominee Directors if any.) are appointed by the shareholders at General Meetings and Company periodically shares updates with the shareholders about appointment / re-appointment consistent with applicable status. The current law in India mandates the retirements of two-third of the total non-independent directors (who are liable to retire by rotation) every year, accordingly, All Executive Directors, including Non-Executive Chairman, are subject to retirement by rotation and at every Annual General Meeting, 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

Executive directors are appointed by the shareholder for a maximum period of five years, but are eligible for re-appointment upon completion of their term. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

As per Section 149(10) of the Companies Act, 2013, an independent director shall hold office of a term of up to five consecutive years on the

Board of the Company and will be eligible for re-appointment on the passing of a special resolution by the Company read with Section 149(11) of the Companies Act, 2013.

Performance evaluation

In compliance with the Section 134(3) (p) and Section 178 (2) of the Companies Act, 2013 read with Regulation 17 (10), 19 (4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors and the policy has been framed / approved by the Nomination and Remuneration Committee and can be accessed from the website of the Company at www.scansteels.com - Investor Relations Segment.

The Board carried out an annual performance evaluation of its own performance, the individual Directors, as well as the evaluation of the working of the Committees of the Board. The performance evaluation of the Non-Independent Directors, Board / Chairman was carried out by the Independent Directors. The performance evaluation of the Independent Directors was carried out by the entire Board in compliance with the Companies Act, 2013 which includes performance of the directors; and) fulfillment of the independence criteria as specified in these regulations and their independence from the management. The directors who are subject to evaluation shall not participate.

The performance evaluation of all the Directors / its committees and / or Board as a whole was also carried out by the Nomination and Remuneration Committee and NRC also review its implementation and compliance.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the Governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow “best practices” in Board governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board’s time and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The Observations of board evaluation is carried out for the year. There was not any previous year’s observations on which Board needs to take any actions to resolve them. Further, in current year also Board Performance was evaluated on following criteria and it seems that no immediate Proposed actions to be taken regarding the same.

Some of the key criteria for performance evaluation, as laid down by the Company are as follows-

Performance evaluation of Directors:

- Contribution at Board / Committee meetings
- Guidance / Support to Management outside Board / Committee Meetings

Performance evaluation of Board and Committees:

- Board structure and composition
- Degree of fulfillment of key responsibilities
- Establishment and delineation of responsibilities to Committees
- Effectiveness of Board Processes, Information and Functioning
- Board Culture and Dynamics
- Quality of relationship between the Board and Management
- Efficacy of communication with External Stakeholders
- Committees – strengths and areas of improvement

The Directors expressed their satisfaction with the evaluation process.

Succession planning

The nomination and remuneration committee works with the Board on the leadership succession plan, and prepares contingency plans for succession in case of any exigencies.

INDEPENDENT DIRECTORS

Definition

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines an ‘ Independent Director’ as a person who is not a promoter or employee or one of the Key Managerial Personnel of the Company or its subsidiaries. The Laws also state that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving remuneration as an independent director. We abide by these definitions of Independent director.

Selection of Independent Directors

In Compliance with Rule – 6 of Companies Appointment and Qualification of Directors Fifth Amendment Rules 2019 and Considering

the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

A statement, in connection with fulfilling the criteria of independence and directorships as per the requirement of the provisions of the Companies Act, 2013 ("the Act") and the Regulation 25 of SEBI LODR received from each of the Independent Directors, is disclosed in the Board's Report. Your Company had also issued formal appointment letters to all the Independent Directors (including terms and conditions of appointment of Independent Directors) in the manner provided under the Act. As per Regulation 46 of SEBI Listing Regulations and Section 149 read with schedule IV of the Act, Terms and conditions for appointment of Independent Directors are available on the website of the Company and can be accessed at www.scansteels.com - Investor Relations Segment.

Code of Conduct

The Company has prescribed Code of Conduct for its directors and senior management. The Code is applicable to Non-executive Directors including

Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put on the Company's website (www.scansteels.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

The declaration from the Whole- Time Director stating that as on 31 March 2020 all the board members and the senior management personnel of the Company have adhered to the code of conduct for FY 2020 and the same has been included in this report duly signed by the Whole-Time Director of the Company.

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES:

A. INSTITUTIONALISED DECISION MAKING PROCESS:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the stakeholders are being served. The Chairman is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Five Standing Committees, namely, Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

B. SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS:

- i. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- ii. The meetings are usually held either at the Company's Registered Office at Mumbai, plant location at Rambahal (Odisha) and Bhubaneswar.
- iii. All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/approval/ decision at the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda for the Board/Committee Meetings.
- iv. In addition to items which are mandated to be placed before the Board for its noting and/ or approval, information is provided on various significant issues.
- v. The Board is given presentations covering present steel scenario, Indian Economy, Company's Financials, Sales, Production, Business Strategy, Competitor's Performance and Risk Management practices before taking on record the Quarterly/ Half Yearly/ Nine Monthly/ Annual financial results of the Company.

The Board is also provided with Audit Committee observations on the Internal audit findings and matters required to be included

in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

C. DISTRIBUTION OF BOARD AGENDA MATERIAL:

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

D. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting at any time before the next Meeting is held/ Chairman of the next meeting at the next Meeting as per clause 7.6.1 of Revised SS-1. As per clause 7.6.4 of Revised SS-1, All the Directors of the Company had waived their right to receive the Copies of the signed Minutes by giving their consent in writing for such waiver and the same is recorded in the Minutes.

E. POST-MEETING FOLLOW-UP MECHANISM:

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. The important decisions taken at the Board/ Committee meetings are communicated to the concerned functional Heads promptly. Action Taken Report on decisions of the previous

meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

F. COMPLIANCE:

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder and Secretarial Standards.

G. AVAILABILITY OF INFORMATION TO BOARD MEMBERS:

The Board has unrestricted access to all Company-related information, including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited.

Regular updates provided to the Board include:

- Annual operating plans and budgets, capital budgets and updates
- Quarterly results of our operating divisions or business segments
- Minutes of meetings of audit, nomination and remuneration, risk management, stakeholders relationship, and corporate social responsibility committees, and other committees of Board constituted as and when needed and abstracts of circular resolution passed
- General notice of interest received from directors
- Dividend date, if any.
- Information on recruitment and remuneration of senior officers below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary, if any
- Materially important litigations, show cause, demand, prosecution and penalty notices
- Fatal or serious accidents, dangerous

occurrences, and issues related to material effluents or pollution

- Any materially relevant defaults in financial obligations to and by us
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures, acquisitions of companies, or collaboration agreements
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property (IP)
- Any significant development involving human resource management
- Sale of a material nature, or of investment, subsidiaries and assets, which are not part of the normal course of business
- Details of foreign exchange exposure and the steps taken by the Management to limit risks of advance exchanges rate movement
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholders services, such as non-payment of dividend and delays in share transfer
- Quarterly compliance reports and investor grievance reports
- Discussion with independent directors

The Board periodically reviews the compliance reports of all laws applicable to the Company.

Details of board meetings during the financial year:

During the financial year 2019-20, Nine meetings of the Board were held during the year and the gap between two meetings did not exceed four months. The necessary quorum was present for all the meetings.

The dates on which the said meetings were held are as follows:

Sr. No.	Date	Board Strength	No. of Directors Present
1	30 th May, 2019	6	6
2	25 th July, 2019	6	6
3	14 th August, 2019	6	6
4	03 rd October, 2019	6	6
5	11 th November, 2019	6	6
6	23 rd December, 2019	6	6
7	20 th January, 2020	6	5
8	07 th February, 2020	6	6
9	20 th March, 2020	6	5

Attendance of each Director in the Board Meetings during the financial year and the Last Annual General Meeting is detailed herein below :

Sr. No.	Name of the Director	No. of Board Meeting Attended	Attendance at the Last AGM held on 30.09.2019	No. of Shares held in the Company
1	Mr. Rajesh Gadodia	7	No	3536786
2	Mr. Ankur Madaan	9	Yes	NIL
3	Mr. Praveen Kumar Patro	9	Yes	NIL
4	Mr. Punit Kedia	9	Yes	NIL
5	Mr. Vinay Goyal	9	Yes	NIL
6	Mrs. Debjani Sahu	9	No	NIL

MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the other Independent Director.

The Independent Directors of the Company had met during the year on 20.02.2020, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

In compliance with the Regulations 25(7) and 46 of SEBI Listing Regulations The Company had also further during the year, conducted Familiarisation Programme for Independent Directors of the Company and the details of such Familiarisation

Programmes are disseminated on the website of the Company at www.scansteels.com - Investor Relations Segment.

PROCEDURE AT COMMITTEE MEETINGS

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

The Board has constituted various Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Vigil Mechanism. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs.

The Company's internal guidelines for Board/ Board Committee meetings facilitate the decision-making process at its meetings in an informed and efficient manner.

AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices

followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor, Secretarial Auditor and cost auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings wherever necessary.

The Audit Committee reviews compliance with the provisions of regulations 9A (4) of the SEBI (Prohibition of Insider Trading), Regulations, 2015 at least once in a financial year to verify that the systems for internal control are adequate and are operating effectively and also review reports if any submitted by compliance officer in compliance with the code of conduct to regulate, monitor and report trading by Designated persons.

The audit committee comprised of the following directors for the year ended 31st March 2020:

Composition, names of members and Chairperson

The Audit Committee of the Company is constituted in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 which is headed by Mr. Vinay Goyal. All the members of the Audit Committee are financially literate as defined in Regulation 18 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company's Audit Committee comprises of the following Directors:-

- # Mr. Vinay Goyal - Chairman
- # Mr. Ankur Madaan - Member
- # Mr. Punit Kedia - Member

All the current members of the Committee are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitees to the meetings of the committee. The other directors and such of the executives (particularly the head of the finance function) representatives of the statutory auditors, internal auditors, and Cost Auditor (when the Cost Audit Report is tabled for discussion), as it considers appropriate are invited to attend the audit committee meetings as and when required. The company secretary acts as the secretary to the committee and ensures compliance and effective implementation of the insider trading

code. Chairman of the Audit Committee Mr. Vinay Goyal was present at the previous Annual General Meeting of the company held on 30th September, 2019.

Details of audit committee meetings during the financial year:

During the year under review, the committee met Five times during the financial year ended 31st March, 2020 on 30.05.2019, 14.08.2019, 11.11.2019, 07.02.2020 and the gap between two meetings did not exceed one hundred and twenty days. The Composition of the Committee and the attendance at each Committee Meetings are as follows :-

Name	Category	No of Meetings during the Year 2019-2020	
		Held	Attended
Mr. Vinay Goyal	Chairman	4	4
Mr. Ankur Madaan	Member	4	4
Mr. Punit Kedia	Member	4	4

This Committee of the Board, inter-alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures
Compliance with all relevant statutes.

Internal Controls and Risk Management

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The Company has an independent Control Assurance Department assisted by dedicated internal auditors' team.

The internal audit covers all the factories, sales offices, warehouses and businesses and functions controlled centrally. Every quarter, the Audit Committee of the Board is presented with key

control issues and actions taken on past issues.

Business risk assessment procedures have been set in place for self assessment of business risks, operating controls and compliance with corporate policies. There is an ongoing process to track the evolution of the risks and delivery of mitigation action plan.

The internal controls shall include the following SEBI (Prohibition of Insider Trading), Regulations, 2015:

- a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;

- d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under these regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

Power of Audit Committee

The audit committee shall have powers which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The broad **terms of reference** of Audit Committee are: [in compliance with Regulation 18(3) and Part C (A) of Schedule II of the SEBI (LODR) Regulations]

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of statutory auditors, cost auditors, Internal Auditor and Secretarial Auditor of the Company.
- c) Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
- d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board, focusing primarily on:

- 1) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act.
 - 2) Changes, if any, in accounting policies and practices and reasons for the same.
 - 3) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - 4) Significant adjustments made in the financial statements, if any, arising out of audit findings.
 - 5) Compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements.
 - 6) Disclosure of any related party transactions.
 - 7) Modified opinion(s) in the draft audit report, if any.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - h) Approval or any subsequent modification of transactions of the company with related parties;

- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Matters relating to the insider Trading codes.

NOMINATION AND REMUNERATION COMMITTEE :

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted the Nomination & Remuneration Committee.

The **terms of reference** of the Committee inter alia, include the following: (In compliance with Part D (A) of the Schedule II of the SEBI (LODR) Regulations.)

- a) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

- b) Formulating a criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel / Senior Management and other employees.
- c) Formulating a criteria for evaluation of performance of Independent Directors and the Board.
- d) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- e) Devising a policy on Board diversity.
- f) To recommend Board/review remuneration of the Managing Director(s) and Whole-time Director(s) or Senior Management based on their performance and defined assessment criteria.
- g) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- h) To perform such other functions as may be necessary or appropriate for the performance of its duties.

I. Composition of the Committee Members.

As of 31st March 2020, the Nomination and Remuneration Committee consisted of 3 Non – Executive Independent directors, Mr. Punit Kedia, Mr. Vinay Goyal and Mrs. Debjani Sahu, Non-Executive Independent Directors of the Company.

Mr. Punit Kedia Independent Director is the Chairman of the Committee and was present at the last Annual General Meeting. The company secretary is the secretary to the committee.

The Nomination and Remuneration Committee comprises of the following Directors:-

# Mr. Punit Kedia	-	Chairman
# Mrs. Debjani Sahu	-	Member
# Mr. Vinay Goyal	-	Member

II. Meeting and Attendance during the year

The committee met on 30.05.2019 during the financial year ended 31st March, 2020.

Name	Category	No of Meetings during the Year 2019-2020	
		Held	Attended
Mr. Punit Kedia	Chairman	1	1
Mrs. Debjani Sahu	Member	1	1
Mr. Vinay Goyal	Member	1	1

III. Performance Evaluation criteria for Independent Directors

Board Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) and approved by the Board and subsequently amended by the Board as and when needed. This policy has been framed in compliance with the provisions of section 178(2), 134(3) (p) and other applicable provisions, if any, of the Companies Act,

2013 and Regulation 17(10), 19(4) and part D of Schedule II of the SEBI (LODR Regulations), as amended from time to time.

The Company adopted the following criteria to carry out the evaluation of Independent Directors, which is in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR Regulations);

- The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance.
- In addition, performance evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated by rating their performances and fulfillment of Independence Criteria as per SEBI (LODR) Regulations, 2015. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

The Evaluation process of Independent Directors and the Board will consist of two parts;

- Board Member Self Evaluation; and
- Overall Board and Committee Evaluation.

In the Board Member Self Evaluation, each Board member is encouraged to be introspective about his/her personal contribution/ performance/ conduct as director with reference to a questionnaire provided to them. Copies of the evaluation forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Company Secretary or Board nominee or the consultant, as may be informed.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any directors disagrees with the self- evaluated results, he/she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted.

The individually completed forms will be preserved by the Company Secretary and the Tabulated Report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to

the Board on its evaluation of every director's performance and based on such feedback, the Board will recommended appointments, re-appointments and removal of the non-performing Directors of the Company.

IV. Remuneration policy

The remuneration of the Whole-time/Executive Directors and Senior Executive Officers is decided by the Board based upon the recommendations of the Nomination and Remuneration Committee, subject to the approval of the Company in general meeting, which inter-alia is based on the criteria such as industry benchmarks, the Company's performance, and the performance of the individual concerned. Remuneration of the Executives and employees largely consists of basic salaries, and perquisites and incentives if any. The component of the total remuneration varies from grades and is governed by the industry pattern, qualifications, experience and the responsibilities carried on by the individual employee concerned. The objectives of the remuneration policy are to motivate the deserving employee in improving their performance, along with recognizing their contributions, retain best talent in the organization and record the merits.

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **Annexure D** to the Board Report. Further, the Company has

devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which may be accessed on the Company's website at www.scansteels.com - Investor Relations Segment.

The details relating to remuneration of Directors, as required under Schedule V, Part C – Point No. 5 read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Remuneration paid to the directors during 2019-20:

Amount (₹ In Lacs)

Name of the Director	Designation	*Remuneration Paid during the year 19-20
Mr. Ankur Madaan	Whole- Time Director	6.00
Mr. Praveen Kumar Patro	Executive Director	7.43

Note:

*the above mentioned remuneration are in aggregate and apart from this there were no such other benefits like, Compensation, bonuses, stock options, pension, performance linked incentives given.

Service Contracts, Severance Fee and Notice Period

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. A separate Service Contract is not entered into by the Company with them. They can be terminated by either party by giving three months notice in writing as per the T&C of appointment letters. Letters of appointment have been issued by the Company to the Independent Directors,

incorporating their roles, duties, responsibilities etc., which have been accepted by them.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors. The statutory provisions will however apply. With respect to notice period of Directors, the statutory provisions will also apply.

Sitting fee and commission paid on net profit to Non-Executive Directors:

Board makes a payment of a sum of ₹ 1000/- (Rupees One Thousand only) as sitting fees to the Non-Executive Directors of the Company for every meeting of the Board of Directors and committee thereof attended by them. There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

Amount in ₹

Name of the Director	Designation	Sitting Fees paid during the year 19-20
Mr. Rajesh Gadodia	Non-Executive Chairman	7000.00
Mr. Punit Kedia	Independent Director	22000.00
Mr. Vinay Goyal	Independent Director	22000.00
Mrs. Debjani Sahu	Independent Director	12000.00

Criteria for making payments to non- executive directors:

The Company has laid down the criteria for making payments to the Non- Executive Directors. The details of such criteria are available in the Nomination and Remuneration Policy as well as disseminated on the website of the Company at www.scansteels.com and / or the Nomination and Remuneration Policy is also annexed as 'Annexure D' to Board Report.

Details of shareholding of Directors as on 31st March 2020.

Sr. No.	Name of the Director	Category	Equity Shareholding as on 31 st March 2020
1	Mr. Rajesh Gadodia	Non Executive Chairman	3536786
2	Mr. Ankur Madaan	Whole - Time Director	Nil
3	Mr. Praveen Kumar Patro	Executive Director	Nil
4	Mr. Punit Kedia	Non Executive – Independent Director	Nil
5	Mr. Vinay Goyal	Non Executive – Independent Director	Nil
6	Mrs. Debjani Sahu	Non Executive – Independent Director	Nil

STAKE HOLDERS RELATIONSHIP COMMITTEE

Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that a company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders' Relationship Committee. The Company has complied with this provision and the Stakeholders' Relationship Committee carries the mandate as was decided upon in the erstwhile Shareholders' Grievance Committee. Further, the Company has merged the erstwhile Share Transfer Committee with the

Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee comprises of the following Directors:-

- # Mr. Vinay Goyal - Chairman (Non-executive Independent)
- # Mr. Punit Kedia - Member
- # Mr. Ankur Madaan - Member

The committee met Five times during the financial year ended 31st March, 2020 on 03.04.2019, 24.05.2019, 28.06.2019, 06.09.2019, 11.11.2019, 07.02.2020. To oversee and review all matters related to the transfer of securities of the company and other Shareholders Grievances if any.

Mr. Vinay Goyal – Chairman of the committee was present at the last Annual General Meeting. The composition and attendance of each member of the Committee is given below.

Name	Category	No. of Meetings during the Year 2019-2020	
		Held	Attended
Mr. Vinay Goyal	Chairman	6	6
Mr. Ankur Maddan	Member	6	6
Mr. Punit Kedia	Member	6	6

The powers (**terms of reference**) delegated to the committee are as under: (In compliance with the Part D (B) of Schedule II of the SEBI (LODR) Regulations.)

- to review statutory compliance relating to all security holders,
- consider and resolve the grievances of security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends transfer of unclaimed amounts to the Investor Education and Protection Fund,
- oversee compliances in respect of dividend payments and ensuring timely receipt of dividend warrants /annual reports/statutory notices by the shareholders of the company.
- oversee and review all matters related to the transfer of securities of the company ,
- approve issue of duplicate certificates of the company,
- review movements in shareholding and ownership structures of the company,
- ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent,
- Recommend measures for overall improvement of the quality of investor services and set forth policies relating to and oversee implementation of the Code of Conduct for prevention of Insider Trading.
- To scrutinize and take on records the shares / securities transfers and transmission of shares / securities etc. made by the Registrar and Transfer Agent of the Company and authorize the registration of transfers in the Register of Members as well as in the Register of Transfers of the Company and to take all other consequential and incidental actions and measures.
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.

Complaints received and redressed during the year 2019-2020

Sr.No.	Nature of Complaints	Number of Complaints	
		Received	Redressed
1	Non-receipt of Share Certificate after Transfer	NIL	NIL
2	Non-receipt of Dividend Warrant	NIL	NIL
3	Non - receipt of Annual Report	NIL	NIL
4	Grievance Received through SCORES	1	1
5	Grievance Received through SCORES - Non receipt of Dividend	NIL	NIL
6	Grievance Received through SCORES-Non receipt of Share Certificate after Transfer	NIL	NIL

Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. Prabir Kumar Das, company secretary is the compliance officer of the company for complying with the requirement of SEBI Regulations and the Listing Agreement with the stock exchange in india. His address and contact details are as given below: Address: Office no 104,105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057. Phone: +91 0222 618 5461; FAX: +91 0222 618 5463. For any clarification / complaint the shareholders may contact company secretary at secretarial@scansteels.com and / or at the registered office of the company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

SSL is committed to create value for the nation and enhance the quality of life across the entire socio-economic spectrum. SSL believes that Corporate Social Responsibility extends beyond the ambit of business and should focus on a broad portfolio of assets - human physical, environmental and social. SSL gives utmost importance to conservation of the natural capital at its operations. SSL is committed to responsible stewardship of the natural resources to conduct its operations in a sustainable manner.

The Committee is constituted in line with the Provision of Section 135 of the Companies Act 2013. It is the commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large give Social Contribution to the Society.

The composition of CSR Committee is as Mentioned below:

- # Mr. Vinay Goyal - Chairman
- # Mr. Punit Kedia - Member
- #Mr. Ankur Maddan - Member

The powers (terms of reference) delegated to the committee are as under:

- To formulate and recommend to the board, a CSR policy which shall indicate the activities to be undertaken by the company as per the companies act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the company from time to time; and
- Other matter as the CSR committee may deem appropriate after approval of the board of directors or as may be director by the board of director from time to time.

The committee meet once on 25.07.2019 during the financial year ended 31st March, 2020.

The composition and attendance of each member of the Committee is given below.

Name	Category	No. of Meetings during the Year 2019-2020	
		Held	Attended
Mr. Vinay Goyal	Chairman	1	1
Mr. Ankur Maddan	Member	1	1
Mr. Punit Kedia	Member	1	1

The Company Gradually reduced its Losses and started making Profit in the previous financial year, accordingly, as per the Average profit calculation of the three immediately preceding financial years company had spent its part of profit on CSR activities as per its CSR policy and relevant report regarding the same Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014] is attached as 'Annexure B' which forms part of this annual report.

RISK MANAGEMENT COMMITTEE

A) RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify access and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

B) RISK MANAGEMENT COMMITTEE:

Committee was constituted in Compliance with Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Risk Management Committee are as under:

- # Mr. Ankur Madaan - Chairman & WTD
- # Mrs. Debjani Sahu - Member & Women Independent Director

Mr. Gobinda Chandra Nayak - Member & Chief Financial Officer

The composition of the Risk Management Committee as at **March 31, 2020** and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Risk Management Committee meeting held on 07.02.2020
Mr. Ankur Maddan	Whole- Time Director	Present
Mrs. Debjani Sahu	Women Independent Director	Present
Mr. Gobinda Chandra Nayak	Chief Financial Officer	Present

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
 - Reviewing the RMC policy and framework in line with local legal requirements and SEBI guidelines;
 - Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
 - Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
 - Reviewing matters related to cyber security.
- C) The Company has also formulated a Risk Management policy which can be accessed on the link: <https://www.scansteels.com/wp-content/uploads/2019/07/RISK-MANAGEMENT-POLICY.pdf>

FINANCE AND MANAGEMENT COMMITTEE

In compliance with provision of Section 179 (3) of the Companies Act, 2013 and other applicable Provisions if any, the Board has constituted the Finance and Management Committee, for delegation of power of Board and/ or to approve the matters as specified in section 179(3) (d) to (f) of Companies Act, 2013 and any other Finance related Matters.

Finance and Management Committee consisted of 2 Executive directors, Mr. Ankur Madaan (Chairman of the committee) and Mr. Praveen Kumar Patro, Member of the Committee, committee met once in a year on 29.06.2019.

The **terms of reference** of the Committee inter alia, include the following:

1. To approve availing of Credit / Financial Facilities of any description from Banks / Financial Institutions / bodies Corporate within the limits approved by the Board.
2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the Committee may deem fit, and from time to time to vary or realise such investments within the frame work of the guidelines laid down by the Board.
3. To open new Branch offices of the Company, to declare the same as such and to authorise personnel by way of power of attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities.
4. To Make Loans and/ or give guarantee to Individuals / Bodies Corporate and/ or to place deposits with other Companies / Firms upon such security or without security in such

manner as the committee may deem fit within the limits approved by the Board.

5. To open current Account(s), collection Account(s), Operation Account(s) or any other Account(s) with Banks and also to close such accounts, which the "said committee" may consider necessary and expedient.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

Sexual harassment can have a devastating effect upon the health, confidence, morale and performance of those affected by it and the best way to prevent sexual harassment is to adopt a comprehensive sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company provides an equal employment opportunity and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 there by no details to be provided regarding number of complaints disposed of during the financial year or number of complaints pending as on end of the financial year.

VIGIL MECHNISM/ WHISTLE BLOWER POLICY:

The Company has formulated a policy known as Vigil Mechanism / 'Whistle Blower Policy' As per the requirement of Section 177(9) of the Companies Act, 2013 and Regulation 22 read with Regulation 4(2)(d)(iv) of Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

The Company further undertakes that it has not denied any personnel access to the Chair man of the Audit Committee of the Company in respect of matters involving alleged misconduct/ malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices.

Vigil Mechanism / Whistle Blower Policy was amended in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015, which can be accessed on the Company's website at the link: <https://www.scansteels.com/wp-content/uploads/2019/05/SCAN-STEELS-LIMITED-WB-OR-VM-POLICY.pdf>

CEO / CFO CERTIFICATE :-

A certificate from Whole- Time Director (CEO) and the Chief Financial Officer of the Company, in terms of regulation 17(8) read with schedule II Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, had been duly submitted to the board and is attached to this Report.

In terms of Regulation 33(2)(a) of SEBI LODR, the Whole- Time Director (CEO) and the CFO certified the quarterly financial results while placing the financial results before the Board.

CERTIFICATE ON CORPORATE GOVERNANCE

As required by Regulation 34(3) read with schedule-V(E) of SEBI (LODR) Regulations,

2015, a certificate from M/s. Amarendra Mohapatra & Associates., Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to Directors Report.

CORPORATE ETHICS

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and SSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders (formerly known as Code of Conduct for Prevention of Insider Trading) as detailed in this report has been adopted pursuant to Listing Regulations, 2015 & the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, respectively.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

The Company has adopted the code of conduct for its employees in compliance with Regulation 17(5) read with Regulation 26 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at all levels including Senior Management and Directors. The code has been circulated to all the members of the Board and senior management. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Whole-Time Director of the Company appointed in terms of the Companies Act, 2013 [i.e. the CEO within the meaning of Part B of Schedule II read with Regulation 17(8) and Schedule V (D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] is annexed separately to this report.

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances.

A copy of the said code of conduct (in compliance with Regulations 46 (2) (d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) is available on the <http://www.scansteels.com/wp-content/uploads/2016/06/SCAN-STEELS-LIMITED-MODEL-CODE-OF-CONDUCT-OF-BOD-AND-SENIOR-MGT.pdf>

ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions

by Circulation, Affixing of Common Seal and Board's Report. the Company adheres to these standards as and where applicable.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees / Insiders of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees / Insiders while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head of Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives in terms of Regulation 9 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated in terms of Regulation 8 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Policies and Procedural for inquiry in case of leak of Unpublished Price Sensitive Information, or Suspected Leak of Unpublished Price Sensitive Information in terms of Regulation 9A the SEBI (Prohibition of Insider Trading) [Amendment] Regulations, 2018, and Vigil Mechanism / Whistle Blower Policy in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015 is available on our website at www.scansteels.com - Investor Relations Segment.

DETAILS OF GENERAL BODY MEETINGS

- a) The company held its last Three Annual General Meeting as under along with the details of special resolutions passed in AGM in the last 3 years is as follows:

FINANCIAL YEAR	DATE	TIME	VENUE	SPECIAL RESOLUTION PASSED
2016-2017	20.09.2017	10.00 A.M.	E-Square, Conference room (Off. no-11), Ground Floor, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057	No Special Resolution was Passed.
2017-2018	29.09.2018	10.00 A.M.	E-Square, Conference room (Off. no-11), Ground Floor, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057	No Special Resolution was Passed.

2018-2019	30.09.2019	10.0 A.M.	E-Square, Conference room (Off. no-11), Ground Floor, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057	<ul style="list-style-type: none"> • Re- Appointment of Shri. Vinay Goyal as an Independent Director • Re- Appointment of Smt. Debjani Sahu as an Independent Women Director. • Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate.
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b) Extraordinary General Meeting:

The company held No Extra Ordinary General Meeting during the Financial Year 2019-2020.

c) Postal ballot

During the year ended 31st March, 2020, no resolution was passed by the Company's shareholder requiring voting by Postal Ballot. Thereby, there is no Voting Pattern required to be disclosed by the Company for F.Y. 19-20 to comply with Schedule V (7) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. And accordingly, there are no details to be provided regarding Person who conducted Postal Ballot exercise or Procedure of Postal Ballot.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner.

a) Quarterly, Half yearly and Annual results

The quarterly, half yearly and annual results of the

Company as approved by the Board of Directors are submitted to the Stock Exchanges where the Company's shares are listed.

Further, the quarterly, half yearly and annual results of the Company are also published within 48 hours of the conclusion of the meeting of the Board in which they are considered in widely circulated national newspapers such as The Financial Express (English Newspaper) and in the local vernacular daily, Mumbai Mitra (Marathi Newspaper) the State of Maharashtra where the Registered Office of the Company is situated

These are also made available on the Company's website: www.scansteels.com

b) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

c) SEBI Complaints Redress System

SEBI administers a centralized web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website

www.scores.gov.in It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a compliant till its disposal are carried online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES.

d) Website

The primary source of information regarding the operations of the Company is the corporate website: www.scansteels.com It contains a separate dedicated section for Shareholders "Investor Relations" as per required under SEBI (LODR) Regulation, 2015, where the latest and updated information about financials/ activities of the Company are available.

The website of the Company also displays official news releases and presentations made to the

institutional investors and analysts from time to time, **if any**.

e) Annual report

The Company's annual report containing the Board's Report, Corporate Governance Report, Management Discussion and Analysis (MD&A), Audited Annual Financial Statements, Auditors' Report and other important information is circulated to members and other stakeholders. Annual Reports are also emailed to the shareholders who have registered their email IDs with the Company/ depositories. The annual report is also available on the Company's corporate website in a user friendly and downloadable form.

Note: The Company has not made any presentation to any institutional investors or to analysts during the year.

GENERAL SHAREHOLDERS INFORMATION

Day, Date and Time of AGM	Wednesday, the 30 th Day of September, 2020 at 10.00 A.M.
Venue of AGM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Book closure Date	Wednesday, the 23 rd Day of September, 2020 to Wednesday, the 30 th Day of September, 202 (both days inclusive)
Dividend Payment Date	Not Applicable
Date of declaration	
Rate of dividend	
Book Closure Date	
Date of payment of dividend	
Amount of dividend paid	
Company Registration Details	The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27209MH1994PLC076015
Listing on Stock Exchange	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
Stock / Scrip Code	511672

ISIN Numbers	INE099G01011
Financial Calendar	1st April, 2020 – 31st March, 2021
	First Quarter Results Up to 14 th August, 2020
	Second Quarter Results Up to 14 th November, 2020
	Third Quarter Results Up to 14 th February, 2021
	Fourth Quarter Results Up to 30 th May, 2021
E-Voting	Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by Central Depository Services India Limited.
Market Price Data : High, Low during each month in the Financial Year 2019-2020	Refer Table No. 1
Performance in comparison to board indices BSE Sensex	Refer Table No. 2
Suspension from Trading	No Security of the Company has been suspended from trading on Bombay Stock Exchanges.
Registrar & Transfer Agents.	Adroit Corporate Services Pvt. Limited 17-20, Jafferbhoy Industrial Estate, Makwana Lane, Marol Naka, Andheri (E), Mumbai-400 059. Tel: +91 22 42270400 / +91 22 42270423 +91 22 42270427 / +91 22 42270422 Fax: +91 22 28503748 Email: sandeeps@adroitcorporate.com rameshg@adroitcorporate.com prafuls@adroitcorporate.com Web Site: www.adroitcorporate.com

Share Transfer/ Transmission System

Request for Transfers/Transmission of shares held in physical form can be lodged with Adroit Corporate Services Pvt Limited at the above mentioned addresses. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects.

SEBI has vide its circular dated 7 January, 2010 made it mandatory to furnish a copy of PAN Card in the following cases for **transmission of shares** in physical form:

- a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- c) Transposition of shares in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to Mr. Prabir Kumar Das, Company Secretary of the company w.e.f. 20.10.2016. Such transactions are placed before next committee meeting and Board Meeting. The Company obtains from a Company Secretary in Practice, a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulation, 2015 erstwhile Clause 47(c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

Distribution of Shareholding

Refer Table No. 3

Shareholding Pattern

Refer Table No. 4

Dematerialization of Securities and Liquidity

The Company's Shares are available for trading in the Depository System both at the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat Status of the Company as on March 31, 2020 is as under:

Particulars	No. of Shareholders	No. of Shares	%
CDSL	1040	37557434	71.74
NSDL	1044	14521961	27.74
PHYSICAL	1120	272900	.52
TOTAL	3204	52352295	100.00

And on an average the dematerialization process is completed within a period of 15 days from receipt of a valid demat request along with all documents.

Outstanding GDR/ADR or warrants or any convertible instruments, conversion date and likely impact on equity.	During the F.Y 19-20, The Company had Not issued any warrants or GDR's/ ADR's or any convertible instruments.
(Disclosure pursuant to SEBI Circular dated November 15, 2018) Commodity Price risk / Foreign Exchange risk and hedging activities	The Company purchases Iron ore and other raw materials that are used in the manufacturing operations from domestic suppliers. The total procurement of materials are sourced from the domestic market and therefore do not have foreign exchange fluctuation risks. The Company has Risk Management framework to pro-actively mitigate the impact through measures like cost based price increases, cost reduction measures, portfolio rationalization, renegotiate procurement contracts etc. The Company also develops on an ongoing basis alternate supply sources for key products subject to economic justification. The company does not have any foreign currency exposure hence there are no risk associated with Currency Hedging.
Credit Rating obtained during the year F.Y. 19-20	During the year, the rating of the company has been upgraded to IVR BB / Stable Outlook (IVR Double B with Stable Outlook) for Long Term Debt and Fund Based Facilities and IVR A4 (IVR A Four) for Short Term Non Fund based Facilities.
Plant Locations	Unit -1 is situated at Rambahal, At- Keshramal, Rajgangpur, Sundergarh (Odisha) Unit -2 is situated at Gangajal, Budhakata, Sundergarh, Odisha Unit-3 is situated at Bai-bai, Tudalaga, Rajgangpur, Sundergarh, Odisha Unit-4 is situated at Vill -Veniveerapura, Bellary, Karnataka
Address for Correspondence	104-105, E Square, 1 st Floor, Subhash Road, Nr. Garware House, Opp. Havmor Ice Cream , Vile Parle (E) , Mumbai - 400057, Maharashtra Ph: 022-26185461 Email - secretarial@scansteels.com Website - www.scansteels.com
Payment of Listing Fees	Annual listing fee for the year 2020-21 has been paid by the Company to BSE.
Payment of Depository Fees	Annual Custody/Issuer fee for the year 2020-21 has been paid by the Company to NSDL and CDSL on receipt of the invoices.

TABLE - 1: STOCK MARKET PRICE DATA

High and Low of market price of the Company's Shares traded on Bombay Stock Exchange Limited, During the Financial Year - 2019 - 2020:-

	Highest (₹)	Lowest (₹)	No. of shares Traded	BSE High	BSE Low
April, 2019	43.10	34.20	44,683	39,487.45	38,460.25
May, 2019	40.55	32.05	32,712	40,124.96	36,956.10
June, 2019	36.90	28.10	23,487	40,312.07	38,870.96
July, 2019	35.50	22.00	17,254	40,032.41	37,128.26
August, 2019	25.90	17.60	33,624	37,807.55	36,102.35
September, 2019	25.00	19.25	29,836	39,441.12	35,987.80
October, 2019	24.00	16.10	59,130	40,392.22	37,415.83
November, 2019	33.05	17.05	74,347	41,163.79	40,014.23
December, 2019	28.40	17.15	17,84,825	41,809.96	40,135.37
January, 2020	20.00	16.40	33,998	42,273.87	40,476.55
February, 2020	18.35	15.15	13,574	41,709.30	38,219.97
March, 2020	18.35	14.15	20,232	39,083.17	25,638.90

TABLE - 2: PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX FOR THE PERIOD 1ST APRIL, 2019 TO 31ST MARCH, 2020 IS GIVEN BELOW:

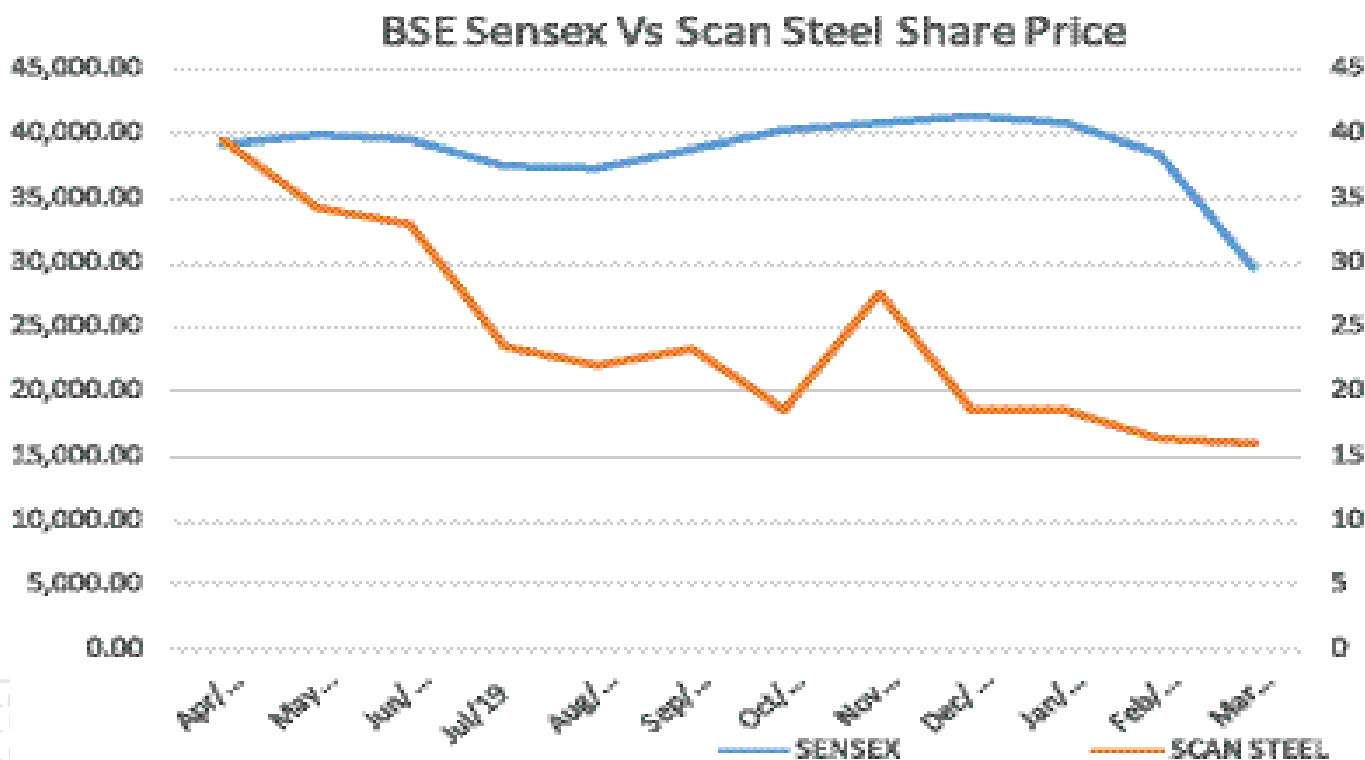


TABLE – 3: DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020

Range (No. of shares held)	Share Holders		Shares Held	
	Numbers	% of Total	Numbers	% of Total
UPTO – 100	2146	66.98	152343	0.29
101-500	678	21.16	190275	0.36
501-1000	136	4.24	113507	0.22
1001-2000	87	2.72	133036	0.25
2001-3000	27	0.84	67295	0.13
3001-4000	20	0.62	68617	0.13
4001-5000	9	0.28	42349	0.08
5001-10000	23	0.72	173830	0.33
10001-20000	14	0.44	204097	0.39
20001-50000	11	0.34	320238	0.61
50001-ABOVE	53	1.65	50886708	97.20
Total	3204	100.00	52352295	100.00

TABLE – 4: SHAREHOLDING PATTERN AS ON 31ST MARCH, 2020

CATEGORY	No. of Shares Held	% of Shareholding
Promoters	25183240	48.10
Corporate Bodies	21976176	41.98
Indian Public	4885840	9.33
Financial Institutions/Banks	299069	0.57
NRI	6757	0.01
Clearing Members	1213	0.00
Total	52352295	100

Shareholding pattern of the Company in detail is presented in MGT – 9 enclosed to the Board’s report as Annexure ‘F’

REQUEST TO INVESTORS

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form SH-13. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.

- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Adroit Corporate Services Pvt. Limited for assistance in this regard.

DISCLOSURES

I) DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE:-

The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. All transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (LODR Regulations) during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company

at large. However, the related party relationships and transactions as required under Ind AS -24 on Related Party Disclosures prescribed under the Companies Act, 2013 are disclosed in Note -28 of notes to the Accounts for the year ended 31st March, 2020 may be referred.

All related party transactions are negotiated on an arms-length basis, and are intended to further the Company's interests.

The Company has also formulated a policy on dealing with the Related Party Transactions which can be accessed on our website at www.scansteels.com - Investor Relations Segment or at <https://www.scansteels.com/wp-content/uploads/2019/07/POLICY-ON-RELATED-PARTY-TRANSACTION1.pdf> And necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

Details of Related Party Transactions in form AOC 2 attached to Board Report may also be referred to.

II) STATUTORY COMPLIANCES, PENALTIES & STRICTURES

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

Though, Company has received SEBI ADJUDICATION ORDER NO. - Order /KS/AA/2019-20/6513 dated 23.01.2020 imposing a penalty of Rs. 18.80 lakh on scan steels limited under the provisions of section 15HA of the SEBI Act for indulging in fraudulent trading in the stock options segment of the BSE, between April 2014 and September 2015 that created large scale reversal of trades in stock options segment of the BSE and led to creation of artificial trading volumes in the stock options contracts that violated the provisions of PFUTP (Prohibition of Fraudulent and Unfair Trade Practices) norms. The Company is aggrieved with the said order, and has filed appeal

under Securities Appellate Tribunal against the aforementioned order.

No other penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities.

III) WHISTLE BLOWER POLICY

The Whistle Blower Policy/Vigil Mechanism has been formulated by the Company with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements and incidents of leak or suspected leak of unpublished price sensitive information.. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy/Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy/Vigil Mechanism adopted by the Company in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, and amended in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015, which is a mandatory requirement, has been posted on the Company's website <https://www.scansteels.com/wp-content/uploads/2019/05/SCAN-STEELS-LIMITED-WB-OR-VM-POLICY.pdf>

IV) SUBSIDIARY COMPANIES

As Your Company has No Subsidiaries, there are no details to be provided for the same.

V) POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURES.

In accordance with Regulation 30 of SEBI Regulations, 2015, the Company has framed a Policy on Determination of Materiality for Disclosures to disclose events or information which, in the opinion of the Board of Directors of the Company, are material. The Policies have been uploaded on the Company's website at www.scansteels.com - Investor Relations Segment.

VI) POLICY ON PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY

In accordance with Regulation 9 of SEBI Regulations, 2015, the Company has framed a Policy on preservation of documents approved by the Board of Directors of the Company. The Policy is intended to define preservation of documents and to provide guidance to the executives and employees working in the Company to make decisions that may have an impact on the operations of the Company. It not only covers the various aspects on preservation of the Documents, but also the safe disposal/ destruction of the Documents.

Further the Company has an Archival Policy in line with the requirements of SEBI Regulations to ensure that information relating to the Company is adequately disclosed on its web-site as required by law.

The Policies have been uploaded on the Company's website at <http://www.scansteels.com/wp-content/uploads/2016/06/POLICY-ON-DOCUMENT-RETENTION-AND-ARCHIVAL.pdf>

VII) RECONCILIATION OF SHARE CAPITAL AUDIT

The Reconciliation of Share Capital Audit is conducted by a Company Secretary in practice to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited

(“Depositories”) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with Depositories) and that the requests for dematerialisation of shares are processed by the R&T agents within stipulated period of 15 days and uploaded with the concerned depositories.

In terms of Regulation 40 (9) of the Listing Regulations, certificates, on half-yearly basis, have been issued by the Company Secretary in-practice with respect to due compliance of share transfer formalities by the Company.

The Company Secretary-in-practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) (collectively “Depositories”) and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories), respectively.

VIII) SECRETARIAL AUDIT

The Company's Board of Directors appointed M/s. Amarendra Mohapatra & Associates, Practising Company Secretaries, to conduct secretarial audit of its records and documents. The secretarial audit reports confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Depositories Act, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company.

Further, The Company has also taken Annual Secretarial Compliance Report from M/s. Amarendra Mohapatra & Associates, Practicing Company Secretary for the Year ended on 31st March, 2020 Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019.

- IX)** A certificate has been received from M/s. Amarendra Mohapatra & Associates, Practising Company Secretaries, Pursuant to the provisions of Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority and the same has been annexed with this Annual Report.
- X)** M/s. SRB & Associates, Chartered Accountants (Firm's Registration No. 310009E) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, is given below:

INR ₹Lakhs'

Particulars	Amount
Statutory Audit Fees	16.50
Tax Audit Fees	3.50
Total	20.00

XI) MANAGEMENT DISCUSSION & ANALYSIS REPORT (MD&A REPORT)

The MD&A Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc., are discussed in the said Report.

XII) INTIMATION TO STOCK EXCHANGES

All price sensitive information and matters which are material and relevant to shareholders are intimated to the Stock Exchange (ie. BSE Limited) where the securities of the Company are listed.

XIII) FILING WITH BSE “LISTING CENTRE”

Pursuant to Regulation 10 (1) of the SEBI (LODR) Regulations, BSE has mandated the Listing Centre as the “Electronic Platform” for filing all

mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. BSE also mandated XBRL submissions for Financial Results, Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report & Voting Results etc. All the data relating to financial results, various quarterly/half yearly / annual submissions/disclosure documents etc., have been filed Electronically/XBRL mode with the Exchange on the “Listing Centre” (<http://listing.bseindia.com>)

XIV) LISTING ON STOCK EXCHANGES

The Company's Ordinary shares are listed on BSE Limited in India:

Stock Exchange	ISIN	Stock Code	Address	Website
BSE Limited	INE099G01011	511672	Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort, Mumbai-400 001. India. Tel: 91 22 2272 1233 Fax: 91 22 2272 1919	www.bseindia.com

XV) REGISTRARS AND TRANSFER AGENTS

For communications regarding share transfer and dematerialization requests and all matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgment., Members are requested to correspond with the Company's Registrars and Transfer Agents – Adroit Corporate Services Pvt. Limited quoting their folio no./DP ID & Client ID at the following addresses:-

Adroit Corporate Services Pvt Limited

17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Lane, Marol Naka, Andheri (E), Mumbai-400 059. Tel: +91 22 42270400 / +91 22 42270423 / +91 22 42270427 / +91 22 42270422. Fax: +91 22 2850 3748 Email: sandeeps@adroitcorporate.com / rameshg@adroitcorporate.com / prafuls@adroitcorporate.com, Web Site: www.adroitcorporate.com

XVI) NOMINATION FACILITY

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014, nomination facility is available to the shareholders. This facility is mainly useful for shareholders holding the shares in single name. In cases where

the shares are held in joint names, the nomination will be effective only in the event of death of all the joint holders.

Investors are advised to avail of this facility, especially those holding securities in single name, to avoid the expensive and long drawn process of transmission by law.

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under section 72 of the Companies Act, 2013, may submit to RTA (Adroit Corporate Services Pvt. Limited), the prescribed Forms SH-13. The nomination form can be downloaded from the company's website – www.scansteels.com under Investor relations segment. However, if the shares are held in dematerialised form, the nomination has to be intimated to your depository participants directly, as per the format prescribed by them.

XVII) SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank or PAN details, nomination and power of attorney should be given directly to the DP.

VIII) SHARES HELD IN PHYSICAL FORM

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank or PAN details, nomination and power of attorney should be given to the Company's RTA viz. Adroit Corporate Services Pvt. Limited.

XIX) ADDRESS FOR CORRESPONDENCE

Name, designation & address of Compliance Officer:

Mr. Prabir Kumar Das,
Company Secretary and Compliance Officer,
 104/105, E-Square, 1st Floor, Subhash Road,
 Vile - Parle - (E), Mumbai - 400057
 Phone - 022-26185461/62 Fax - 022-26185463

In terms of Regulation 46(2)(j) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated email address for investor complaint is secretarial@scansteels.com. The email address of grievance redressal division is continuously monitored by the company's compliance officer.

XX) OTHER INFORMATION TO THE SHAREHOLDERS GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, Quarterly, Half-yearly results etc., to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/ Company/Registrars & Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Adroit Corporate Services Pvt Limited (RTA), by sending a letter, duly signed

by the first/sole holder quoting details of Name of the First Registered Member, DP ID / Client ID / Folio No, E-mail ID, PAN No, Mobile No. OR send an email with the requisite details at info@adroitcorporate.com and to the Company at secretarial@scansteels.com

* Request letter / consent for receiving documents in electronic mode is also attached with this annual report for the reference of the members of the Company.

XXI) DEPOSITORY SERVICES

Shareholders may write to the respective Depository or to **Adroit Corporate Services Pvt. Limited** for guidance on depository services.

Address for correspondence with Depositories are as follows :

- National Securities Depository Limited** - Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Road, Lower Parel, Mumbai-400 013. Telephone: (022) 2499 4200, Facsimile: (022) 2497 6351, E-mail: info@nsdl.co.in, Website: www.nsdl.co.in
- Central Depository Services (India) Limited** - Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel (East), Mumbai - 400013. Phone: 91 - 22-2302-3333 , Fax: 91 - 22 - 2300 2035/2036., E-mail: helpdesk@cdslindia.com , Website: www.cdslindia.com

XXII) REMOTE E-VOTING AND VOTING ON THE DATE OF THE AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility as well as the e-voting system on the date of the AGM. **The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.** Members, whose names appear on the register of members as on 23rd September, 2020 shall be eligible to participate in the e-voting.

XXIII) DESIGNATED DEPOSITORY

SEBI, vide circular dated December 01, 2015, had introduced system-driven disclosures in securities market detailing the procedure to be adopted for its implementation with effect from January 01, 2016. The procedure was further streamlined vide SEBI circular dated December 21, 2016. As specified in SEBI circular dated December 01, 2015, the system is being implemented in phases and in the **first phase**, the disclosures of promoter/promoter group under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015 have been implemented, company had given required details about the same to concern authorities.

As per SEBI circular dated May 28, 2018 for implementation of the **next phase** of systems driven disclosure, Company had already provided to both depositories the information about its directors and employees in the manner prescribed by the depositories.

Company has appointed Central Depository Services (India) Limited ("**CDSL**") as its **Designated Depository** in order to comply with the SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 regarding Monitoring of Foreign Investment limits in listed Indian companies.

XXIV) All Mandatory requirements have been appropriately complied with.

XXV) NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE

There are no instances of non-compliance of Corporate Governance Report as mentioned in sub-paras (2) to (10) of para (C) of schedule V.

XXVI) The disclosures on corporate governance as required under Regulation 17 to 27 read with Schedule V (Except Reg. 24 as Company Does not have any Subsidiary Company) and clauses of sub-regulation (2) of 46 (Except Clause h, n,

o- those are not Applicable to Company) have been adhered and complied with.

XXVII) ADOPTION OF DISCRETIONARY REQUIREMENTS:

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the SEBI (LODR Regulations) is provided below:

- i. **The Board & Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO (WTD) are separate. Mr. Rajesh Gadodia, Non-Executive Chairman of the Company maintains office at the Company's expenses and is also allowed reimbursement of expenses incurred in performance of his duties.
- ii. **Shareholders' Rights:** As the quarterly, half yearly and annual financial performance including summary of significant events are published in the newspapers, communicated to the stock exchanges and also posted on the Company's website under - the Investor Relation Corner. The complete Annual Report is sent to every Shareholders of the Company. However the half yearly declaration of financial performance including summary of the significant events in the last six months, are not being sent separately to each household of Shareholders.
- iii. **Modified Opinion in Auditors Report:** It has always been the Company's endeavour to present financial statements with unmodified audit opinion. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the year ended 31st March, 2020.
- iv. **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
The Company has submitted quarterly compliance report on Corporate Governance with the Stock

Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

XXV) COMPLIANCE WITH ACCOUNTING STANDARDS

The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods

beginning on or after 1st April, 2019, with the comparatives for the periods ending 31st March, 2020, as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Regulation 26(3) and In terms of Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company I, Ankur Madaan, Whole - Time Director of Scan Steels Limited hereby declare that all the Board Members and the members of Senior Management of the company have complied with the Code of Conduct of the Company during the financial year 2019-20.

Place: Bhubaneswar
Date: 27th August, 2020

For Scan Steels Limited
Ankur Madaan
Whole- Time Director
(DIN: 07002199)



Certificate pursuant to the provisions of Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
**The Members of
SCAN STEELS LTD.**

104-105, "E- Square", 1st Floor, Subhash Road,
Opp. Havmor Ice Cream, Vile Parle (E), Mumbai – 400057

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Scan Steels Limited having CIN - **L27209MH1994PLC076015** and having registered office at 104-105, "E- Square", 1st Floor, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai – 400057 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Rajesh Gadodia	00574465	14.03.2014
2	Ankur Madaan	07002199	24.10.2014
3	Praveen Kumar Patro	02469361	30.05.2018
4	Punit Kedia	07501851	24.05.2016
5	Vinay Goyal	07002206	24.10.2014
6	Debjani Sahu	02674022	26.03.2015

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

For M/s. AMARENDRA MOHAPATRA & ASSOCIATES
Company Secretaries

**Sd/-
(Amarendra Mohapatra)**
M. No.: A26257
C.P. No. : 14901

Place: Bhubaneswar
Date: 27th August, 2020

COMPLIANCE CERTIFICATE

To
The Members of
Scan Steels Limited

Sub: CEO/ CFO certification to the Board Pursuant to Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Ankur Madaan, Whole -Time Director (CEO) and Gobinda Chandra Nayak, CFO, of Scan Steels Limited, hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2020 and to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) i) There has not been any significant change in internal control over financial reporting during the year under reference;
ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bhubaneswar
Date: 27th August, 2020

Ankur Madaan
Whole- Time Director

Gobinda Chandra Nayak
Chief Financial Officer

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 2013 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure

this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our auditors have conducted audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s. SRB & Associates Chartered Accountants, Bhubneswar, the Statutory Auditors of the Company.

Place: Bhubaneswar
Date: 27th August, 2020

For and on Behalf of the Board

Ankur Madaan
Whole- Time Director
(DIN: 07002199)



FINANCIAL STATEMENTS

2019-20

Independent Auditors' Report

To the Members of Scan Steels Limited Report on the Financial Statements Opinion

We have audited the accompanying standalone financial statements of **Scan Steels Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Sl.No.	Key audit Matter	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contract with Customers" (New Revenue Accounting Standard).	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p>

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Notes 1.5 and 17 to the Financial Statements.

- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
- Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
- Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analysed and identified the distinct performance obligations in these contracts.
 - Compared these performance obligations with that identified and recorded by the Company.
 - Considered the terms of the contracts to determine the transaction parties including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
 - Sample in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
 - In respect of samples relating to fixed price contract progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.
 - Sample of revenues disaggregated by type and service offering was tested with the performance obligations specified in the underlying contracts.
 - Performance analytical procedures for reasonableness of revenues disclosed by type and service offerings.
 - We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
 - The standard is applied retrospectively and the cumulative effect of applying this standard is recognised. The adoption of Ind AS 115 did not have any significant impact for the company.

<p>3. Evaluation of uncertain tax positions</p> <p>The company has material uncertain tax positions including matters under dispute which involves significant judgement to determining the possible outcome of these disputes.</p> <p>Refer Note 25 to the Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.</p>
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis of Board's Report including Annexures to board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with

the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 statement 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.

Auditor's 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 SA's 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.

Other Matter

Without qualifying our opinion, we draw attention to:

- i. **Note-38** to the financial statements which describes on steps taken by the company for transition to Ind AS Compliances.
- ii. **Note-39** to the financial statements which describes the impact of expected credit loss on trade receivables.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we 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 [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer **Note 25** to the financial statements; [or the Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SRB & Associates
Chartered Accountants
F.Regd. No-31009E

K. P. Swain
Partner
M. No: 306323

30th June, 2020
Bhubaneswar

Annexure-A to the Independent Auditors' Report (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of **Scan Steels Limited** (the Company) on the Ind AS financial statements for the year ended March 31, 2020, we report that:

- | | |
|---|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.</p> <p>(c) The deed of immovable properties are held in the name of the Company in almost all cases excepting for</p> <ul style="list-style-type: none"> ✓ Freehold land of 7.68 Acres situated in Village Raiberna and Laing, Sundergarh, Odisha which is in the name of M/s. Shristi Ispat Limited, the company which was merged in to this company during 2005. ✓ Land of 24.820 Acres occupied, by the company situated in Village-Kudithini, Bellary, Karnataka, on long term lease basis. ✓ Land of 7.95 Acres occupied, by the company situated in Village-Raiberna and Laing, Sundergarh, Odisha, which is in the name of one of the relative of Key Managerial Personnel, on long term lease basis. ✓ Land area of Acres 5.000 occupied, by the company situated in Village-Laing, | <p>Sundergarh, Odisha, on long term lease basis.</p> <p>(ii) a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.</p> <p>b. The discrepancies noticed on the aforesaid verification between the physical stocks and book records were not material.</p> <p>(iii) According to the information and explanations given to us, no loan has been granted by the Company (secured/ unsecured loans) to companies/ firms/ limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly reporting on interest and its repayment are not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.</p> <p>(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and hence Chapter-VI (section 73 to 76) of the Act not applicable.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.</p> |
|---|--|

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, duty of customs, duty of excise, goods and services tax, cess and other

material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, the following dues of Customs Duty, Income Tax, VAT, Goods and Services Tax and Entry Tax have not been deposited by the Company on account of disputes:

STATEMENT OF DISPUTED DUES

SI No.	Name of the Statute	Period	Nature of Dues	Amount (₹ 'Lakhs')	Forum where dispute is pending
1	Orissa Sales Tax Act	2001-2002	OST	0.63	Sales Tax Tribunal, Cuttack
2	Entry Tax Act	2001-2002	ENTRY TAX	0.09	Sales Tax Tribunal, Cuttack
3	Orissa Sales Tax Act	2002-2003	OST	11.00	Assistant Commissioner of Commercial Tax, RKL
4	Orissa Sales Tax Act	2004-2005	OST	3.66	OST Tribunal, Cuttack
5	Entry Tax Act	2004-2005	ENTRY TAX	3.45	OST Tribunal, Cuttack
6	Entry Tax Act	2005-2006	ENTRY TAX	16.79	High Court of Odisha, Cuttack
7	Central Sales Tax Act	2005-2006	CST	2.11	High Court of Odisha, Cuttack
8	OVAT, Act	2006-2007	OVAT	14.38	Odisha Sales Tax Tribunal, Cuttack
9	Central Sales Tax Act	2006-2007	CST	153.29	High Court of Odisha, Cuttack
10	Entry Tax Act	2006-2007	ENTRY TAX	30.73	High Court of Odisha, Cuttack
11	OVAT, Act	2007-08 & 2008-09	OVAT	1.10	Additional CST Northern Zone
12	Entry Tax Act	2007-08 & 2008-09	ENTRY TAX	0.67	Additional CST Northern Zone
13	Central Sales Tax Act	2007-08 & 2008-09	CST	0.93	Additional CST Northern Zone

14	Central Sales Tax Act	01.08.2008 to 28.02.2011	CST	3.18	Additional CST Northern Zone
15	OVAT, Act	01.04.2009 to 31.03.2011	OVAT	1.98	Additional CST Northern Zone
16	Entry Tax Act	01.04.2009 to 31.03.2011	ENTRY TAX	4.55	Additional CST Northern Zone
17	OVAT, Act	01.08.2008 to 28.02.2011	OVAT	1499.34	OST Tribunal, Cuttack / Stay Revision Commissioner
18	Entry Tax Act	01.08.2008 to 28.02.2011	ENTRY TAX	315.77	OST Tribunal, Cuttack / Stay Revision Commissioner
19	Entry Tax Act	01.04.2012 to 31.03.2014	ENTRY TAX	21.05	Commissioner Cuttack, Revision
20	Central Sales Tax Act	01.04.2012 to 31.03.2014	CST	5.38	Commissioner Cuttack, Revision
21	Central Sales Tax Act	01.04.2014 to 30.09.2015	CST	1.54	DCCT, Rourkela
22	Central Sales Tax Act	01.04.2016 to 31.03.2017	CST	0.25	DCCT, Rourkela
23	Custom Act 1962	2012 & 2013	Custom Duty	111.58	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
24	Income Tax act	AY 2012-13	Income Tax	184.75	The Commissioner of Income Tax (appeals) Sambalpur
25	OVAT, Act	01.04.2015 to 31.03.2016	OVAT	2.20	Assistant Commissionaire of Taxes, Rourkela

26	OVAT, Act	01.04.2016 to 31.06.2017	OVAT	1.03	Assistant Commissionaire of Taxes, Rourkela
27	SEBI, Act	01.04.2014 & 30.09.2015	SEBI	18.80	Securities Appellate Tribunal Mumbai
Total				2,410.23	

- (viii) The company has not defaulted in repayment of any loans or borrowings from financial institution, bank, Government or due to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies 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 section 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS financial statements of the Company as required by the applicable accounting standards.
- (xiv) Based upon audit procedures performed and the information and explanations given by the management the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence the clause (xiv) of the paragraph 3 of the Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

30th June, 2020
Bhubaneswar

For SRB & Associates
Chartered Accountants
F.Regd. No-310009E

K. P. Swain
Partner
M. No: 306323

Annexure -B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Scan Steels Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the

Standards on Auditing, (the 'Standards') issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind-AS 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 Ind AS 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 (iii) 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 Ind AS 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

30th June, 2020
Bhubaneswar

For SRB & Associates
Chartered Accountants
F.Regd. No-310009E

K. P. Swain
Partner
M. No: 306323

Balance Sheet as at 31st March, 2020

	Notes	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
I. ASSETS			
1. Non-Current Assets			
(a) Plant, Property and Equipments	2	27,239.49	28,377.15
(b) Capital work-in-progress	2	181.21	72.37
(c) Intangible Assets	2	0.29	0.29
(d) Financial Assets			
(i) Investments	3	80.49	81.63
(ii) Loans		-	-
(iii) Other Financial Assets	4	1,518.66	1,240.08
(e) Other non-current Assets	5(i)	1,163.79	900.64
(f) Deferred Tax Assets (Net)		-	733.59
2. Current Assets			
a. Inventories	7	12,589.07	10,288.47
b. Financial Assets			
(i) Current investments		-	-
(ii) Trade Receivables	8	3,025.11	3,306.50
(iii) Cash & Bank balances	9	179.47	251.99
(iv) Other Financial Assets		-	-
c. Other Assets	5(ii)	1,779.04	1,746.54
TOTAL		47,756.62	46,999.26
II. EQUITY AND LIABILITIES			
1. Equity			
a. Equity Share Capital	10	5,235.23	5,235.23
b. Other Equity	11	21,666.07	21,621.44
2. Non-Current Liabilities			
a. Financial Liabilities			
(i) Borrowings	12(i)	7,198.20	8,119.70
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
b. Provisions		-	-
c. Deferred Tax Liabilities (Net)	6	556.67	-
d. Other Non-Current Liabilities		-	-
3. Current Liabilities			
a. Financial Liabilities			
(i) Borrowings	12(ii)	6,181.06	6,380.23
(ii) Trade Payables	13	2,871.42	1,414.54
(iii) Other Financial Liabilities	14	3,033.45	2,939.60
b. Provisions		-	-
c. Other Current Liabilities	15	1,014.52	1,288.52
TOTAL		47,756.62	46,999.26

Notes forming part of financial statements

1 to 45

*For and on behalf of the Board
Scan Steels Limited*

As per our report of even date attached.

For SRB & Associates
Chartered Accountants
F. Regd. No. 310009E

K. P. Swain
Partner
M.No.306323
June 30,2020, Bhubaneswar

Ankur Madaan
Director
DIN: - 07002199

Vinay Goyal
Director
DIN: - 07002206

Prabir Kumar Das
Company Secretary

Gobinda Ch. Nayak
Chief Financial Officer

Statement of Changes in Equity

for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	Nos. of Shares	Amount INR' Lakhs'
As at 1st April 2019	523.52	5,235.20
Changes in equity share capital	-	-
As at 31st March 2020	523.52	5,235.20

B. Other Equity

Particulars	Attributable to owners of Scan Steels Limited							Amount INR' Lakhs'
	Reserves and surplus			Other reserves			Total Other Equity	
	Equity component of compound financial instruments	General Reserves	Securities Premium	Retained Earnings	Capital Reserves	FVOCI-equity investments		
Balance at 1st April 2019	-	1,344.12	19,864.84	(107.46)	554.73	(34.78)	(0.00)	21,621.44
Profit for the year	-	-	-	31.90	-	-	-	31.90
Other comprehensive income	-	-	-	-	-	12.73	-	12.73
Total comprehensive income for the year	-	1,344.12	19,864.84	(75.56)	554.73	(22.06)	(0.00)	21,666.07
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Balance at 31st March 2020	-	1,344.12	19,864.84	(75.56)	554.73	(22.06)	(0.00)	21,666.07

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E

K. P. Swain, Partner
M.No.306323
June 30, 2020, Bhubaneswar

For and on behalf of the Board
Scan Steels Limited

Ankur Madaan
Director
DIN: - 07002199

Vinay Goyal
Director
DIN: - 07002206

Prabir Kumar Das
Company Secretary

Gobinda Ch. Nayak
Chief Financial Officer

Statement of Profit and Loss

for the period ended 31st March, 2020

	Notes	For the period ended 31st March, 2020 INR 'Lakhs'	For the period ended 31st March, 2019 INR 'Lakhs'
Income			
I.Revenue from Operations	16	66,582.17	69,528.11
II.Other Incomes	17	271.51	92.60
III.Total Income		66,853.68	69,620.71
IV.Expenses			
(a)Cost of Raw Materials Consumed	18	42,688.80	49,554.41
(b)Purchases of Stock in Trade		4,757.16	3,439.54
(c)Change in Inventory (Increase) /Decrease	19	(468.49)	(1,677.35)
(d)Employee Benefit Expenses	20	2,585.97	2,043.42
(e)Finance Cost	21	1,493.33	1,427.33
(f)Depreciation and Amortization Expenses	2	1,260.47	1,251.85
(g)Other Expenses	22	13,213.94	11,872.18
Total Expenses		65,531.18	67,911.38
V.Profit Before exceptional and extra ordinary items and tax		1,322.50	1,709.33
Exceptional items		-	-
VI.Profit before extraordinary items and tax		1,322.50	1,709.33
VII.Extraordinary items		-	-
VIII.Profit before Taxes		1,322.50	1,709.33
IX.Provision for Taxes			
(a)Current Tax		-	396.00
(b)Deferred Tax		1,290.27	647.35
(c) Income tax for earlier years		0.34	1.43
Total Tax Expenses		1,290.61	1,044.78
X.Profit (Loss) for the Year		31.90	664.55
XI.Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss :			
(a) Changes in investments in equity shares carried at FVTOCI		12.73	(22.17)
(b) Income tax effect		-	-
(ii) Items that will be reclassified subsequently to profit or loss :			
(a) Re-measurement of defined employee benefit plans		-	-
(b) Fair Valuation of Commodity /Derivative instruments		-	(77.55)
(c) Income tax effect		-	-
XII.Total Other comprehensive Income after tax		12.73	(99.72)
XIII.Total comprehensive income for the period		44.63	564.83
XIV.Earnings per equity share:			
(1) Basic		0.06	1.27
(2) Diluted		0.06	1.27

Notes forming part of financial statements

1 to 45

As per our report of even date attached.
For SRB & Associates

Chartered Accountants

F. Regd. No. 310009E

K. P. Swain

Partner

M.No.306323

June 30,2020, Bhubaneswar

For and on behalf of the Board
Scan Steels Limited

Ankur Madaan

Director

DIN: - 07002199

Prabir Kumar Das
Company Secretary

Vinay Goyal

Director

DIN: - 07002206

Gobinda Ch. Nayak
Chief Financial Officer

Statement of Cash Flow

for the year ended 31st March, 2020

(Rupees in INR' Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Operating Activities		
Profit before tax from continuing operations	1,322.50	1,709.33
Profit/(loss) before tax from discontinuing operations	-	-
Profit before tax	1,322.50	1,709.33
Adjustments for		
Depreciation and Amortisation	1,260.47	1,251.85
Loss/(Gain) on Sale of Property, plant and equipment and Shares	(2.24)	(1.42)
Interest Income	(88.39)	(82.24)
Interest Paid	1,493.33	1,427.33
Prior Period Adj A/c	14.10	-
Dividend Income	-	(2.25)
Operating profit / (loss) before working capital changes	3,999.78	4,302.60
Working capital adjustments:		
Increase/(decrease) in short-term Borrowings	(199.17)	(2,908.09)
Increase/(decrease) in Trade payables	1,456.88	(1,771.97)
Increase/(Decrease) in other current financial liabilities	93.85	(233.46)
Increase/(decrease) in other current liabilities	(274.01)	(1,579.18)
Decrease/(increase) in trade receivables	281.40	2,654.34
Decrease/(increase) in inventories	(2,300.59)	21.62
Decrease/(increase) in other current assets	(9.84)	346.12
	3,048.30	832.00
Income taxes paid	(22.07)	(421.77)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	3,026.23	410.23
Investing Activities		
Purchase of property, plant and equipment	(230.55)	(413.06)
Proceeds from Sale of Property, Plant and equipment	-	6.74
Proceeds from Sale of Investment	-	18.11
Interest received (finance income)	88.39	82.24
Dividend received (finance income)	-	2.25
Movement in Other non-current financial assets	(278.59)	74.05
Movement in Other non-current assets	(263.15)	229.26
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(683.90)	(0.42)
Financing Activities		
Interest paid	(1,493.34)	(1,427.33)
Proceeds / (Repayment) of Borrowings	(921.50)	(1,316.44)
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES (C)	(2,414.84)	(2,743.78)
Net Foreign exchange difference	-	-
Net increase (decrease) in cash and cash equivalents (A+B+C)	(72.52)	(2,333.96)
Cash and cash equivalents at the beginning of the year	251.99	2,585.95
Cash and cash equivalents at year end	179.47	251.99

As per our report of even date attached.

For SRB & Associates
Chartered Accountants
F. Regd. No. 310009E

K. P. Swain
Partner
M.No.306323
June 30,2020, Bhubaneswar

For and on behalf of the Board
Scan Steels Limited

Ankur Madaan
Director
DIN: - 07002199

Vinay Goyal
Director
DIN: - 07002206

Prabir Kumar Das
Company Secretary

Gobinda Ch. Nayak
Chief Financial Officer

**NOTES TO
FINANCIAL STATEMENTS**

2019-20

Notes forming part of Financial Statements

Note -1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

M/s Scan Steels Limited is a public limited company domiciled in India. The company has its listings on the BSE Limited in India. The company is engaged in manufacturing of steel products and in generation of power for captive consumption.

1.2 Basis of Preparation

(i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

(ii) Historical Cost Convention :

The financial statements have been prepared and presented on accrual basis and under the historical cost convention, except for the following:

- a) certain financial assets and liabilities and contingent consideration that is measured at fair value;
- b) Assets held for sale – measured at fair value less cost to sell;
- c) Defined benefit plans – plan assets measured at fair value; and share-based payments.

1.3 Use of Estimates :

- (i) The preparation of the financial statements are in conformity with Indian Accounting

Standards (Ind AS) that requires management to make judgment estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and action uncertainty above these consumptions and estimates could not in the outcomes requiring a material adjustments to the carrying amounts of assets and liabilities in future periods.

- (ii) Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.
- (iii) Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact and that are believed to be reasonable under the circumstances.
- (iv) All the assets and liabilities have been classified as current and non-current as per the company,s normal operating cycle of twelve months and other criteria set our in Schedule-III of the Companies Act,2013.

1.4 Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

i. Property,Plant and Equipment

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- b) The whole of the finance charges paid on assets acquired under Hire Purchase Scheme are considered as “Unmatured finance charges” under the head “Other Current Assets” in the Balance sheet. Subsequently, at the end of the year the portion of finance charges is transferred to profit & loss account on the basis of the number of instalments due during the year.
- Notes forming part of Financial Statements

ii Depreciation methods, Estimated useful lives and Residual value

- a) Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.
- b) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets.
- c) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- d) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/[losses].

iii. Intangible Assets :

- a) Intangible assets are recorded at the consideration paid for acquisition of such assets and claimed at cost less accumulated amortization and impairment.
- b) Amortisation methods and periods
The entity amortises intangible assets with a definite useful life using the straight-line method.

iv. Capital Work-in-Progress

Capital Work-In-Progress comprises of the cost of Fixed Assets that are not yet ready for their intended use at the reporting date.

1.5 Revenue Recognition :

- i. Revenue is measured at fair value of consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates, Goods and services tax and amounts collected on behalf of third parties.
- ii. It recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.
- iii. The company adopts the following criteria for recognizing the revenue:-
- a) Sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.
- b) Sale of stock in trade is recognized when the goods are dispatched to the customers.

1.6 Inventories :

Raw materials, Stores and Spares, Semi-finished Goods, Traded and Finished Goods

- a) Raw materials, components and stores & spares are valued at cost following FIFO method. Cost includes purchase price, freight, handling charges and other directly attributable costs to bring the material to its present location and are net of duties and taxes wherever applicable.
- b) Semi-finished goods, finished goods and traded goods are valued at lower of cost or Net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on average cost of production.

- c) Cost of finished goods inside the plant is exclusive of GST
 - d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.
- Notes forming part of Financial Statements

1.7 Financial Instruments

Initial Recognition

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of profit and loss.

Subsequent Recognition

i. Financial Assets

- a) Measured at amortised cost:
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.
- b) Measured at fair value through other comprehensive income:
Financial assets are measured at fair value through other comprehensive income if

these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

- c) Measured at fair value through profit or loss:
Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition.
- d) Equity instruments:
An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net off direct issue cost.

All equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

ii. Financial Liabilities

- a) Financial liabilities are measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.
- b) Interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate method. Gain and losses recognised in profit and loss when the liabilities are derecognised.

iii. De-Recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer

qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The entity transfers the difference between the carrying amount of Financial Liability (Bank Loan) and the consideration paid in full settlement to wave off the loan to profit and loss account.

Notes forming part of Financial Statements

1.8 Borrowings :

- i. Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
- ii. Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The cost on these preference shares are recognised in profit or loss as finance costs.
- iii. Borrowings are withdrawn from the balance sheet when obligations specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party

and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses).

- iv. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current and if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.9 Employee Benefits :

(i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Statement of Profit and loss.

(ii) Post-employment obligations

“The entity operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Superannuation; and
- (b) defined contribution plans such as provident fund.”

Provident fund obligations

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Statement of Profit and loss on accrual basis.

Gratuity and Superannuation obligations

The company has not made any provision with regard to gratuity and superannuation benefits on actuarial basis in compliance to the provisions laid in accounting standard on accounting for retirement benefits. However the company has taken a group gratuity policy with life insurance corporation of india in respect of retirement benefits of its employees, the annual premium of which is charged to the Statement of Profit and Loss.

(iii) Bonus plans

The entity recognises a liability and an expense for bonus. It recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes forming part of Financial Statements

1.10 Foreign currency translation :**(i) Functional and presentation currency**

Each items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions i.e. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(iii) Adjustments for foreign exchange differences

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

1.11 Income Tax :

- i. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis

- of amounts expected to be paid to the tax authorities.
- iii. Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961.
 - iv. Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
 - v. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
 - vi. Deferred tax assets and liabilities are set off when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are set off where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
 - vii. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes forming part of Financial Statements

1.12 Trade and Other Payables :

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Purchases :

Purchase of materials is recognized on dispatch of such goods by the suppliers based on certainty of receipt of such goods at the factory. It is shown net of GST credit wherever applicable.

1.14 Cash and Cash Equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1.15 Borrowing Costs :

- a) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time

that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

1.16 Segment Reporting :

- (i) The Company is primarily engaged in the business of manufacturing of steel and power for captive consumption and Trading of Sponge Iron. The Company has identified two primary business segments namely Manufacturing and trading, which in context of Indian Accounting Standard 108 on "Operating Segments" constitute reportable segment. However, as the turnover of trading segment is less than 10% of the total revenue, no such reporting is required.
- (ii) The company's products are dispatched from plants located at Rajgangpur (Odisha), and Bellary (Karnataka) to various parts of the country and considering the customer base which is wide spread all over the country, no such geographical differentiation can be done for presenting the information.

1.17 Provisions & Contingent Liabilities:

- a. A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.
- b. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined

by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

- c. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

1.18 Fair value of Investments

Investment in quoted equity instruments are measured at fair value through other comprehensive income on the basis active bid market prices and accordingly the changes in fair value has been recognised in the retained earnings as at the date of transition and subsequently in the Other Comprehensive income.

1.19 Contributed Equity :

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

1.20 Rounding of Amounts :

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

Notes forming part of Financial Statements

Note-2: Property, Plant and Equipment

Particulars	Freehold Land INR 'Lakhs'	Freehold Buildings INR 'Lakhs'	Furniture, Fittings and Equipment INR 'Lakhs'	Plant and Machinery INR 'Lakhs'	Total INR 'Lakhs'	Capital Work-in-Progress INR 'Lakhs'	Intangible Assets INR 'Lakhs'
Gross Carrying Amount (Deemed Cost)							
At 1st April, 2019	4,123.62	10,196.12	48.60	30,049.02	44,417.36	72.37	5.77
Additions during the year	-	3.01	-	121.16	124.18	108.83	-
Exchange differences	-	-	-	-	-	-	-
Disposals/Deletions during the year	-	-	-	(27.30)	(27.30)	-	-
At 31st March, 2020	4,123.62	10,199.13	48.60	30,142.88	44,514.24	181.21	5.77
Accumulated Depreciation and Impairment							
At 1st April, 2019	-	2,695.97	34.07	13,310.17	16,040.21	-	5.49
Depreciation for the year	-	295.51	4.23	960.73	1,260.47	-	-
Disposals/Deletions during the year	-	-	-	(25.94)	(25.94)	-	-
At 31st March, 2020	-	2,991.48	38.30	14,244.96	17,274.74	-	5.49
Depreciation for the period ended 31st Mar, 19	-	293.19	4.22	954.45	1,251.85	-	-
Net Book Value							
At 31st March, 2020	4,123.62	7,207.65	10.30	15,897.92	27,239.49	181.21	0.29
At 31st March, 2019	4,123.62	7,500.15	14.53	16,738.85	28,377.15	72.37	0.29
Net Book Value				As at 31st March '2020 INR 'Lakhs'	As at 31st March '2019 INR 'Lakhs'		
Property, Plant and Equipment				27,239.49	28,377.15		
Capital Work-in-progress				181.21	72.37		
Intangible Assets				0.29	0.29		

Note-3:Investments

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Investments at fair value through OCI (fully paid)		
Quoted Shares		
369481 nos equity shares of Globus Corporation Limited. (31st March,2019:369481 Nos)	0.70	0.67
25363 nos equity shares of Matra Reality Limited. (31st March,2019:25363 Nos)	0.09	0.09
31474 nos equity shares of PFL Infotech Ltd. (31st March,2019:31474 Nos)	1.35	2.39
55449 nos equity shares of Polytech India Limited. (31st March,2019:55449 Nos)	0.39	0.82
360370 nos equity shares of Shri Bajrang Alloys Limited. (31st March,2019:360370 Nos)	63.43	46.67
103439 nos equity shares of Steel Exchange India Limited. (31st March,2019:103439 Nos)	13.40	28.60
13558 nos equity shares of VMS Industries Ltd. (31st March,2019:13558 Nos)	1.08	2.35
Un-Quoted Shares		
4360 nos equity shares of Millenium Cybertech Limited. (31st March,2019:4360 Nos)	0.05	0.05
Total	80.49	81.63
Aggregate cost price of quoted shares	102.50	116.41
Aggregate market value of quoted shares	80.44	81.58

Note -4. Other Financial Assets

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Security Deposits	1,281.10	1,026.53
Other bank balances*	237.56	213.55
Sub-Total	1,518.66	1,240.08

Details of other balances with banks*Other bank balances consist of the following:**

Earmarked Balances with Banks		
Term Deposits with Bank	169.05	138.99
Margin money,guarantee and security with banks	68.51	74.55
Total	237.56	213.55

*The margin money in form of fixed deposits (kept for more than 12 months) earmarked for issuing Bank Guarantee.Fixed deposits face value of INR 90 lakhs held as collateral security with lead bank State Bank of India on behalf of other consortium member banks.

Note-5 :Other Assets

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
(i)Non-Current		
Advance against Property	329.25	329.25
Advance For Capital Goods	305.00	-
Balances with Government Authorities	522.80	558.80
Unmatured Financial Charges	6.74	12.58
Sub-Total	1,163.79	900.64
(ii)Current		
Advance to Suppliers & Expenses	947.11	1,196.00
Balances with Government Authorities	700.97	422.54
Insurance claim receivable	50.78	48.23
Prepaid Expenses	71.86	67.65
Unmatured Financial Charges	8.32	12.11
Sub-Total	1,779.04	1,746.54
Total	2,942.83	2,647.17

Note-6 Deferred tax assets/(liabilities)(net)

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
(i) Opening balance	733.59	1,380.94
(ii) Closing balance		
Property,Plant and Equipment and Intangible Assets	(3,445.05)	(4,756.62)
MAT Credit Entitlement	-	1,495.12
Fair Value mesurement of financial liabilities	(44.58)	(35.91)
Losses available for offsetting future taxable income	2,826.49	3,927.57
Allowance/Disallowances of expenses	106.47	103.43
Sub- Total	(556.67)	733.59
(iii) Transfer to Statement of profit and loss(ii-i)	(1,290.27)	(647.35)

Note-7 Inventories

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Raw Materials	6,468.79	4,772.65
Semi-finished goods	867.38	1,171.60
Finished Goods-Manufacturing	4,783.64	3,983.51
Stock-in-trade	26.78	54.20
Stores,spares and consumables	442.48	306.52
Total	12,589.07	10,288.47

Note 8 Trade Receivables

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Unsecured,considered good		
Related Parties	-	-
Others	3,025.11	3,306.50
Total	3,025.11	3,306.50

No trade receivables or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner or a director.

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

Note-9 Cash and Bank Balances

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Balances with banks		
In Current Accounts	31.90	69.42
In Deposits Accounts	237.56	213.55
Cash on Hand	147.57	182.58
Sub Total	417.03	465.54
Less:Balances with bank other than above(Note-4)	(237.56)	(213.55)
Total	179.47	251.99

Note-10:Equity Share Capital

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Equity Share Capital		
a) Authorised		
550 lakhs Nos of Equity shares of 10/- each	5,500.00	5,500.00
150 lakhs Nos of Preference shares of 10/- each (550 lakhs Nos of Equity shares of 10/- each)	1,500.00	1,500.00
(150 lakhs Nos of Preference shares of 10/- each)	7,000.00	7,000.00
b) Issued, Subscribed and Paid Up [Ref Note 2(v)]		
Equity Shares:		
523.52 lakhs Nos of shares of 10/- each fully paid up (P.Y 523.52 lakhs Nos of shares of 10/- each fully paid up)	5,235.23	5,235.23
Total	5,235.23	5,235.23
i) Reconciliation of number of equity shares are set out below:		

a) Shares outstanding at the beginning of the financial year.		523.52		523.52
b) Issued during the year		-		-
Shares outstanding at the end of the financial year		523.52		523.52
d) Details of shareholders holding more than 5% of shares				
Name of the Shareholders	No.of Shares	% held	No.of Shares	% held
i) Rajesh Gadodia	35.36	6.75%	35.36	6.75%
ii) Nimish Gadodia	34.08	6.51%	34.08	6.51%
iii) Artline Commerce Pvt Ltd	95.67	18.27%	95.67	18.27%
iv) Bayanwala Brothers (p) Limited	53.84	10.28%	53.84	10.28%
v) ORBIS Financial Corporation Limited	45.00	8.60%	-	-
vi) Florence Securities Pvt Ltd	35.00	6.69%	35.00	6.69%
The Company has a single class of Equity shares. Accordingly ,all equity shares rank equally with regard to dividend and share in the company's residual assets.				

Note- 11. Other Equity

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
a.General Reserve		
Opening Balance	1,344.12	1,344.12
Add:-Additions during the year		
Subtotal	1,344.12	1,344.12
b.Securities Premium		
Opening Balance	19,864.84	19,864.84
Add:-Additions during the year	-	-
Subtotal	19,864.84	19,864.84
c. Capital Reserve		
Opening Balance	554.73	554.73
Add:-Additions during the year	-	-
Subtotal	554.73	554.73
d. Reserve for investments at Fair Value through OCI		
Opening Balance	(34.78)	(12.61)
Add: Net fair value gain/(loss) on investments during the period	12.73	(22.17)
Reversal of OCI on account of disposal of investments		
Subtotal	(22.05)	(34.78)
e.Reserves for Commodity Tradings		
Opening Balance	(0.00)	77.55
Add:Changes during the year	-	(77.55)
Less:Amount reclassified to profit and loss	-	-
Subtotal	(0.00)	(0.00)

f. Retained Earnings			
Opening Balance		(107.46)	(772.02)
Add: Profit/(Loss) during the year		31.90	664.56
Add: Adjustment for earlier years		-	-
Subtotal		(75.56)	(107.46)
Total		21,666.07	21,621.44

Note-12. Borrowings

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Borrowings consists of the followings		
(i) Non-Current Borrowings		
Secured Loan		
(a) Term Loan From Banks	4,519.11	5,454.10
(b) Financial Lease Obligations	61.12	90.38
Unsecured Loan		
(a) Loan from Bodies Corporates & Relatives	825.00	885.00
(b) Preference Share 1%*	1,792.97	1,690.21
Total non-current borrowings	7,198.20	8,119.70
(ii) Current Borrowings		
Current maturities of long term debt	972.84	756.27
Current maturities of finance lease obligations	50.24	53.16
Current maturities of deposit & Unsecured Loan	18.47	7.67
Cash Credit from Banks	6,181.06	6,380.23
Total current borrowings	7,222.61	7,197.32
Less: Amounts clubbed under "other financial liabilities"	1,041.55	817.10
Net current borrowings	6,181.06	6,380.23
Total	14,420.81	15,317.02

* The Company has allotted in earlier years 12,849,605 Number of 1% Non - Convertible & Non-Cumulative Redeemable Preference Shares (NCRPS), at face value of Rs. 10 each fully paid up with a premium of Rs. 30 each. The preference shareholders have preferential right over payment of dividend and settlement of principal amount upon liquidation, over common shareholders. The dividend shall be paid out upon availability of profits. The preference shares shall be redeemed out of profits or out of the proceeds of fresh issue of shares after the end of the Fifth year but within a period of 20 years either in one or on more tranches as may be determined by the board of directors of the company in its absolute discretion at such price as may be decided but in any case not less than price of Rs.44 per share.

Note-13. Trade Payables

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Payable to MSME	-	2.21
Payable to Others	2,871.42	1,412.33
Total	2,871.42	1,414.54

Note-14. Other financial liabilities

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Current maturities of long term debt	972.84	756.27
Current maturities of finance lease obligations	50.24	53.16
Current maturities of deposits & Unsecured loans	18.47	7.67
Interest accrued and due on borrowings	36.63	47.74
Liabilities for Expenses	1,955.27	2,074.76
Total	3,033.45	2,939.60

Note-15. Other Current Liabilities

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Income Received in Advance	595.03	703.56
Statutory Dues Payable	419.49	584.96
Total	1,014.52	1,288.52

Note-16 Revenue from Operations

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Sale of Products	66,582.15	65,682.79
Other Operating Revenue	0.02	3,845.32
Total	66,582.17	69,528.11

Note-17 Other Incomes

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Interest Income	88.39	82.24
Dividend Income	-	2.25
Profit on sale of Shares	-	1.42
Profit on sale of Fixed Assets	2.24	-
Trademark Income & others	180.88	6.69
Total	271.51	92.60



Note-18 Cost of Raw Material Consumed		
Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Raw material and components consumed		
Opening Stock	4,772.65	6,273.94
Add:Purchased during the year *	44,442.39	48,074.17
Less:Stock used for fixed Assets**	57.45	21.05
Less:Closing Stock	6,468.79	4,772.65
Total	42,688.80	49,554.41

*Purchases includes material cost , expenses & other costs which are directly attributable to procurement

** Stock used for Fixed assets valued at cost of goods sold and GST reversal considered

Note-19 Change in Inventories-(Increase)/Decrease		
Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Opening Stock		
Semi-Finished Goods	1,171.60	500.79
Finished Goods-Manufacturing	3,983.51	3,023.57
Stock In Trade	54.20	7.59
Sub-Total(A)	5,209.30	3,531.95
Less:- Closing Stock		
Semi-Finished Goods	867.38	1,171.60
Finished Goods-Manufacturing	4,783.64	3,983.51
Stock In Trade	26.78	54.20
Sub-Total(B)	5,677.80	5,209.30
Total(A-B)	(468.49)	(1,677.35)

Note-20 Employee Benefit Expenses

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Salaries,wages and bonus	2,363.77	1,856.18
Contribution to providend and other funds	222.20	187.24
Total	2,585.97	2,043.42

Note-21 Finance Cost

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Interest on Debts & Borrowings	1,270.06	1,156.23
Interest on finance lease obligations	14.53	16.53
Interest on Unsecured loans & Others	105.98	151.81
Cost of Preference Shares	102.76	102.76
Total	1,493.33	1,427.33

Note-22 Other Expenses

Particulars	As at 31st March'2020 INR 'Lakhs'	As at 31st March'2019 INR 'Lakhs'
Consumption of stores and spares *	2,601.91	2,433.02
Power and fuel	9,100.70	7,759.30
Water charges	42.45	35.51
Operational Expenses	441.39	427.21
Freight Outward	315.26	507.08
Security Service Charges	41.12	63.29
Rent,Rates and taxes	234.75	288.82
Insurance	51.59	34.74
Bank Charges	29.28	38.41
Repairs and maintenance	154.11	108.57
Advertising and sales promotion	17.79	24.37
Professional & Consultancy fess	124.94	89.27
Communication costs	9.66	10.03
Remuneration to Auditors	21.80	21.80
Loss on sale of assets (net)	-	4.80
General expenses	27.19	25.97
Total	13,213.94	11,872.18

* Consumption of Stores and Spares includeds Imported material of INR 8.46 Lakhs

(All amounts in INR Lakhs, unless otherwise stated)

Note -23 Earnings Per Share(EPS)

	Particulars	31st March 2020	31st March 2019
i)	Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (Rs Lakhs)	31.90	664.55
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	523.52	523.52
iii)	Face Value per Equity Share (INR 'Lakhs')	10.00	10.00
iv)	Basic Earnings per share (INR 'Lakhs')	0.06	1.27

Note -24 Foreign Currency Transactions

	Particulars	31st March 2020	31st March 2019
i)	USD Outgo	5,550	5,550
ii)	INR in 'Lakhs'	3.95	4.03
iii)	Thailand Baht (THB) Outgo	100,000	-
iv)	INR in 'Lakhs'	2.32	-
v)	Amount of Exchange differences debited/(credited) to profit or loss (in Lakhs)	0.17	(0.01)

Note - 25 Contingent Liabilities

	Particulars	31st March 2020	31st March 2019
i.	Estimated amount of contracts remaining to be executed on capital accounts and not provided for.	Nil	Nil
ii.	Claims against the Company not acknowledged as debts (Net of payment):		
	a) Central Sales Tax	166.67	170.92
	b) OVAT/OST	1,535.33	1,725.56
	c) Orissa Entry tax	393.10	393.10
	d) Customs duty	111.58	132.04
	e) Income Tax	184.75	88.94
	f) Securities Trading (SEBI)	18.80	-
iii	Bank Guarantees	259.65	270.61
iv	Claims raised vide notice dated. 30.09.2016 by M/s Mahanadi Coalfields Limited, towards the reimbursement of Contribution to NMET Rs.6,27,549 for the period 12.01.2015 to 19.10.2015 where the company has Challenged before Hon'ble High Court of Orissa , granted interim stay in favour of the Company.		
	NMET	6.28	6.28
v	Claims raised vide letter dtd. 07.11.2016 by the OMC Ltd. towards the reimbursement of contribution to DMF Rs. 7,88,121 & NMET Rs. 78,191 for the period 17.09.2015 to 15.01.2016 and 14.08.2015 to 10.02.2016 respectively where the Company has challenged before Hon'ble High Court of Orissa, granted interim stay in favour of the company.	8.66	8.66

However as per management perception, the above liabilities will not devolve upon the company in future.

The company has given Corporate Guarantees to M/s Scan Energy & Power Limited to the tune of INR 2749.75 Lakhs towards fund based limit extended by Assets Reconstruction Company (ARC). (FY 2018-19 INR 8116 Lakhs)

Note-26 Right of Recompense (ROR)

The company received a letter from State Bank of India mentioning Right of Recompense amount for the year 2018 to 2020 on account of restructuring of loan in the year 2018. The company has made written request to the bank for waiver of the said Right of Recompense amount considering the economic condition of steel

industry and current COVID-19 pandemic.

Note-27 Additional Disclosures As per Ind AS 108 “Operating Segments “
(i) Revenue From Customers Exceeding 10% of Total revenue

As per Para 34 of Ind AS 108 ,if revenues from transactions with a single external customer amounts to 10 per cent or more of an entity’s revenue, the company is required to disclose, the total amount of revenue from each such customer, and the identity of the segment or segments reporting the revenue.The company’s revenue from any single customer doesnt exceed 10% of the total revenue and hence the disclosure requirement is not applicable

(ii) Extent of Reliance on Major Customers

Extent of Reliance on Major Customers of the company can be depicted by assessing their sales chunk compared to total revenue of the operation. The percentage of group of major customer to its total revenue is as below :

Particulars	% of Total Revenues	
	31st March 2020	31st March 2019
One Customer	17.14%	16.61%

Note -28 RELATED PARTY DISCLOSURE AS PER Ind AS 24
(I) List of Related Parties
Key Managerial Personnel

Sl. No	Name	Designation
i)	Mr.Rajesh Gadodia	Non Executive Chairman
ii)	Mr.Ankur Madaan	Whole-Time Director
iii)	Mr Praveen Kumar Patro	Executive Director
iv)	Mr.Gobinda Chandra Nayak	Chief Financial Officer

The Company Secretary has not been considered as related party as he is not having the authority and responsibility for planning, directing and controlling the executive decision making activities of the entity, directly or indirectly. This is in line with Ind AS 24, “Related party transactions”.

Close Family Members of Key Managerial Personnel(KMP)

Sl. No	Name	Relationships
i)	Mrs.Archana Gadodia	Relative of KMP
ii)	Miss Shrishti Gadodia	Relative of KMP
iii)	Mr.Sawarmal Gadodia	Relative of KMP
iv)	Mr.Nimish Gadodia	Relative of KMP

None of the close members of all Key managerial Personnels are considered as Related Party In accordance with Ind AS 24 considering the fact that they are neither participating nor influencing executive decision making of the company.

Key Managerial Personnel having Significant Influence

Sl. No	Name of the Organisation
i)	Artline Commerce Private Limited
ii)	Scan Energy and Power Limited
iii)	Shrishti Trading Corporation Private Limited
iv)	Shrishti Resorts & Multiplex Private Limited

(II) Related Party transactions

Sl. No	Particulars	31st March 2020	31st March 2019
i)	Purchase of goods	2,178.50	209.39
ii)	Sale of Goods	12,015.13	10,917.22
iii)	Interest expenses recognised	102.51	107.74
iv)	Services received	76.00	29.60
v)	Services rendered	1.92	3.01
vi)	Outstanding loans and payables	2,065.31	1,139.73
vii)	Guarantees provided outstanding	2,749.75	8,116.00

(III) Remuneration to Key Managerial Personnel

Sl. No	Name	31st March 2020	31st March 2019
i)	Mr.Runvijay Singh	-	1.00
ii)	Mr.Ankur Madaan	6.00	5.40
iii)	Mr Praveen Kumar Patro	7.43	5.60
iv)	Director Sitting Fees	0.07	0.10

Note -29 ASSETS PROVIDED AS SECURITY

Sl. No	Particulars	As at 31st March 2020	As at 31st March 2019
(i)	Trade Receivables	3,025.11	3,306.50
(ii)	Property, Plant and Equipment :		
	I. Tangible Assets	27,239.49	28,377.15
	II. Intangible Assets	0.29	0.29
(iii)	Inventories	12,589.07	10,288.47
	Total Assets provided as Security	42,853.95	41,972.41

Note -30 Recognition of Corporate Gurantee as Financial Liability

Financial gurantee is a contractual right of the lender to receive cash from the guarantor, and a corresponding contractual obligation of the guarantor to pay the lender, if the borrower defaults. The contractual right and obligation exist because of a past transaction or event (assumption of the gurantee), even though the lender's ability to exercise its right and the requirement for the guarantor to perform under its obligation are both contingent on a future act of default by the borrower. A contingent right and obligation meet the definition of a financial asset and a financial liability, even though such assets and liabilities are not always recognised in the financial statements. Based on the measurement principles laid down under Ind AS 109 "Financial Instrument :Recognition and Measurement", the fair value of all those financial gurantee contracts are resonable below to the materiality threshold limit set by the company. Accordingly the entity has made appropriate disclosure in Note -26 without additionally recognising any financial assets or liability.

Note -31 Micro, Small and Medium Enterprises (MSME) Dues Disclosure

There are no Micro and Small enterprises to whom the Company owes dues which are outstanding for a period of more than 45 days as at the balance sheet date. The above information and that given under Trade Payable regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note -32 Estimated Useful Lives of Property Plant & Equipment (PPE)

Sl. No	Financial Classification	Nature	Useful Lives	
			As per Management Estimate	As per SCH-II of Companies Act 2013
i)	Freehold Building	Building (Factory)	30 Years	30 Years
		Building (Non Factory)	60 Years	60 Years
ii)	Furniture, Fittings and Equipment	Furniture & Fixtures	10 Years	10 Years
iii)	Office Equipment	Computer	3 Years	3 Years
iv)	Plant & Equipment	Plant & Machinery (Non-Earth Moving)	25 Years	25 Years
		Plant & Machinery (Earth Moving)	25 Years	25 Years
v)	Vehicles	Motor car	8 years	8 years

Note -33 Fair value measurements
(i) Financial instruments by category:

Sl.No	Particulars	31st March 2020		
		FVPL	FVOCI	Amortised cost
			Equity instruments designated as such upon initial recognition	
i)	Financial assets			
	Investments:			
	Equity instruments		80.44	-
	Trade receivables		-	3,025.11
	Cash and cash equivalents		-	179.47
	Others		-	1,518.66
	Total financial assets	-	80.44	4,723.24
ii)	Financial liabilities			
	Borrowings			13,379.26
	Derivative financial liabilities			
	Trade payables			2,871.42
	Other financial liabilities			3,033.45
	Total financial liabilities	-	-	19,284.13

Sl.No	Particulars	31st March 2019		
		FVPL	FVOCI	Amortised cost
			Equity instruments designated as such upon initial recognition	
i)	Financial assets			
	Investments:			
	Equity instruments	-	81.58	-
	Trade receivables	-	-	3,306.50
	Cash and cash equivalents	-	-	251.99
	Others	-	-	1,240.08
	Total financial assets	-	81.58	4,798.58
ii)	Financial liabilities			
	Borrowings			14,499.93
	Derivative financial liabilities			-
	Trade payables			1,414.54
	Other financial liabilities			2,939.60
	Total financial liabilities	-	-	18,854.07

(ii) Fair value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Ind AS 113 "Fair Value Measurements ". An explanation of each level follows underneath the table.

INR 'Lakhs'

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31st March, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments				-
Mutual funds				-
Financial investments at FVOCI				
Quoted equity investments	80.44			80.44
Unquoted equity investments	0.05			0.05
Derivatives				
Foreign exchange forward contracts				-
Foreign currency options				-
Interest rate swaps				-
Total	80.49	-	-	80.49

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31st March, 2019	Level 1	Level 2	Level 3	Total
Financial assets :				
Financial investments at FVPL				
Equity instruments				
Mutual funds				
Financial investments at FVOCI				
Quoted equity investments	81.58			81.58
Unquoted equity investments	0.05			0.05
Derivatives				
Foreign exchange forward contracts				
Foreign currency options				
Interest rate swaps				
Total	81.63	-	-	81.63

Level 1 : This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments(including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Level 2 : Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument is observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(iii) As per Ind AS 107 "Financial Instrument:Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash Equivalent
3. Loans and advances
4. Borrowings
5. Trade Payables
6. Capital Creditors
7. Other payables

Note -34 : Financial risk management

The company's few portion of activities are exposed to variety of financial risks i.e. market risk, credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The company's financial instruments (excluding receivables from related parties) are influenced mainly by the individual characteristics of each customer. The company's exposure to credit risk is the concentration of risk from the top few customers and the demographics of the customers.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables and other financial instruments, financial assets measured at amortised cost.	Ageing analysis Credit rating
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk- foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in Indian Rupees (INR)	Cash flow forecasting Sensitivity analysis
Market risk- security prices	Investments in equity securities	Sensitivity analysis

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily trade receivables from customers other than government entities. These Trade receivables are typically unsecured and are derived from revenue earned from domestic and foreign customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess impairment loss or gain. the company uses a matrix to compute the expected credit loss allowance for trade receivable.

Credit risk management

Credit risk is managed on instrument basis. For Banks and financial institutions, only high rated banks /institutions are accepted. For other financial instruments, the company assesses and maintains an internal credit rating system. The finance function consists of a separate team who assesses and maintain internal credit rating system. Internal credit rating is performed on a company level basis for each class of financial instrument with different characteristics.

VL1 : High-quality assets, negligible credit risk

VL2 : Quality assets, low credit risk

VL3 : Standard assets, moderate credit risk

VL4 : Sub-standard assets, relatively high credit risk

VL5 : Low-quality assets, very high credit risk

VL6 : Doubt full assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward- looking information. Especially the following indicators are incorporated:

1. Internal credit rating
2. External credit rating (as far as available)
3. Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet the obligation.
4. Actual or expected significant changes in the operating results of the borrower.
5. Significant increase in credit risk on other financial instruments of the same borrower
6. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.
7. Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.
8. Macro economic information (such as regulatory changes, market interest rate or growth rate) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payment within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other-economic factors.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company treasury maintains flexibility in funding by maintaining available under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the company. These limits vary by locations to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves, projecting cash flows in major currencies, considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period :

Particulars	31st March, 2020	31st March, 2019
Floating rate		
Expiring within one year (bank overdraft and other facilities)	Nil	Nil
Expiring beyond one year (bank loans)	Nil	Nil

(ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for :

1. All non-derivative financial liabilities and
2. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

INR in 'Lakhs'

Contractual maturities of financial liabilities 31st March,2020 Non derivatives	Upto 1 year	1 to 3 years	3 to 5 years	5 to 9 years	Total
Borrowings(including cash credits)	7,153.90	2,785.11	1,734.00	-	11,673.01
obligations under finance lease	50.24	61.12	-	-	111.36
Trade payables	2,871.42	-	-	-	2,871.42
Other financial liabilities	3,033.45	-	-	-	3,033.45
Total non derivativeliabilities	13,109.01	2,846.23	1,734.00	-	17,689.24
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Principal swap	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-
Contractual maturities of financial liabilities 31st March,2019 Non derivatives	Upto 1 year	1 to 3 years	3 to 5 years	5 to 9 years	Total
Borrowings(including cash credits)	7,136.49	2,798.10	1,892.00	764.00	12,590.59
obligations under finance lease	53.16	82.70	7.68	-	143.55
Trade payables	1,414.54	-	-	-	1,414.54
Other financial liabilities	2,939.60	-	-	-	2,939.60
Total non derivative liabilities	11,543.80	2,880.80	1,899.68	764.00	17,088.28
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Principal swap	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-

(C) Market Risk

The company is not an active investor in equity market. It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at 31st March, 2020 is INR 80.44 lakhs (as at 31st March, 2019 -INR 81.58 lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in other comprehensive income.

(i) Foreign Currency Risk**The company's exposure to foreign currency risk & Derivative financial Instruments as on 31st March, 2020**

The Company don't have foreign currency exposure hence no foreign exchange forward contracts are required to hold and to mitigate the risk of foreign exchange fluctuation.

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long term borrowings with variable rates, which exposes the company to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed and variable rate using interest rate swaps to achieve this when necessary.

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

Interest rate risk exposure

The exposure of the company's borrowing from banks and financial institutions to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March,2020	31st March,2019
Variable rate borrowings	11,654.91	12,542.23
Fixed rate borrowings	129.46	191.91

(iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss .

Profit for the period would increase/ decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

Note-35 : Capital Mangement**Risk management**

The company's objectives when managing capital are to:

(a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(b) maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using gearing ratio, which is net debt divided by total Equity. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of reporting period was as follows:

Particulars	31st March,2020	31st March,2019
Net Debt	14,241.34	15,065.03
Total Equity	26,901.30	26,856.67
Net debt to Equity Ratio	0.53	0.56

Note -36 Nature and Purpose of Reserves Disclosed under Other Equity

Particulars	Purpose
General Reserve	General Reserve has been created to comply with requirements of erstwhile Company's Act 1956 with regard to Payment of dividend.
Retained Earnings	Retained Earnings contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet.

Securities Premium Reserve	Securities Premium Reserve issue of equity shares. has been created for
Reserve for through OCI investments at Fair value	Fair value changes of equity instruments designated at Fair value through OCI
Capital Reserve	Capital reserves includes amalgamation reserve to be used for the specified purpose as per the scheme of arrangement.

Note -37 Covenants of Borrowings

(i) Details of Repayment Schedule, Rate of Borrowings

Term Loan	31st March,2020		31st March,2019	
	Repayment Tenure	Rate of Interest (p.a)	Repayment Tenure	Rate of Interest
WCTL	9 Years	10.40%	9 Years	10.00%
FITL	5 years	5.00%	5 years	5.00%

(ii) Details of Security

Particulars	Security Details
Term Loan from Banks	Secured by first charge on plant and machinery acquired out of bank finance on paripassu basis with consortium members and equitable mortgage of land and building on which the plant is located (both present and future).Secured by second charge on all other Aseets on present or future on paripassu basis. It is further secured against personal guarantee of promoters and Corporate Guarantee from M/s Artline Commerce Private Limited.
Leased assets financed	Secured by hypothecation of respective fixed or movable assets.
Cash Credit	Secured by hypothecation of whole of current assets both present and future.

Note -38

As per the requirements of Ind AS, the company has implemented / adopted the following policies and procedures for accounting:

i Componentisation.

As per prevailing practice, company compontises fixed assets as detailed in the Invoice. It does not have a separate componetisation policy. Accordingly, components identified (as mentioned above) are also depreciated based on the useful lives prescribed under Schedule-II (of the Companies Act.) for the main asset.

The company is in the process of identification of the major components significant to the total cost of the asset accordingly necessary requirements to be complied.

ii Stores and Spares

The company on purchases of stores and spares,if it relates to an item of PPE, the same are capitalised on the date of issue, and which are issued for revenue expenditure purpose, are charged to Profit & Loss Account on the date of consumption.

Note -39

The company after considering the general nature of the industry and average collection period of trade receivables being 30-60 days,the receivables are considered as having low credit risk.Accordingly the impact of the expected credit loss arises to an insignificant amount.

Note -40**Auditors' Remuneration :**

INR 'Lakhs'

SI No.	Particulars	31st March, 2020	31st March, 2019
1	Statutory Audit Fees	16.50	16.50
2	Tax Audit Fees	3.50	3.50
3	Internal Audit Fees	1.80	1.80
Total		21.80	21.80

Note -41

The company has received intimations from some of the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. and hence disclosures, relating to amount unpaid as at the year end together with the interest paid /payable as required under the said act have been disclosed in Note No-13 to the Financial Statements.

Note -42

Effective from April 01,2019, the company has applied Ind AS 116 "Leases". The standard is applied prospectively and the cumulative effect of applying this standard is recognised. The adoption of Ind AS 116 did not have any significant impact for the company.

Note -43

Pursuant to The Taxation Laws (Amendment) Ordinance , 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20th September, 2019 which is effective 01 April 2019 , domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

The company has made an assessment of the impact of the Ordinance and decided to switch over to new tax structure regime. However, in accordance with the accounting standards , the Company has also evaluated the outstanding deferred tax asset/ liability. Accordingly, the company has re-measured its deferred tax assets based on the tax rate prescribed in the said section and has reversed MAT credit no longer available to it. The impact of these changes is a one time charges of Rs.1495.60 lakhs.

Note -44

The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets . In this situation, though the challenges continue to unfold, the company is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the company is evaluating the situation on an ongoing basis. The challenges for the company would arise from loss revenue and waning cash flows. Despite these conditions, there would not be any significant impact on the liquidity and profitability of the company.

Note -45

Previous year figures have been regrouped and/or rearranged wherever necessary, confirming to current year. Figures in bracket represent previous year figure.

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E

K. P. Swain
Partner
M.No.306323
June 30, 2020, Bhubaneswar

*For and on behalf of the Board
Scan Steels Limited*

Ankur Madaan
Director
DIN: - 07002199

Vinay Goyal
Director
DIN: - 07002206

Prabir Kumar Das
Company Secretary

Gobinda Ch. Nayak
Chief Financial Officer

SCAN STEELS LIMITED

Regd. Office: Off. No. 104,105, E-Square, 1st Floor, Subhash Road, Opp. Havmor Ice- Cream,
Vile Parle (East), Mumbai - 57

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, Adroit Corporate Services Pvt. Limited or to the company

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial Estate,
Makwana Lane, Marol Naka,
Andheri (E),
Mumbai-400 059.

Dear Sir,

I/We _____ shareholder (s) of Scan Steels Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email).

I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

FolioNo...../DPIDNo.*.....andClientIDNo.*.....

*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : _____

Name of the Joint Shareholders (if any) : _____

No. of Shares held : _____

E-mail id for receipt of documents in

Electronic mode : _____

Date :

Signature: _____

Place:

(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

