



SAL STEEL LIMITED

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

Date: 01.12.2020

To,

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

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

BSE Scrip Code: 532604

NSE Symbol – SALSTEEL

Sub: Intimation of the 17th Annual General Meeting of the Company

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the 17th Annual General Meeting is scheduled to be held on Wednesday, December 23rd, 2020 at 01.00 P.M. IST via Video Conference/ Other Audio Visual Means ("VC/OAVM") in accordance with the relevant circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

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

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

Thanking You.

Yours faithfully,
For SAL Steel Limited



Manish Daulani
Company Secretary & Compliance Officer

Encl.: As stated above

CIN-L 29199GJ2003PLC043148

2019-20



Annual Report

SAL STEEL LIMITED

Registered office:
5/1, Shreeji House, B/h. M. J. Library
Ashram Road, Ahmedabad 380060
Gujarat

Administrative office:
Shah Alloys Corporate House,
Sola-Kalol Road, Village Santan,
Dist. Gandhinagar - 382721

Board of Directors

| | |
|---|------------------------|
| Shri Rajendra V. Shah | Non Executive Chairman |
| Shri Sujal Shah | Whole Time Director |
| Shri Babulal M Singhal | Whole Time Director |
| Shri Ambalal C. Patel | Independent Director |
| Shri Tejpal S Shah | Independent Director |
| Shri Harshad M Shah | Independent Director |
| Shri Shrikant Jhaveri | Independent Director |
| Smt. Shefali M. Patel | Independent Director |
| Shri Anil Kumar Pandya (Till - 30/08/2020) | Whole Time Director |
| Shri Jai Prakash Goyal (From - 11/09/2020) | Additional Director |

Chief Financial Officer

Shri Babulal M. Singhal

Company Secretary and Compliance Officer

Shri Manish Daulani

Audit Committee

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

Nomination and Remuneration Committee

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

Stakeholders' Relationship Committee

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

Corporate Social Responsibility Committee

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

Registered Office

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

Administrative Office

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

Plant

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

Statutory Auditors

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

Secretarial Auditors

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

Registrar and Share Transfer Agents

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

Bankers to the Company

ICICI Bank Ltd.

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NOTICE

NOTICE is hereby given that 17th Annual General Meeting of the Members of **S.A.L. STEEL LIMITED** will be held on Wednesday, 23rd December 2020 at 01:00 P.M. through Video Conferencing/Other Audio-Visual Means (VC/OAVM): -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2020, Statement of Profit & Loss for year ended on that date and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Babulal M. Singhal (DIN - 01484213), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt. Shefali M. Patel (holding DIN 07235872), Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of independent Director, be and is hereby Reappointed as an Independent Director of the Company to hold office for another term of five consecutive years up to 31st March, 2025.”

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

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mr. Jai Prakash Goyal (DIN: 08364908), who was appointed as an additional director and designated as a Whole-Time Director & CEO by the Board of Directors of the Company at their meeting held on September 11, 2020, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and subject to the approval of the central government or such other sanctions as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Jai Prakash Goyal (DIN: 0008874805) as a Whole-Time Director for a period of five years effective from September 11, 2020 to September 10, 2025 on the terms and conditions including remuneration as set out in the statement annexed to the Notice of this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution.”

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

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

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for ratification of related party transactions between the Company and Shah Alloys Limited entered into during the period 2019-20.

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

6. To consider and if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution:**
- “RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants appointed by the Board on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 be paid the remuneration of ₹ 70,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit.”

By Order of the Board of Directors

Sd/-

Manish Daulani

Company Secretary & Compliance Officer

Date: 07th November, 2020

Place: Santej

Registered Office:

5/1 Shreeji House,

B/h M.J. Library,

Ashram Road, Ahmedabad - 380 006

CIN: L29199GJ2003PLC043148

NOTES

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice

- Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. The complete instruction on e-voting facility provided by the Company is annexed to this Notice, explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the Meeting venue on 23rd December, 2020.
- General instructions for accessing and participating in the AGM through Video Conference/ Other Audio-Visual Means (VC/ OAVM) Facility and voting through electronic means including remote e- Voting a).
 - In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 17th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.
 - In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 17th AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
 - In line with the MCA Circulars and SEBI Circular, the Notice of the 17th AGM will be available on the website of the Company at www.salsteel.co.in, on the websites of BSE Limited (BSE) , NSE Limited and also on the website of NSDL at www.evoting.nsdl.com.
 - Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
 - National Securities Depositories Limited (“NSDL”) will be providing facility for voting through remote e-Voting, for participation in the 17th AGM through VC/OAVM Facility and e-Voting during the 17th AGM.
 - Members may join the 17th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 12:45 PM. IST i.e. 15 minutes before the time scheduled to start the 17th AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 17th AGM.

- g) Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 500 Members on a firstcome-first-served basis. The large shareholders (i.e. 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. can attend the 17th AGM without any restriction on account of firstcome- first-served principle.
 - h) Attendance of the Members participating in the 17th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 - i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 17th AGM and facility for those Members participating in the 17th AGM to cast vote through e-Voting system during the 17th AGM.
4. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of directors seeking appointment / reappointment at the Annual General Meeting is given in detail, as annexed hereto.
 5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting, is annexed hereto.
 - 6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 11th December 2020 to Wednesday, 23rd December, 2020 (both days inclusive).**
 7. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
 8. Relevant documents referred to in the accompanying Notice and the Statement will remain open and available for inspection by the members at the administrative office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.
 - 10. Members, who have not registered their email IDs so far with their depository participants, are requested to register their email IDs for receiving all the Communications including Annual Report, Notices etc. in electronic mode.**
 11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.
 12. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2020 is uploaded on the Company's website www.salsteel.co.in.
 13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 14. Electronic copy of the Annual Report for 2019-20 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes.

THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

SECTION A: E-VOTING PROCESS:

1. The remote e-Voting period will commence on 20th December 2020 (10.00 am IST) and end on 22nd December 2020 (5.00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th December 2020, may cast their vote by remote e-Voting. The remote e- Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
2. A person who is not a Member as on the cut-off date should treat this Notice of 17th AGM for information purpose only.
3. The details of the process and manner for remote e-Voting are explained herein below

Step 1: Log-in to NSDL e-Voting system at [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/)

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step-1 is mentioned below:**How to Log-in to NSDL e-Voting website?**

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e- Voting and you can proceed to Step 2 i.e. Cast your vote electronically
- iv. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is: | Your User ID is: |
|---|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then Your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- v. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- vi. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:**How to cast your vote electronically on NSDL e-Voting system?**

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii. Select "EVEN" of company for which you wish to cast your vote.
- iv. Now you are ready for e-Voting as the Voting page opens.

- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution you will not be allowed to modify your vote.

4. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-

- a) Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) 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.
- e) Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

- a) The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote evoting.
- b) Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
- c) Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

GENERAL GUIDELINES FOR SHAREHOLDERS

- A) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kshahcs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
- B) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- C) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- D) Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 17th AGM by email and holds shares as on the cut-off date i.e. 18th December 2020, may obtain the User ID and password by sending a request to the Company's email address cs@salsteel.co.in. However, if you are already registered with NSDL 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?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
- E) person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- F) Mr. Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072) (Address: 801-A, Mahalay Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380009) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

- G) During the 17th AGM, the Chairman shall, after response to the questions raised by the Members in advance at the 17th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 17th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 17th AGM.
- H) The Scrutinizer shall after the conclusion of e-Voting at the 17th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 17th AGM, who shall then countersign and declare the result of the voting forthwith.
- I) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.salsteel.co.in and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE and NSE.
- J) Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 17th AGM and the Annual Report for the FY 19-20 including therein the Audited Financial Statements, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 17th AGM and the Annual Report for the year FY 19-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
- For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's Registrar and Transfer Agent at shyam.karvy@karvy.com.
 - For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
- K) The Notice of the 17th AGM and the Annual Report for the Financial Year 2019-20 including therein the Audited Financial Statements for the Financial Year 2019-20, will be available on the website of the Company at www.salsteel.co.in and the website of BSE at www.bseindia.com. The Notice of 17th AGM will also be available on the website of NSDL at www.evoting.nsdl.com.
- L) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- M) In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

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

Item No.3:

Smt. Shefali M. Patel (holding DIN 07235872) is independent Director of the Company and have held positions as such for more than 5 years.

At the Annual General Meeting held on September 24, 2015, Smt. Shefali M. Patel (holding DIN 07235872) the members of the Company had appointed as an Independent Director of the Company, to hold office up to Conclusion of 17th Annual General Meeting of the Company to be held in the calendar year 2020 ("first term").

The Nomination and Remuneration Committee (the 'NRC Committee') of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Smt. Shefali M. Patel (holding DIN 07235872) as Independent Directors, for a second term of 5 (Five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given their background and experience and contributions made by her during their tenure, the continued association of Smt. Shefali M. Patel (holding DIN 07235872) would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.

Accordingly, it is proposed to re-appoint Smt. Shefali M. Patel (holding DIN 07235872) as Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Smt. Shefali M. Patel (holding DIN 07235872) is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given their consent to act as a director.

The Company has also received declaration from Smt. Shefali M. Patel (holding DIN 07235872) that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Smt. Shefali M. Patel (holding DIN 07235872) fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

Smt. Shefali M. Patel (holding DIN 07235872) is independent of the management.

Details of Smt. Shefali M. Patel (holding DIN 07235872) are provided in the "Annexure- A" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of draft letter of appointment of Smt. Shefali M. Patel (holding DIN 07235872) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Smt. Shefali M. Patel (holding DIN 07235872) is interested in their respective resolution set out at Item No. 3 of the Notice with regard to their re-appointment.

Relatives of Smt. Shefali M. Patel (holding DIN 07235872) may be deemed to be interested in her resolutions for reappointment to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

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

Item No.4:

The Board of Directors of the Company ("the Board"), at its meeting held on September 11, 2020 has, subject to approval of members, Appointed Shri Jai Prakash Goyal (DIN: 088748050) as a Whole-time Director, designated as Executive Director, for a period of 5 (Five) years from September, 11 2020, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NRC Committee') of the Board.

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

Broad particulars of the terms of Appointment of and remuneration payable to Shri Jai Prakash Goyal are provided as "Annexure – B" to Notice.

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

The above may be treated as a written memorandum setting out terms of Appointment of Shri Jai Prakash Goyal under Section 190 of the Act. Shri Jai Prakash Goyal is interested in the resolution.

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

Item No. 5:

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

For financial year 2020-21

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

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

| | | |
|---|--------------------------|---------------------------------|
| Name of Related Party | Shah Alloys Limited | |
| Relation with Company | Promoter Company | |
| Transaction | Sale of Power & Material | Purchase of Material & Services |
| Limits approved by members for 2019-20 (Rs. in Crores) | 300 | 100 |
| Total transaction during 2019-20 (Rs. in Crores) | 172.93 | 5.04 |

Purpose of the aforementioned material related party transactions

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

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

Item No. 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 at the remuneration of ₹ 70,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No. 06 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

**MANISH DAULANI
COMPANY SECRETARY & COMPLIANCE OFFICER**

Date: 07th November, 2020

Place: Santej

Registered Office:

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

Ashram Road, Ahmedabad-380 006

CIN: L29199GJ2003PLC043148

ANNEXURE – A TO THE NOTICE FOR 17TH ANNUAL GENERAL MEETING

DETAILS OF INDEPENDENT DIRECTORS SEEKING RE-APPOINTMENT AT 17TH ANNUAL GENERAL MEETING OF THE COMPANY.

| | |
|--|--|
| NAME OF DIRECTOR | SHEFALI M. PATEL |
| Date of Birth | 20/10/1972 |
| Qualifications | B. Sc. |
| Experience | Smt. Shefali M. Patel is having excellent social background and is social worker working for noble causes. She is engaged in social works like education, medical services etc. |
| Terms and Conditions of Re-appointment | As per Existing Terms and Conditions |
| Date of first appointment on the Board | 13/07/2015 |
| Shareholding in the Company as on March 31, 2020 | Nil |
| Relationship with other Directors / KMP | None |
| Number of meetings of the Board attended in the financial year (2019-20) | 4 |
| Directorships of other Boards as on March 31, 2020 | 1. Shah Alloys Limited |
| Membership / Chairmanship of Committees of Board of Directors (across all companies) as on March 31, 2019 | 1. SAL Steel Limited. a) Member of Audit Committee. 2. Shah Alloys Limited. a) Member of Audit Committee (M). b) Member of Nomination and Remuneration Committee. c) Member of Stakeholders Relationship Committee. |

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

ANNEXURE –B TO THE NOTICE FOR 17TH ANNUAL GENERAL MEETING

DETAILS OF THE WHOLE TIME DIRECTORS TO BE RE-APPOINTED IN THE 17TH ANNUAL GENERAL MEETING OF THE COMPANY

| | |
|--------------------------------|---|
| 1. Name of Director | Shri Jai Prakash Goyal |
| a. Period of Appointment | Five years from 11 th September, 2020 |
| b. Remuneration Details | |
| Monthly Salary | Rs. 25,68,000/- (Rupees Twenty Five Lakhs Sixty Eight Thousand Only) including cash allowances and Incentives. |
| Perquisites and Facilities | It includes: Medical Reimbursement for himself, spouse and dependent children as per Company's Policy. A Company maintained car. |
| Other Facilities | It includes Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration. |
| Minimum Remuneration | Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Shri Jai Prakash Goyal, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed the Government from time to time. |
| c. Termination of Agreement | Written memorandum executed between Company and Shri Jai Prakash Goyal, can be terminated by either party giving 3 (Three) months' notice in writing of such termination. |
| d. Duties and Responsibilities | Shri Jai Prakash Goyal shall be in charge for all purchases and procurement function of the Company and shall perform such duties as may be entrusted to him, subject to superintendence, control and guidance of Board. |

Details of the directors seeking re-appointment in the**17th Annual General Meeting of the Company****[Pursuant to regulation 36 (3) of the SEBI (LODR) Regulations, 2015]**

| | |
|--|---|
| Name of Director | Babulal M. Singhal |
| DIN | 01484213 |
| Date of Birth | 04/05/1957 |
| Date of Appointment | 16/05/2006 |
| Relationship with other Directors Inter se | None |
| Profile & Expertise in Specific functional Areas | 38 Years of rich experience in the field of Accounting, Finance, Auditing and Taxation. |
| Qualification | Chartered Accountant & Bachelors of Commerce |
| No. of Equity Shares held in the Company | NIL |
| List of other Companies in which Directorships are held | NIL |
| List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held | NIL |

DIRECTORS' REPORT

Dear Members,

Your Directors pleased to present the 17th Annual Report of your company on the operations and performance along with the Audited Financial Statements for the year ended on 31st March 2020.

FINANCIAL HIGHLIGHTS

₹ In Crores

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Total Revenues | 452.14 | 575.69 |
| Total Expenditure | 427.56 | 566.53 |
| Profit before interest depreciation, extraordinary item and tax | 24.58 | 9.16 |
| Depreciation and Interest | 7.52 | 7.80 |
| Profit / (Loss) before exceptional, extraordinary item and tax | 17.06 | 1.36 |
| Exceptional & Extraordinary item | - | (20.01) |
| Profit / (Loss) before tax | 17.06 | (18.65) |
| Tax Expense / Deferred tax | 1.19 | 2.95 |
| Net Profit / (Loss) for the year | 15.87 | (21.60) |
| Total Comprehensive income | (0.06) | 0.06 |
| Profit / (Loss) Brought forward from last year | (123.06) | (101.52) |
| Balance Carried forward | (107.25) | (123.06) |

STATE OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW

During the year under review Total Revenue from operation has been decreased from '575.69 Crores' to '452.14 Crores' as compared to previous year's turnover. Company has registered a net Profit of '15.87 Crores' in comparison to net loss of '21.60 Crores' during previous year.

DIVIDEND

As the Company has other pipelined projects for growth Directors have not recommended dividend for the financial year 2019-20.

BUSINESS ACTIVITY

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DEPOSIT

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

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

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

REGULATORY STATEMENT

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

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

DETAILS OF DIRECTORS OR KMP'S APPOINTMENT OR RESIGNATION

During the year under review there were no changes that took place in the position of Directors or KMPs Appointment or Resignation.

MEETINGS OF THE BOARD

During the year under review, total four meetings of Board of Directors were held on the following dates 28/05/2019, 14/08/2019, 11/11/2019, 13/02/2020. Details of meetings are given in the Corporate Governance Report annexed herewith and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD DIVERSITY

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

BOARD EVALUATION

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

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

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

CORPORATE GOVERNANCE REPORT

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

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

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

RISK MANAGEMENT POLICY

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

VIGIL MECHANISM POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

Company has earned Net Profit in the year under review and the Company is in process of Complying with the Provisions related to expenditure of at least two percent of the average net profits in CSR activities if applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the financial year ended 31st March 2020, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;

- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

PARTICULARS OF THE EMPLOYEES

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

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

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

IND AS

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

AUDITORS AND AUDIT REPORTS

a. Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under M/s. Ashish Bhavsar & Associates, Cost Accountants were appointed for auditing cost accounting records of the Company for the year ending 31st March, 2020. Board has further appointed M/s. Ashish Bhavsar & Associates, Cost Accountants as Cost Auditors for the year ending 31st March 2021 subject to approval of remuneration in the forthcoming Annual General Meeting.

b. Internal Auditor

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

c. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s Kamlesh Shah & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2020-21. The report submitted by the Secretarial Auditor in Form MR-3 for the financial year ended as on 31st March, 2020 is attached to this report as **Annexure-4**. Remarks of secretarial auditor are self-explanatory.

d. Statutory Auditors

There are no Qualifications, reservations or adverse remarks contain in the Auditor's Report for the year under review.

MATERIAL CHANGES / INFORMATION:

1. Following material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financial of the Company.
 - a. Resignation of Mr. Anil Pandya from the post of Whole-Time Director of the Company W.e.f 31st August, 2020.
 - b. Appointment of Mr. Jai Prakash Goyal as Whole-Time Director of the Company W.e.f. 11th September, 2020.
2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

EXTRACT OF ANNUAL RETURN

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

APPRECIATION

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

FOR AND ON BEHALF OF THE BOARD

SD/-

DATE : 11TH SEPTEMBER, 2020
PLACE : SANTEJ

RAJENDRA V. SHAH
CHAIRMAN
(DIN: 00020904)

ANNEXURE 1

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

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020)

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

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

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

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

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

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

(d) Total energy consumption and energy consumption per unit of production: (Rs. in lacs)

| (I) | POWER & FUEL CONSUMPTION | 2019-20 | 2018-19 |
|----------|--|----------------|----------------|
| 1 | ELECTRICITY | | |
| | (a) Purchased | | |
| | Unit (Kwh) | 685852 | 694711 |
| | Total Amount (Rs.) | 36353767 | 32361830 |
| | Rate / Unit (Rs) | 54.01 | 46.58 |
| | (b) Own Generation | | |
| | (i) Through Diesel Generator Unit (Kwh) | | |
| | Unit Per Ltr of Diesel Oil | Nil | Nil |
| | Cost / Unit (Rs) | Nil | Nil |
| | (ii) Through Steam Turbine / Generator Unit (Kwh) | 104132932 | 111712000 |
| | Unit Per Kg of Lignite | | |
| | Cost Lignite / Unit (Rs) | 3.12 | 2.09 |
| | Cost Coal / Unit (Rs) | 0.00 | 0.71 |
| | Cost Coal & Lignite / Unit (Rs) | 3.12 | 2.80 |
| 2 | COAL (Including Coal Fines) | | |
| | Quantity (MT) | 105317 | 66137 |
| | Total Cost (Rs) | 324411577 | 233687205 |
| | Average Rate (Rs) | 3080 | 3533 |
| 3 | FURNACE OIL | | |
| | (used in the generation of power) | | |
| | Quantity (K Ltr) | Nil | Nil |
| | Total Cost (Rs) | Nil | Nil |
| | Average Rate (Rs) | Nil | Nil |
| 4 | OTHERS – LIGNITE | | |
| | (used in the generation of steam) | | |
| | Quantity (K Tonns) | 11303 | 43529 |
| | Total Cost (Rs) | 16248747 | 79247547 |
| | Average Rate (Rs) | 1438 | 1820 |

| II) CONSUMTION PER M.T. OF PRODUCTION | | |
|---------------------------------------|-----|-----|
| Particulars of Product | | |
| Electricity (in Unit) | Nil | Nil |
| Furnace Oil | Nil | Nil |
| Coal (Specify quantity) | Nil | Nil |
| Others | Nil | Nil |

B. TECHNOLOGY ABSORPTION

(I) RESEARCH AND DEVELOPMENT (R & D)

(Rs. in lacs)

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

(II) TECHNOLOGY ABSORPTION, ADAPTATION:

(Rs. in lacs)

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

| PARTICULARS | 2019-20 | 2018-19 |
|---|---------|----------|
| 1) EARNINGS & OUTGO | | |
| a. Foreign Exchange earnings | 2422.04 | 6273.23 |
| b. Foreign Exchange outgo | 3206.82 | 13029.78 |
| 2) TOTAL FOREIGN EXCHANGE USED AND EARNED | | |
| As per notes on account | | |

FOR AND ON BEHALF OF THE BOARD

SD/-

DATE: 11TH SEPTEMBER, 2020
PLACE: SANTEJ

RAJENDRA V. SHAH
CHAIRMAN
(DIN: 00020904)

ANNEXURE 2

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

| | | | | |
|----------------|---|---|---|--|
| I. | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: | | | |
| Sr. no. | Name of director / KMP | Designation | Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2019-20 | * % increase / (decrease) in remuneration in the FY 2019-20 |
| a) | Shri Sujal Shah | Whole Time Director | 2.47:1 | - |
| b) | Shri Babulal Singhal | Whole Time Director cum CFO | 2.78:1 | - |
| c) | Shri Anil Pandya | Director | 2.56:1 | - |
| d) | Shri Manish Daulani | Company Secretary | 2.88:1 | - |
| II. | The percentage increase in the median remuneration of employees in the financial year: | 5% | | |
| III. | The number of permanent employees on the rolls of company: | 379 | | |
| IV. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration; | During the year under review, the average annual increase was negligible. | | |
| V. | Affirmation that the remuneration is as per the remuneration policy of the Company. | All remuneration of the Employees and directors are paid as per remuneration policy of the Company. | | |

ANNEXURE 3**FORM NO. AOC -2**

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

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

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

| 2 Details of material contracts or arrangement or transactions at arm's length basis | | | | | | | |
|--|-------------------------------|------------------------|---------------------------------|-----------------------------|-------------------------|---|-------------------------|
| | Name (s) of the related party | Nature of relationship | Nature of transaction | Duration of the transaction | Transactions value) in` | Date of approval by the Board | Amount paid as advances |
| | Shah Alloys Limited | Promoter company | Sale of Power | April 2019- March 2020 | 35,24,55,000 | Since these RPTs are in the ordinary course of business and are at arms' length basis, approval of the Board is not required. However, these are reported to the Audit Committee / Board at their quarterly meetings. | N.A. |
| | | | Sale of material & services | | 137,68,86,808 | | |
| | | | Purchase of material & services | | 5,04,95,592 | | |

ANNEXURE 4**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 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my/our verification of the records of **S A L STEEL LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering **the financial year ended on 31st March 2020** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **S A L STEEL LIMITED (CIN: L29199GJ2003PLC043148)** for the financial year ended on **March 31, 2020** according to the provisions of:

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

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

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f July 01, 2015or any amendment, substation, if any, are adopted by the Company and are complied with.
- (II) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non-executives directors, independent directors and woman director. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the act and with intimation to stock exchanges(s). **However, except as per the Managements Reply, Company is in process of Filing E-Form DPT-3 for FY 2018-19 & 2019-20 and E-Form BEN-2 under the Company Fresh Filing Scheme, 2020.**

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

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

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

Place: Ahmedabad
Date: September 07, 2020

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

Sd/-

(KAMLESH M. SHAH)
PROPREITOR

ACS: 8356, COP: 2072
UDIN: A008356B000674461

"ANNEXURE-A"

Securities Laws

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

Labour Laws

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

Environmental Laws

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

Taxation Laws

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

Place: Ahmedabad
Date: September 07, 2020

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

Sd/-

(KAMLESH M. SHAH)
PROPREITOR

ACS: 8356, COP: 2072
UDIN: A008356B000674461

"ANNEXURE-B"

To
The Members,
SAL STEEL LIMITED
CIN: L29199GJ2003PLC043148
BLOCK NO. 2221-2222, SHAH INDUSTRIAL ESTATE SOLA - KALOL ROAD,
TA: KALOL, DIST. GANDHINAGAR SANTEJ 382043 GUJARAT

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

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

Place: Ahmedabad
Date: September 07, 2020

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

Sd/-

(KAMLESH M. SHAH)
PROPREITOR
ACS: 8356, COP: 2072
UDIN: A008356B000674461

ANNEXURE 5

Form No. MGT-9 Extract of Annual Return as on 31/03/2020

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

1. REGISTRATION AND OTHER DETAILS

| SR. NO. | PARTICULARS | DETAILS |
|---------|---|---|
| 1 | CIN: | L29199GJ2003PLC043148 |
| 2 | Registration date: | 06/11/2003 |
| 3 | Name of the company: | SAL STEEL LIMITED |
| 4 | Category/ sub-category of the company: | Company limited by shares/ Indian Non Government Company. |
| 5 | Address of the registered office and contact details: | 5/1 Shreeji House, 5 th Floor B/h M. J. Library, Ashram Road Ahmedabad – 380 006 Gujarat. |
| 6 | Whether listed company: | Yes. |
| 7 | Name, address and contact details of registrar and transfer agent if any: | KFIN TECHNOLOGIESPVT LTD. Karvy Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Phone: 91-040-67162222 Fax: 91-040-23001153 Toll Free no.: 1800-345-4001 E-mail: shyam.kumar@karvy.com Website: www.karvyfintech.com |

1. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SL. No. | Name and descriptions of main products/ services | NIC Code of the product/ Service | % to Total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Sponge Iron & Ferro Chrome | 171 | 89% |

2. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| Sr. No. | Name and address of the Company | CIN/GLN | CONCERN | % of shares held by Company | Applicable Section |
|---------|---------------------------------|---------|---------|-----------------------------|--------------------|
| NIL | | | | | |

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change |
|---|---|----------|----------|-------------------|---|----------|----------|-------------------|----------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) a) Indian/Individual/HUF | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Central Govt | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| c) State Govt. (s) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| d) Bodies Corp. | 42959889 | NIL | 42959889 | 50.56 | 42959889 | NIL | 42959889 | 50.56 | NIL |
| e) Banks / FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| f) Any Other.... | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (A) (1):- | 42959889 | NIL | 42959889 | 50.56 | 42959889 | NIL | 42959889 | 50.56 | NIL |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Other - Individuals | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| c) Bodies Corp. | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| d) Banks / FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Any Other.... | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (A) (2):- | 42959889 | NIL | 42959889 | 50.56 | 42959889 | NIL | 42959889 | 50.56 | NIL |
| Total shareholding of Promoter (A) = (A) (1)+(A) (2) | | | | | | | | | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Banks/FI | NIL | NIL | NIL | NIL | 5000 | NIL | 5000 | 0.00 | NIL |
| c) Central Govt | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| d) State Govt(s) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| f) Insurance Companies | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| g) FIIs | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| h) Foreign Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| i) Others (specify) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (B) (1): | NIL | NIL | NIL | NIL | 5000 | NIL | 5000 | 0.01 | NIL |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 10351922 | NIL | 10351922 | 12.18 | 11852396 | NIL | 11852396 | 13.95 | (0.76) |
| i) Indian | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ` 2 lakh | 20652966 | 86082 | 20566884 | 24.31 | 21341122 | 85310 | 21426432 | 25.22 | (0.73) |
| ii) Individual shareholders holding nominal share capital in excess of ` 2 lakh | 10565103 | 125000 | 10440103 | 12.44 | 7978454 | 125000 | 8103454 | 9.54 | 1.69 |
| c) Others (TRUSTS, NON RESIDENT , NBFC & CLEARING MEMBERS & NBFC) | 436820 | NIL | 436820 | 0.51 | 619529 | NIL | 619529 | 0.73 | (0.20) |
| Sub-total (B) (2):- | 42006811 | 211082 | 41795729 | 49.44 | 41791501 | 210310 | 42001811 | 49.44 | NIL |
| Total Public Shareholding (B)=(B) (1)+ (B) (2) | 42006811 | 211082 | 41795729 | 49.44 | 41796501 | 210310 | 42006811 | 49.44 | NIL |
| C. shares held by custodian for GDRs & ADRs | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| GRAND TOTAL (A+B+C) | 84756390 | 210310 | 84966700 | 100.00 | 84756390 | 210310 | 84966700 | 100.00 | NIL |

ii) Shareholding of promoters

| Name of promoter | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shares holding during the year |
|--------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | No. of 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 | |
| Shah alloys ltd. | 30256989 | 35.61 | 30256989 | 30256989 | 35.61 | 30256989 | NIL |
| Sal Care Pvt. Ltd. | 12702900 | 14.95 | 12702900 | 12702900 | 14.95 | 12702900 | NIL |
| Total | 42959889 | 50.56 | 42959889 | 42959889 | 50.56 | 50.56 | NIL |

iii) Change in Promoter's Shareholding

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

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

4. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDER (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

| SR. NO. | NAME OF THE SHAREHOLDERS | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------------|------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Satellite Mercantiles Pvt. Ltd. | 3544498 | 4.17 | 3544498 | 4.17 |
| 2 | Gujarat NRE Coke Ltd. | 1737682 | 3.22 | 1737682 | 3.22 |
| 3 | Gujarat NRE Mineral Resources Ltd. | 144563 | 1.70 | 1445633 | 1.70 |
| 4 | JM Financial Services Limited. | 1769248 | 2.08 | 1176372 | 1.50 |
| 5 | Mahendra Girdharilal | 411640 | 0.48 | 411640 | 0.48 |
| 6 | Jainam Share Consultants Pvt. Ltd. | 379348 | 0.45 | 0 | 0 |
| 7 | Ashvin V Shah | 377000 | 0.45 | 377000 | 0.44 |
| 8 | Lakshmi M | 325000 | 0.38 | 325000 | 0.38 |
| 9 | Shah Monal Jayeshkumar | 261415 | 0.31 | 305168 | 0.36 |
| 9 | JayeshVijaykumar Shah | 304936 | 0.36 | 0 | 0 |
| 10 | Jayesh V Shah | 178412 | 0.33 | 178412 | 0.33 |
| TOTAL | | 10533742 | 13.93 | 10701405 | 12.58 |

5. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

6. INDEBTEDNESS

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1672944000 | - | - | 1672944000 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1672944000 | - | - | 1672944000 |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | - | - | - |
| Reduction | 72206000 | - | - | 72206000 |
| Net Change | 72206000 | - | - | 72206000 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1600738000 | - | - | 1600738000 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1600738000 | - | - | 1600738000 |

7. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**a. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount (Rs.) |
|---------|-----------------------------|--|--------------------|
| 1. | Salary | Shri Sujal Shah | 4,32,000 |
| | | Shri B.M Singhal (WTD & CFO) | 4,86,481 |
| | | Shri Anil Pandya | 4,47,659 |
| 2. | Stock Option | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL |
| 4. | Commission - as % of profit | NIL | NIL |
| 5. | Others, please specify | NIL | NIL |
| | Total (A) | NIL | NIL |
| | Ceiling as per the Act | As per Section (II) Part (II) of Schedule V. | |

b. Remuneration to other directors:

| Particulars of Remuneration | Name of Directors | | | | | Total Amount Rs. |
|--|---|------------------------|-------------------------|-----------------------------|--------------------------|---------------------|
| | Shri A.C. Patel | Shri Tejpal S. Shah | Shri Harshad M. Shah | Shri Shrikant N. Jhaveri | Smt. Shefali M. Patel | |
| Independent Directors | | | | | | |
| Fee for attending board / committee meetings | 75000 | 27500 | 37500 | 75000 | 75000 | 290000 |
| Commission | Nil | Nil | Nil | Nil | Nil | Nil |
| Others, please specify | | | | | | |
| Total | 75000 | 27500 | 37500 | 75000 | 75000 | 290000 |
| Overall Ceiling as per the Act | Ceiling for sitting fee as per Section 197 (5) read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is Rs. 1,00,000/- per meeting of Board/Committee | | | | | |

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

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|------------|--------------------------------|--------------------------|--|--------|----------------------|
| | | From (Date) To (Date) | | Total | |
| | | Shri Manish Daulani | | | Shri Babulal Singhal |
| 1 | Gross salary | 503031 | | 486481 | 989512 |
| 2 | Stock Option | N.A. | | N.A. | N.A. |
| 3 | Sweat Equity | N.A. | | N.A. | N.A. |
| 4 | Commission | N.A. | | N.A. | N.A. |
| | - as % of profit | N.A. | | N.A. | N.A. |
| | others, specify... | N.A. | | N.A. | N.A. |
| 5 | Others, please specify | N.A. | | N.A. | N.A. |
| | Total | 503031 | | 486481 | 989512 |

8. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CORPORATE GOVERNANCEREPORT

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

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

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

2. BOARD OF DIRECTORS :

COMPOSITION AND CATEGORY

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

| Name of Director | Category | Numbers of Board Meetings | | No. of Directorships held (including SSL) | Committee Memberships held in other companies (including SSL) | | Attendance at Last AGM |
|-------------------------------|----------------------------------|---------------------------|--------------------------|---|---|-------------|------------------------|
| | | Held during the year | Attended during the Year | | As member | As Chairman | |
| NON-EXECUTIVE DIRECTOR | | | | | | | |
| Shri Rajendra V. Shah | Promoter Non- Executive Chairman | 4 | 4 | 2 | 2 | Nil | Yes |
| EXECUTIVE DIRECTORS | | | | | | | |
| Shri Sujal Shah | Non Promoter Executive Director | 4 | 4 | 1 | 1 | Nil | Yes |
| Shri Babulal Singhal | Non Promoter Whole time Director | 4 | 4 | 1 | Nil | Nil | No |
| Shri Anil Pandya | Non Promoter Whole time Director | 4 | 4 | 1 | Nil | Nil | No |
| INDEPENDENT DIRECTORS | | | | | | | |
| Shri Ambalal C. Patel | Non – Executive & Independent | 4 | 4 | 5 | 8 | 2 | Yes |
| Shri Harshad M. Shah | Non-Executive & Independent | 4 | 4 | 2 | 3 | Nil | No |
| Shri Tejpal S. Shah | Non-Executive & Independent | 4 | 3 | 2 | 3 | Nil | No |
| Shri Shrikant N. Jhaveri | Non-Executive & Independent | 4 | 4 | 2 | 5 | 5 | Yes |
| Smt. Shefali M. Patel | Non-Executive & Independent | 4 | 4 | 2 | 2 | Nil | Yes |

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

Independent Directors' Meeting

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

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

As on March 31 2020, Shri Ambalal C. Patel, Independent Director of the Company held 89,000 shares in the equity share capital of the Company. None of the other Non-Executive Directors hold any equity shares in the Company.

DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

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

3. COMMITTEES OF THE BOARD

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

The various Board level Committees are as under:-

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

AUDIT COMMITTEE:

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

The Audit Committee comprises of Three non-executive Directors as on 31st March, 2020 all Members of Audit Committee are Independent Directors. During the period under review, four Audit Committee meetings were held respectively on 28.05.2019 (adjourned and held on 30.05.2019), 14.08.2019, 11.11.2019 and 13.02.2020.

| Name of Director | Date of Appointment | Position | No. of Meetings | Meetings attended |
|--------------------------|---------------------|----------|-----------------|-------------------|
| Shri Shrikant N. Jhaveri | 28/05/2014 | Chairman | 4 | 4 |
| Shri Ambalal C. Patel | 28/05/2014 | Member | 4 | 4 |
| Smt. Shefali Patel | 13/02/2019 | Member | 4 | 4 |

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

4. NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three independent Non-executive directors as on 31st March, 2020, further all Members of Nomination and Remuneration Committee are Independent Directors.

During the period under review, four meetings of Nomination and Remuneration Committee were held on 28.05.2019, 14.08.2019, 11.11.2019 and 13.02.2020

| Name of Director | Date of Appointment | Position | No. of Meetings | Meetings attended |
|--------------------------|---------------------|----------|-----------------|-------------------|
| Shri Shrikant N. Jhaveri | 13/02/2019 | Chairman | 4 | 4 |
| Shri Ambalal C. Patel | 28/05/2019 | Member | 4 | 4 |
| Shri Harshad M. Shah | 28/05/2019 | Member | 4 | 4 |

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

Board Evaluation

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

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

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

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

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

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

5. Remuneration of Directors

- All Pecuniary Relationship or Transactions of the Non- Executive Directors
There were no pecuniary relationship or transactions of the non-executive directors vis a vis the Company.
- Criteria for Making Payment to Non- Executive Directors
Role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the non-executive/independent directors is recommended.
- Compensation/Fees Paid to Non-Executive Directors
Non-Executive Independent Directors were paid sitting fees for attending the Board and Committee Meetings.
- Details of Remunerations
Details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2020 are as under:

| Name of Director | Sitting Fees (Rs.) | Salaries & Perquisites (Rs.) | Commission (Rs.) | Total (Rs.) |
|-----------------------|--------------------|------------------------------|------------------|-------------|
| Shri Rajendra Shah | Nil | Nil | Nil | Nil |
| Shri Sujal Shah | Nil | 4,32,000 | Nil | 4,32,000 |
| Shri Babulal Singhal | Nil | 4,86,481 | Nil | 4,86,481 |
| Shri Anilkumar Pandya | Nil | 4,47,659 | Nil | 4,47,659 |
| Shri Ambalal Patel | 75,000 | Nil | Nil | 75,000 |
| Shri Tejpal Shah | 27,500 | Nil | Nil | 27,500 |
| Shri Harshad Shah | 37,500 | Nil | Nil | 37,500 |
| Shri Shrikant Jhaveri | 75,000 | Nil | Nil | 75,000 |
| Smt. Shefali Patel | 75,000 | Nil | Nil | 75,000 |

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

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

The Stakeholder's Grievance Committee comprises of three independent Non-executive directors as on 31st March, 2020 all Members of Stakeholder's Grievance Committee are Independent Directors. During the period under review, four meetings of Stakeholders' grievance Committee were held on 28.05.2019, 14.08.2019, 11.11.2019 and 13.02.2020.

| Name of Director | Date of Appointment | Position | No. of Meetings | Meetings attended |
|--------------------------|---------------------|----------|-----------------|-------------------|
| Shri Shrikant N. Jhaveri | 13/02/2019 | Chairman | 4 | 4 |
| Shri Ambalal C. Patel | 28/05/2019 | Member | 4 | 4 |
| Shri Harshad M. Shah | 28/05/2019 | Member | 4 | 3 |

Name and designation of Compliance Officer

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

Details of Shareholders Complaints

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

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

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

No. of pending Complaints: Nil

No. of complaints resolved during the year: Nil

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

| Year | Date | Time | Venue | No. of special resolutions passed |
|---------|-----------------------|------------|---|-----------------------------------|
| 2016-17 | September 30th, 2017. | 09:30 A.M. | SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060. | 1 |
| 2017-18 | September 29th, 2018 | 10:00 A.M. | SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060. | 1 |
| 2018-19 | September 25th, 2019 | 10.00 A.M. | SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060. | 4 |

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

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDERS INFORMATION

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

a) Annual General Meeting.

Date : 23rd December, 2020

Time : 01:00 P.M.

Venue : SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380060.

Mode : Video Conferencing / Other Audio-Visual Means (VC/OAVM).

b) Financial Year

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

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

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

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

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

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

- c) **Dividend Payment Date** : Not Applicable
- d) **Listing on Stock Exchange** : **Bombay Stock Exchange Ltd.**
Phiroze Jeejee bhoy Towers Dalal Street,
Mumbai – 400001
(Scrip Code: 532604)
- : **National Stock Exchange of India Ltd.**
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
(NSE Symbol: SALSTEEL)

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

- e) **Demat ISIN No. for NSDL and CDSL** : INE658G01014
- f) **Stock code** : Bombay Stock Exchange Ltd.
Scrip Code: 532604
National Stock Exchange of India Ltd.
Symbol: SALSTEEL

g) **Share Price Data**

(Rs. per share)

| Month | Price at BSE | | Price at NSE | |
|----------|--------------------|-------------------|--------------------|-------------------|
| | Month's High Price | Month's Low Price | Month's High Price | Month's Low Price |
| Apr' 18 | 5.95 | 4.51 | 9.90 | 7.10 |
| May' 18 | 5.00 | 4.26 | 8.90 | 6.50 |
| June' 18 | 4.88 | 2.80 | 8.25 | 6.65 |
| July' 18 | 3.40 | 2.55 | 7.30 | 5.10 |
| Aug' 18 | 3.18 | 2.05 | 8.35 | 5.95 |
| Sept' 18 | 3.91 | 1.97 | 7.50 | 5.60 |
| Oct' 18 | 3.24 | 2.07 | 6.40 | 4.60 |
| Nov' 18 | 2.96 | 2.45 | 7.95 | 5.45 |
| Dec' 18 | 2.87 | 2.41 | 7.30 | 5.80 |
| Jan' 19 | 3.60 | 2.48 | 7.80 | 5.60 |
| Feb' 19 | 3.33 | 2.66 | 6.15 | 4.40 |
| Mar' 19 | 2.88 | 1.72 | 5.95 | 4.65 |

h) **Registrar to Issue and Share Transfer Agents**

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

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

i) **Share Transfer System**

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

j) Shareholding pattern as on 31st March, 2020

| Category | No. of Shares | % |
|----------------------|-----------------|---------------|
| Promoters | 42959889 | 50.56 |
| Clearing Members | 20517 | 0.02 |
| Indian Public | 31218069 | 36.74 |
| Domestic Companies | 10351922 | 12.18 |
| NRI | 306053 | 0.36 |
| NRI NON-REPATRIATION | 110240 | 0.13 |
| Total | 84966700 | 100.00 |

k) Distribution of shareholding as on 31st March, 2020

| Shareholding (Range) | No. of Shares | % | No. of Members | % |
|----------------------|---------------|------------|------------------|------------|
| Up to 5000 | 17876 | 70.11 | 4358328 | 5.13 |
| 5001 - 10000 | 3707 | 14.54 | 3310217 | 3.9 |
| 10001 - 20000 | 1814 | 7.11 | 2947631 | 3.47 |
| 20001 - 30000 | 658 | 2.58 | 1736143 | 2.04 |
| 30001 - 40000 | 289 | 1.13 | 1061655 | 1.25 |
| 40001 - 50000 | 330 | 1.29 | 1576460 | 1.86 |
| 50001 - 100000 | 413 | 1.62 | 3131080 | 3.69 |
| 100001 & above | 411 | 1.61 | 66845186 | 78.67 |
| Total | 25982 | 100 | 849667000 | 100 |

l) Dematerialization of Shares and Liquidity

On March 31st 2020, nearly 99.75% of the shareholders of Company were holding Company's shares in demat form. In the same way, Promoters & Promoters-group shareholding was also fully dematerialized.

m) Plant Location:

The Company's plant is located at:

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

n) Registered & Administrative Offices:

Registered Office

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

Administrative Office:

SAL Steel Limited,
Corporate House, Sola-Kalol Road,
Village Santej, Dist: Gandhinagar, Gujarat – 381721

o) Address for Investor Correspondence:

In case any problem or query shareholders can contact at:

Name : Manish R. Daulani, Company Secretary cum Compliance officer
Address : S.A.L. Steel Limited,
Shah Alloys Corporate House, Sola-Kalol Road, Santej, Dist. Gandhinagar, Gujarat 382 721
Phone : 91-01764-661100/11
Fax : 91-01764-661110
Email : cs@salsteel.co.in

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance Compliance Certificate

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

Disclosure of Accounting Treatment

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

CEO and CFO Certification

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

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

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

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

The above Report was adopted by the Board at their meeting held on 30th July 2020.

For, S.A.L. Steel Limited

Sd/-

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

Place: Santej
Date: 11.09.2020

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
S.A.L. Steel Limited

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

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

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

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

For, K. K. Patel & Associates

Sd/-

(Kiran Kumar Patel)

Company Secretary

C.P.No.6352

UDIN: F006384B001359001

Place: Gandhinagar

Date: 30.11.2020

MANAGEMENT DISCUSSION AND ANALYSIS

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 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 issued by the Securities and Exchange Board of India ('SEBI') from time to time.

INSIGHTS ON GLOBAL ECONOMY

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. The country produced 99 MnT of crude steel last year, a decrease of 4.8% compared to 2018. In Europe, crude steel production slumped to 159 MnT in 2019, recording a decrease of 4.9% over 2018. The decrease was on account of challenges faced with oversupply and trade tensions.

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.

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. 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.

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.

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.

INDIAN ECONOMIC OVERVIEW

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

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

Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

Market Size

India's finished steel consumption grew at a CAGR of 5.2% during FY16-FY20 to reach 100 MT. India's crude steel and finished steel production increased to 108.5 MT and 101.03 MT in FY20P, respectively.

Export and import of finished steel stood at 8.24 MT and 6.69 MT, respectively, in FY20P.

Investments

Steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past.

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

Some of the major investments in the Indian steel industry are as follows:

- In a move towards becoming self-reliant, Indian steel companies have started boosting steel production capacity. To this end, SAIL announced doubling of its at 5 of its steel plants capacity in September 2020
- In March 2020, Arcelor Mittal Nippon Steel India (AM/NS) acquired Bhandar Power plant in Hazira, Gujarat from Edelweiss Asset Reconstruction Company.
- In February 2020, GFG Alliance acquired Adhunik Metaliks and its arm Zion Steel for Rs 425 crore (US\$ 60.81 million), marking its entry into the Indian steel market.
- For FY20, JSW Steel set a target of supplying around 1.5 lakh tonnes of TMT Rebars to metro rail projects across the country.
- In December 2019, Arcelor Mittal completed the acquisition of Essar Steel at Rs 42,000 crore (US\$ 6.01 billion) and formed a joint venture with Nippon Steel Corporation.
- JSW Steel has planned a US\$ 4.14 billion capital expenditure programme to increase its overall steel output capacity from 18 million tonnes to 23 million tonnes by 2020.
- Ministry of Steel plans to invest US\$ 70 million in the eastern region of the country through accelerated development of the sector.
- The production capacity of SAIL is expected to increase from 13 MTPA to 50 MTPA in 2025 with total investment of US\$ 24.88 billion.
- Tata Steel has decided to increase the capacity of its Kalinganagar integrated steel plant from 3 million tonnes to 8 million tonnes at an investment of US\$ 3.64 billion.

Government Initiatives

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

- Government introduced Steel Scrap Recycling Policy to reduce import.
- An export duty of 30% has been levied on iron ore[^] (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030–31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

Road ahead

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

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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.

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 is 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.

Opportunities

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

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

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

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

Threats

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

Outlook

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

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Production of sponge iron during the year was 1,29,294 MT as compared to 1,72,724 MT as compared in the previous year. Production of Ferro Chrome was 17,854 MT as compared to 14,259 MT in the previous year.

Accordingly, sales for sponge iron during the year was 1,28,270 MT as compared to 1,72,598 MT in the previous year. Sales of Ferro Chrome during the year were 18000 MT as compared to 14,497 MT in the previous year.

Company has a power generation plant of 40 MW. During the year 88113.75 MWH of power was sold by way of Captive Consumption as against 1,03,388 MWH in the previous year.

During the year under review Total Revenue from operation has decreased from '57435.05 lacs to '40783.91 lacs as compared to previous year's turnover. Company has registered a net profit of '1587.00 lacs in comparison of net loss of '2159.73 lacs during previous year.

RISK AND CONCERNS

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

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

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

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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on March 31, 2020 was 379. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement. The Workers union of the Company has maintained healthy and cordial industrial relations, and has been an equal partner in implementing Company's policies and achieving stretched operational targets, year on year.

CAUTIONARY NOTE

Cautionary Statement The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in Government regulations, tax laws, and other incidental factors.

INDEPENDENT AUDITOR'S REPORT

To the Members of
S.A.L STEEL LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s S.A.L STEEL LIMITED** ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter:

| Description of Key audit Matter | Our response and results |
|---|--|
| <p>REVENUE(Refer note 41) to the standalone Ind AS financial statements)</p> <p>Revenue of the company comprises of sale of Sponge Iron, Ferro alloys sale of power. The company sells its products directly to the end use customers.</p> <p>Revenue recognition is a significant audit risk across the company. Specifically there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.</p> | <p>Our key audit procedures to assess the recognition of revenue on sale of goods included the following:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Company's revenue recognition policies, including those related to discounts and incentives; • We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Company's controls over timing of revenue recognition; • We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year end transactions. <p>We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the Company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;</p> |

| Description of Key audit Matter | Our response and results |
|--|---|
| <p>Litigations and claims (Refer note 31A) to the standalone Ind AS financial statements)</p> <p>The cases are pending with multiple tax authorities like Service tax, Excise, sales tax. & customs . and there are claims against the company which have not been acknowledged as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the standalone Ind AS financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p> | <p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the company's management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/response including on the claims lodged by customers were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone Ind AS financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the standalone Ind AS financial statements.</p> |

Emphasis of Matter

1. **Financial statements describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard — 108 'Operating Segments'. As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the financial results due to non disclosure. .(Refer Note No 32 of notes forming part of Standalone Ind AS financial statement)**
2. **We draw attention to Note 45 of notes forming part of standalone Ind AS financial statements which describes the management's assessment of the likely impact of uncertainties related to outbreak of COVID 19 global pandemic on the operations of the Company.**

Our opinion is not modified on the above matters.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations, received from the directors as on March 31,2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31,2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS financial statements (Refer Note No 31A the Standalone Ind AS financial statements.)
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 20040230AAAAFZ1823

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

Place: Ahmedabad
Date: 30/07/2020

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

- (i) In respect of its Property, Plant & Equipments:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments on the basis of available information.
- (b) As explained to us, major portion of Property, Plant & Equipments are physically verified by the management during the year in accordance with a phased program of verification adopted by company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, title deeds of the immovable properties held are in the name of the company.
- (ii) As explained to us, inventories were physically verified by management at reasonable intervals during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans, Secured or unsecured granted by the company to the companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the companies Act, 2013:
- According to the information and explanations given to us and on the basis of records produced before us, the company has not granted any loan, secured or unsecured to the companies, limited liability partnership or firms or other parties covered in the register maintained u/s 189 of the companies Act, 2013 and hence sub-clause (a)&(b) & (c) of paragraph 3 of companies auditor's report order 2016 are not applicable to the company.
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year under review. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public during the year under review.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of Cost records specified under section 148 of Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts & records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) *According to the information and explanation given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, ESIC, income-tax, sales tax, Goods & Service Tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have not been generally regularly deposited during the year with the appropriate authorities.*
- According to the information and explanation given to us no undisputed amounts payable in respect of provident fund, ESIC, income-tax, Goods & Service Tax, service tax, duty of customs, duty of excise, cess and other statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date of becoming payable except dues for (1) deferred sales tax liability amounting to Rs.90.52 lakhs (2) dues of value added tax (VAT) to the tune of Rs.2240.56 lakhs.-*
- b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed dues that have not been deposited as on 31st March, 2020 on account of matters pending before the appropriate authorities are as under:

| Sr. No | Name of the statute | Nature of Dues | Financial year to which it relates | From where the dispute is pending | Amount under dispute not yet deposited (Net of Payments) (in Rs lakhs.) |
|--------|-----------------------------------|---------------------|------------------------------------|---|---|
| 1 | Custom Act, 1962 | Custom Duty | 2011-12 | Appellate Tribunal Ahmedabad | 50.00 |
| 2 | Custom Act, 1962 | Custom Duty | 2012-13 | Appellate Tribunal Ahmedabad | 449.85 |
| 3 | Central Excise Act, 1994 | Central Excise Duty | 2008-09 to 2010-2011 | Supreme Court | 590.14 |
| 4 | Central Excise Act, 1994 | Central Excise Duty | 2005-06 to sep 2014 | Central Excise Commissioner | 626.28 |
| 5 | Central Service Tax Act, 1994 | Service Tax | 2016-17 & 2017-18 | Deputy commissioner Audit Rajkot | 150.25 |
| 6 | Gujarat Value Added Tax Act, 2003 | Value added Tax | 2014-15 | Jt. Value Added Tax Commissioner (Appeal) | 227.18 |

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

For Parikh & Majmudar
Chartered Accountants
Firm Reg. No. 107525W
UDIN: 20040230AAAAFZ1823

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

Place: Ahmedabad
Date :30/07/2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

of Even Date to the Members of S.A.L STEEL LIMITED on the Standalone
Financial Statements for the year ended on 31st March 2020

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 20040230AAAAFZ1823
Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place: Ahmedabad
Date: 30/07/2020

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount ₹ in Lakhs)

| | Note No | As At 31st March 2020 | As At 31st March 2019 |
|---|---------|--------------------------|--------------------------|
| ASSETS | | | |
| 1) Non-current assets | | | |
| a) Property, Plant and Equipment | 2 | 11798.59 | 12550.56 |
| b) Capital work-in-progress | | 4605.90 | 1076.84 |
| c) Other Intangible assets | | 5.77 | 5.77 |
| d) Financial Assets | | | |
| (i) Trade receivables | 3 | 283.85 | 288.00 |
| (ii) Loans | | - | - |
| (iii) Security Deposits | | - | - |
| e) Deferred tax assets (net) | | - | - |
| f) Other non-current assets | 4 | 492.56 | 454.47 |
| 2) Current assets | | | |
| a) Inventories | 5 | 1976.21 | 3170.72 |
| b) Financial Assets | | | |
| (i) Trade receivables | 6 | 11965.72 | 9118.49 |
| (ii) Cash and cash equivalents | 7 | 18.65 | 25.58 |
| (iii) Bank balances other than (iii) above | 8 | 42.94 | - |
| (iv) Loans | 9 | 7.19 | 5.83 |
| c) Other current assets | 10 | 182.72 | 1588.68 |
| TOTAL ASSETS | | 31,380.10 | 28,284.94 |
| EQUITY & LIABILITIES : | | | |
| EQUITY: | | | |
| a) Equity Share capital | 11 | 8496.67 | 8496.67 |
| b) Other Equity | 12 | -7041.32 | -8622.49 |
| LIABILITIES : | | | |
| 1) Non-Current Liabilities | | | |
| a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 14563.26 | 16007.38 |
| (ii) Trade payables | 14 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 178.58 | 140.49 |
| (iii) Other Financial Liabilities | 15 | 66.68 | 89.31 |
| b) Provisions | 16 | 106.09 | 86.50 |
| c) Deferred tax liabilities (Net) | 17 | 1988.06 | 1871.77 |
| d) Other non-current liabilities | | - | - |
| 2) Current liabilities | | | |
| (i) Borrowings | 18 | 28.46 | 240.22 |
| (ii) Trade payables | 19 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 6681.56 | 4894.56 |
| (iii) Other financial liabilities | 20 | 1557.27 | 812.58 |
| (iv) Other current liabilities | 21 | 3740.76 | 3381.62 |
| (v) Provisions | 22 | 1014.03 | 886.33 |
| Total Equity and Liabilities | | 31,380.10 | 28,284.94 |
| The accompanying Notes 1 to 46 are integral part of these Standalone Ind AS Financial Statements. | | | |

As per our report of even date attached.

For Parikh & Majmudar

Chartered Accountants
(Firm Regn. No. 107525W)
UDIN:20040230AAAAFZ1823

Sd/-

CA Dr. Hiten Parikh

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

Sd/-

[Rajendra V Shah]

Chairman
DIN 00020904

Sd/-

[Anil Pandya]

Whole Time Director
DIN 02453919

Sd/-

[B L Singhal]

Whole Time Director cum CFO
DIN 01484213

Sd/-

[Manish Daulani]

Company Secretary

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

(Amount ₹ in Lakhs)

| | Note No | As At 31st March 2020 | As At 31st March 2019 |
|--|---------|--------------------------|--------------------------|
| I Revenue from Operations | 23 | 40783.91 | 57435.05 |
| II Other Income | 24 | 4429.97 | 133.73 |
| III Total Income (I +II) | | 45213.88 | 57568.78 |
| IV <u>Expenses:</u> | | | |
| Cost of Materials Consumed | 25 | 31796.41 | 39024.33 |
| Purchases of Stock-in-Trade | 26 | 464.62 | - |
| Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress | 27 | 377.65 | 2623.75 |
| Employee Benefits Expense | 28 | 1008.82 | 1593.11 |
| Finance Costs | 29 | 151.39 | 150.19 |
| Depreciation and Amortization Expense | | 751.97 | 779.62 |
| Other Expenses | 30 | 8956.60 | 13261.31 |
| Total Expenses (IV) | | 43507.46 | 57432.31 |
| V Profit before Exceptional Item (III- IV) | | 1706.42 | 136.48 |
| Exceptional Items | | - | -2001.00 |
| VI Profit before tax (III- IV) | | 1706.42 | -1864.53 |
| VI <u>Tax expense :</u> | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | 119.42 | 295.21 |
| Total Tax Expenses (VII) | | 119.42 | 295.21 |
| VII Profit for the period (V -VI) | | 1587.00 | -2159.73 |
| VIII <u>Other Comprehensive Income</u> | | | |
| A (i) Items that will not be reclassified to profit or loss | | -8.96 | 9.59 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 3.13 | -3.35 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total Other Comprehensive Income (VIII) | | -5.83 | 6.24 |
| IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period) | | 1581.17 | -2153.49 |
| X Earnings per equity share (Face Value of Rs 10/- each) | | | |
| Basic & Diluted | 31 | 1.87 | -2.54 |

The accompanying Notes 1 to 46 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar

Chartered Accountants
(Firm Regn. No. 107525W)
UDIN:20040230AAAAFZ1823

Sd/-

CA Dr. Hiten Parikh

Partner
M.No.040230

Place : Ahmedabad

Date : 30th July,2020

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

Sd/-

[Rajendra V Shah]

Chairman
DIN 00020904

Sd/-

[Anil Pandya]

Whole Time Director
DIN 02453919

Sd/-

[B L Singhal]

Whole Time Director cum CFO
DIN 01484213

Sd/-

[Manish Daulani]

Company Secretary

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

(Pursuant to the listing Agreement with Stock Exchange)

(Amount ₹ in Lakhs)

| Particulars | 2019-20 | | 2018-19 | |
|--|-----------|------------------|-----------|----------------|
| (A) CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| NET PROFIT/(LOSS) BEFORE TAX | | 1,706.42 | | -1,864.53 |
| Add/(Less): | | | | |
| Depreciation and amortization expense | 751.97 | | 779.62 | |
| Loss / (Profit) on sale of Assets | 0.00 | | -0.94 | |
| Financial Cost | 151.39 | | 150.19 | |
| Interest Income | -5.90 | 897.46 | -7.50 | 921.37 |
| | | 2,603.89 | | -943.15 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | | | |
| Adjustments for: | | | | |
| Trade and Other Receivables | -1,475.21 | | -6,341.50 | |
| Inventories | 1194.50 | | 4,432.61 | |
| Trade Payables and other liabilities | 3043.28 | 2,762.57 | 2,440.01 | 531.12 |
| CASH GENERATED FROM OPERATIONS | | 5,366.45 | | -412.03 |
| Less: Income Tax Paid | | - | | - |
| CASH FLOW BEFORE EXTRA ORDINARY ITEMS | | 5,366.45 | | -412.03 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | | 5,366.45 | | -412.03 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES: | | | | |
| Sale Proceeds of Assets | - | | 6.39 | |
| Interest Income | 5.90 | | 7.50 | |
| Purchase of Fixed Assets | - | | -565.61 | |
| Impairment in Capital Work in Progress | - | | 2,001.00 | |
| Investment in Capital Work in Progress | -3,529.06 | | -607.59 | |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | | -3,523.16 | | 841.69 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| Proceeds from Working Capital Loans | -1,655.87 | | -495.75 | |
| Financial Expenses. | -151.39 | | -150.19 | |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | | -1,807.27 | | -645.94 |
| NET INCREASE / DECREASE IN CASH & CASH EQUIVALENTS(A+B+C) | | 36.01 | | -216.28 |
| Cash & Cash Equivalent in the Beginning of the year | | 25.58 | | 241.86 |
| Cash & Cash Equivalent in the Closing of the year | | 61.59 | | 25.58 |

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

(Amount ₹ in Lakhs)

| Particulars | 2019-20 | | 2018-19 | |
|---|---------|--------------------------------|---------|--------------------------------|
| Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows. This is the Cashflow Statement referred to in our report of even date. | | | | |
| Cash and Bank Balances: | | As At March 31,2020 | | As At March 31,2019 |
| Balances with banks (in Current Accounts) | | 17.15 | | 23.33 |
| Balances with banks (in Guarantee Money) | | 42.94 | | - |
| Cash on Hand | | 1.50 | | 2.25 |
| Total | | 61.59 | | 25.58 |

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn. No. 107525W)
UDIN:20040230AAAAFZ1823
Sd/-
CA Dr. Hiten Parikh
Partner
M.No.040230
Place : Ahmedabad
Date : 30th July,2020

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

Sd/-
[Rajendra V Shah]
Chairman
DIN 00020904

Sd/-
[Anil Pandya]
Whole Time Director
DIN 02453919

Sd/-
[B L Singhal]
Whole Time Director cum CFO
DIN 01484213

Sd/-
[Manish Daulani]
Company Secretary

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

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

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

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

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

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

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

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

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

1.2 USE OF ESTIMATES :

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

1.3 PROPERTY, PLANT AND EQUIPMENT:

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

Plant and Equipments - 15 years
 Furniture and Fixtures - 10 years
 Vehicles - 8 to 10 years
 Office Equipments - 5 to 10 years
 Others – Computer Hardware 3 to 6 years

1.4 INTANGIBLE ASSETS:

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

1.5 Revenue Recognition

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

1.6 EMPLOYEE BENEFITS:

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

1.7 Valuation of Inventories

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

- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value.
- vi) Stock of by product is valued at lower of cost or net realisable value.

1.8 Cash flow statement

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

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

1.9 FINANCIAL ASSETS:

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

1.10 FINANCIAL LIABILITIES:

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

1.11 FAIR VALUE MEASUREMENT:

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

1.12 FOREIGN CURRENCY TRANSACTIONS:

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

- iii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

1.13 BORROWING COSTS:

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

1.14 ACCOUNTING FOR TAXES ON INCOME:

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

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

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

1.17 RELATED PARTY TRANSACTIONS:

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

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

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
- iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

1.18 EARNINGS PER SHARE:

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

1.19 LEASE**Operating Lease**

As a lessee

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

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

exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

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

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

a) Judgements

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

(i) Determination of Functional Currency

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

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

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

b) Assumptions and Estimation Uncertainties

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

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

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

(ii) Contingent Liabilities

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

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

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

(iv) Provisions

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

Note 2 : PROPERTY, PLANT AND EQUIPMENT

Tangible Assets :

(Amount ₹ in lakhs)

| PARTICULARS | FREEHOLD LAND | BUILDINGS | PLANT AND MACHINERIES | FURNITURE AND FIXTURES | VEHICLES | OFFICE EQUIPMENT | COMPUTER | TOTAL |
|------------------------------|---------------|----------------|-----------------------|------------------------|---------------|------------------|---------------|-----------------|
| Cost of Assets | | | | | | | | |
| As at 1st April 2018 | 730.56 | 4431.32 | 25000.69 | 61.96 | 1051.54 | 45.45 | 103.19 | 31424.71 |
| Addition | - | - | 565.61 | - | - | - | - | 565.61 |
| Disposal/Adjustments | - | - | - | - | -109.12 | - | - | -109.12 |
| As at 31st March 2019 | 730.56 | 4431.32 | 25566.30 | 61.96 | 942.41 | 45.45 | 103.19 | 31881.20 |
| Addition | - | - | - | - | - | - | - | - |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at 31st March 2020 | 730.56 | 4431.32 | 25566.30 | 61.96 | 942.41 | 45.45 | 103.19 | 31881.20 |
| Depreciation | | | | | | | | |
| As at 1st April 2018 | - | 1737.08 | 15808.60 | 58.86 | 912.26 | 40.73 | 97.16 | 18654.69 |
| Charge for the year | - | 137.14 | 593.53 | - | 46.69 | 1.42 | 0.84 | 779.62 |
| Disposal/Adjustments | - | - | - | - | -103.67 | - | - | -103.67 |
| As at 31st March 2019 | - | 1874.22 | 16402.13 | 58.86 | 855.28 | 42.15 | 98.00 | 19330.63 |
| Charge for the year | - | 137.14 | 607.59 | - | 7.24 | - | - | 751.97 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at 31st March 2020 | - | 2011.37 | 17009.71 | 58.86 | 862.52 | 42.15 | 98.00 | 20082.61 |
| Net Block | | | | | | | | |
| As at 31st March 2019 | 730.56 | 2557.10 | 9164.17 | 3.10 | 87.13 | 3.30 | 5.19 | 12550.55 |
| As at 31st March 2020 | 730.56 | 2419.95 | 8556.58 | 3.10 | 79.90 | 3.30 | 5.19 | 11798.58 |

INTANGIBLE ASSETS :

| PARTICULARS | SOFTWARE | TOTAL |
|---------------------------------|-------------------|-------------------|
| Cost of Assets | | |
| As at 1st April 2018 | 115.30 | 115.30 |
| Addition | - | - |
| Disposal/Adjustments | - | - |
| As at 31st March 2019 | 115.30 | 115.30 |
| Addition | - | - |
| Disposal/Adjustments | - | - |
| As at 31st March 2020 | 115.30 | 115.30 |
| Depreciation | | |
| As at 1st April 2018 | 109.53 | 109.53 |
| Charge for the year | - | - |
| Disposal/Adjustments | - | - |
| As at 31st March 2019 | 109.53 | 109.53 |
| Charge for the year | - | - |
| Disposal/Adjustments | - | - |
| As at 31st March 2020 | 109.53 | 109.53 |
| Net Block | | |
| As at 31st March 2019 | 5.77 | 5.77 |
| As at 31st March 2020 | 5.77 | 5.77 |
| CAPITAL WORK IN PROGRESS | 31.03.2020 | 31.03.2019 |
| Building and Plant & Machinery | 4605.90 | 1076.84 |
| Total | 4605.90 | 1076.84 |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

| NOTE NO : 2 Fixed assets : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|--|---|---|
| (i) Property, Plant and Equipment | 11798.59 | 12550.56 |
| (ii) Capital work-in-progress | 4605.90 | 1076.84 |
| (iii) Other Intangible assets | 5.77 | 5.77 |
| | 16410.26 | 13633.17 |
| NOTE NO : 3 Trade Receivables : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
| Non-current Trade Receivable Unsecured, considered good | 283.85 | 288.00 |
| | 283.85 | 288.00 |
| NOTE NO : 4 Other non-current assets : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
| (a) Security Deposit Unsecured, considered good | 236.78 | 236.73 |
| (b) Other Loan and advances Unsecured, considered good | 253.06 | 215.02 |
| (c) Advance Income Tax, TDS & TCS | 2.72 | 2.72 |
| | 492.56 | 454.47 |
| NOTE NO : 5 Inventories :(As taken, valued & certified by Management) | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
| (a) Raw Materials (Includes Material At Port Rs Nil PY Rs 699.01 Lakhs) | 1433.73 | 1964.31 |
| (b) Work in progress | 0.01 | 267.40 |
| (c) Finished goods (Incl. at Port Rs Nil P.Y Rs.59.21 Lakhs) | 457.00 | 479.53 |
| (d) Stores and spares | 61.26 | 347.54 |
| (e) By Product | 24.21 | 111.94 |
| | 1976.21 | 3170.72 |
| NOTE NO : 6 Trade receivables : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
| Un Secured, considered good | 11965.72 | 9118.50 |
| TOTAL | 11965.72 | 9118.49 |
| Trade Receivables includes Rs 11216.67 lakhs in CY and Rs. 8229.76 Lakhs in PY from Associated concerns (i.e. Shah Alloys Ltd) in which director of a Company is interested. | | |
| NOTE NO : 7 Cash and cash equivalents | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
| (a) Balances with Scheduled Banks In current Account | 17.15 | 23.33 |
| (b) Cash on hand | 1.50 | 2.25 |
| | 18.65 | 25.58 |
| NOTE NO : 8 Bank Balance other than cash and cash equivalents | 31.03.2020 | 31.03.2019 |
| Balances with banks (in Guarantee Money) | 42.94 | - |
| | 42.94 | - |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

| NOTE NO : 9 Loans | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|---------------------------------|-----------------------------|-----------------------------|
| Loans and Advances to Employees | 7.19 | 5.83 |
| | 7.19 | 5.83 |

| NOTE NO : 10 Other current assets : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|--|-----------------------------|-----------------------------|
| Balance with government authorities | 84.92 | 284.62 |
| Advance to Suppliers | 97.80 | 1304.06 |
| | 182.72 | 1588.68 |

| NOTE NO : 11 Share Capital : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|--|-----------------------------|-----------------------------|
| Authorised : 14,00,00,000 Equity Shares of Rs 10/- each (Previous year : 14,00,00,000 Equity Shares of Rs 10/- each) | 14000.00 | 14000.00 |
| | 14000.00 | 14000.00 |
| Issued & Subscribed and Paid up : 8,49,66,700 Equity Shares of Rs.10/- each fully paid up (Previous year : 8,49,66,700 Equity Shares of Rs.10/- each fully paid up) | 8496.67 | 8496.67 |
| | 8496.67 | 8496.67 |

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

| a) Reconciliation of number of shares: Equity Shares | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-------------------------|----------------------|-------------------------|
| | Number of shares | Amount (Rs In Lakhs) | Number of shares | Amount (Rs In Lakhs) |
| Shares outstanding at the beginning of the year | 8,49,66,700 | 8,496.67 | 8,49,66,700 | 8,496.67 |
| Changes during the Year | - | - | - | - |
| Shares Outstanding at the end of the year | 8,49,66,700 | 8,496.67 | 8,49,66,700 | 8,496.67 |

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

Equity shares:

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

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|----------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding |
| Shah Alloys Limited | 3,02,56,989 | 35.61 | 3,02,56,989 | 35.61 |
| SAL Care Pvt Limited | 1,27,02,900 | 14.95 | 1,27,02,900 | 14.95 |
| Total | | 50.56 | | 50.56 |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

| NOTE NO : 12 Other Equity : | 31.03.2020 (Rs in Lakhs) | | 31.03.2019 (Rs in Lakhs) | |
|---|-----------------------------|-----------------|-----------------------------|-----------------|
| Securities Premium Account | | | | |
| Opening Balance | 2878.20 | | 2878.20 | |
| Add : Addition during the year | - | | - | |
| | <u>2878.20</u> | 2878.20 | <u>2878.20</u> | 2878.20 |
| Capital Reserve | | | | |
| Opening Balance | 800.00 | | 800.00 | |
| Add : Addition during the year | - | | - | |
| | <u>800.00</u> | 800.00 | <u>800.00</u> | 800.00 |
| Capital Redemption Reserve (For Redemption of Preference Share Capital) | | | | |
| General Reserve | | | | |
| Opening Balance | 5.11 | | 5.11 | |
| Add : Addition during the year | - | 5.11 | - | 5.11 |
| | <u>5.11</u> | | <u>5.11</u> | |
| Retained Earnings | | | | |
| Balance Brought Forward From Previous Year | -12305.80 | | -10152.31 | |
| Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax | 5.83 | | -6.24 | |
| | <u>-12311.63</u> | | <u>-10146.07</u> | |
| Add: Profit/(Loss) for the year | 1587.00 | | -2159.73 | |
| | <u>-10724.63</u> | -10724.63 | <u>-12305.80</u> | -12305.80 |
| | | -7041.32 | | -8622.49 |

| NOTE NO : 13 Borrowings : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|---|-----------------------------|-----------------------------|
| Term Loan (Refer note below) | | |
| Invent Assets Securitization & Reconstruction Pvt. Ltd. | 14563.26 | 16007.38 |
| | 14563.26 | 16007.38 |

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

- The above loan is secured by way of Land Bearing Surevy no 243 & 245 situated at Bharpur , Taluka Gandhidham District -Kutch.Further Secured by way of all movable assets both present and future belonging to the company.
- Further secured by way of personal guarantees of (i) Shri Rajendrabhai V. Shah (ii) Smt. R.R. Shah (iii) Shri Jayesh V. Shah (iv) and Corporate Guarantee of M/s Shah Alloys Limited.
- Further secured by way of Pledge of 10756989 equity shares of Shah Alloys Ltd pledged to Consortium members

Repayment Schedule

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

| NOTE NO : 14 Trade Payable | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|---------------------------------------|-----------------------------|-----------------------------|
| Trade Payables (Refer Note No 19a) | 178.58 | 140.49 |
| | 178.58 | 140.49 |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

| NOTE NO : 15 Other Financial Liabilities | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|---|-----------------------------|-----------------------------|
| Trade Deposit from Customers | 44.05 | 44.05 |
| Deferred sales tax Liability | 22.63 | 45.26 |
| | 66.68 | 89.31 |
| Deferred sales tax liability : | | |
| Deferred sales tax liability is interest free and payable in six equal annual installments of Rs. 22.63 lakhs each payable from 1st May, 2016 | | |

| NOTE NO : 16 Long term provisions : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|--|-----------------------------|-----------------------------|
| Provision for Gratuity | 77.89 | 58.30 |
| Provision for Leave Encashment | 28.20 | 28.20 |
| | 106.09 | 86.50 |

| NOTE NO : 17 Deferred Tax Liabilities (Net) | 31.03.2020 (Rs in Lakhs) | | 31.03.2019 (Rs in Lakhs) | |
|--|-----------------------------|----------------|-----------------------------|----------------|
| Deferred Tax Liabilities | | | | |
| Timing Difference of Depreciation | | 2070.43 | | 2598.49 |
| Deferred Tax Assets | | | | |
| (a) Gratuity & Other Payments | 82.37 | | 163.91 | |
| (b) Unabsorbed Loss | - | 82.37 | 562.81 | 726.72 |
| Net Deferred Tax Liabilities | | 1988.06 | | 1871.77 |

| NOTE NO : 18 Borrowings | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|--|-----------------------------|-----------------------------|
| Inter Corporate Deposit | 28.46 | 240.22 |
| | 28.46 | 240.22 |
| Borrowings includes Rs 14.56 lakhs in CY and Rs. 226.31 in PY from Associated concerns (i.e. SAL Care Pvt. Ltd.) in which director of a Company is interested. | | |

| NOTE NO : 19 Trade payables : | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|---|-----------------------------|-----------------------------|
| Total outstanding dues other than micro enterprises and small enterprises | 6681.56 | 4894.56 |
| | 6681.56 | 4894.56 |

| Note No. :19a Trade Payables - Total outstanding dues of Micro & Small Enterprises* | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|---|-----------------------------|-----------------------------|
| a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal | - | - |
| b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) Interest accrued and remain unpaid as at year end | - | - |
| e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises | - | - |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

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

| NOTE NO : 20 | 31.03.2020 | 31.03.2019 |
|---------------------------------------|----------------------|----------------------|
| Other financial liabilities : | (Rs in Lakhs) | (Rs in Lakhs) |
| Current maturities of long-term debt; | 1466.75 | 744.69 |
| Deferred sales tax Liability | 90.52 | 67.89 |
| | 1557.27 | 812.58 |

| NOTE NO : 21 | 31.03.2020 | 31.03.2019 |
|--|----------------------|----------------------|
| Other Current Liabilities : | (Rs in Lakhs) | (Rs in Lakhs) |
| Advance from customers | 106.26 | 57.00 |
| Duties and taxes | 3165.89 | 3210.20 |
| Credit balance in current account with schedule bank | 468.61 | 114.42 |
| | 3740.76 | 3381.62 |

| NOTE NO : 22 | 31.03.2020 | 31.03.2019 |
|---------------------------------|----------------------|----------------------|
| Provisions | (Rs in Lakhs) | (Rs in Lakhs) |
| Provision for employee benefits | 103.34 | 76.39 |
| Provision for Gratuity | 23.46 | 13.44 |
| Provision for expenses | 887.23 | 796.50 |
| | 1014.03 | 886.33 |

| NOTE NO : 23 | 31.03.2020 | 31.03.2019 |
|---|----------------------|----------------------|
| Revenue from operations | (Rs in Lakhs) | (Rs in Lakhs) |
| A. Sale of Products | | |
| Direct Export Turnover | 2422.04 | 6273.23 |
| Domestic Turnover | 38322.81 | 50880.67 |
| Gross Turnover | 40744.85 | 57153.90 |
| B. Other Revenue from operations | 39.06 | 281.15 |
| Total Revenue from operations | 40783.91 | 57435.05 |

| Other operating revenue as under | 31.03.2020 | 31.03.2019 |
|---|----------------------|----------------------|
| | (Rs in Lakhs) | (Rs in Lakhs) |
| Duty Drawback & Export Incentives | 39.06 | 281.15 |
| Total | 39.06 | 281.15 |

| NOTE NO : 24 | 31.03.2020 | 31.03.2019 |
|---|----------------------|----------------------|
| Other Income : | (Rs in Lakhs) | (Rs in Lakhs) |
| Other Interest (TDS Rs 0.59 Lakhs)(P Y Rs 0.36 Lakhs) | 5.90 | 7.50 |
| Rent Income (TDS Rs 0.19 Lakhs)(P Y Rs 0.19 Lakhs) | 9.60 | 9.60 |
| SGST Refund Income | 4328.94 | - |
| Profit on Sale of Assets | - | 0.94 |
| Foreign exchange fluctuation Gain (Net) | 85.53 | 114.92 |
| Sundry balances written back(Net) | - | 0.77 |
| | 4429.97 | 133.73 |

| NOTE NO : 25 Cost of Materials Consumed: | 31.03.2020 (Rs in Lakhs) | | 31.03.2019 (Rs in Lakhs) | |
|---|-----------------------------|--|-----------------------------|--|
| Raw Material Consumed: | | | | |
| Opening Stock of Raw Material | 1904.46 | | 3200.25 | |
| Add : Purchases | 31271.79 | | 37728.54 | |
| | 33176.25 | | 40928.79 | |
| Less : Closing Stock of Raw Material | 1379.85 | | 1904.46 | |
| | 31796.41 | | 39024.33 | |

| NOTE NO : 26 | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|-----------------------------------|-----------------------------|-----------------------------|
| Purchase of Stock-in-Trade | 464.62 | - |
| Total | 464.62 | - |

| NOTE NO : 27 Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress | 31.03.2020 (Rs in Lakhs) | | 31.03.2019 (Rs in Lakhs) | |
|--|-----------------------------|---------------|-----------------------------|----------------|
| Opening Stock | | | | |
| Finished Goods | 591.47 | | 2974.93 | |
| Stock-in-Progress | 267.40 | | 507.69 | |
| | 858.87 | | 3482.62 | |
| Less : Closing Stock | | | | |
| Finished Goods | 481.21 | | 591.47 | |
| Stock-in-Progress | 0.01 | | 267.40 | |
| | 481.22 | | 858.87 | |
| Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress | | 377.65 | | 2623.75 |

| NOTE NO : 28 Employee benefits expenses | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|--|-----------------------------|-----------------------------|
| Salary & Bonus | 885.38 | 1472.62 |
| Contribution to Provident Fund etc. | 56.50 | 52.86 |
| Staff welfare expenses | 66.94 | 67.63 |
| | 1008.82 | 1593.11 |

| NOTE NO : 29 Finance Costs | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|-------------------------------|-----------------------------|-----------------------------|
| Interest to Others | 151.39 | 150.19 |
| | 151.39 | 150.19 |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

| NOTE NO : 30 Other Expenses | 31.03.2020 (Rs in Lakhs) | | 31.03.2019 (Rs in Lakhs) | |
|---|-----------------------------|----------------|-----------------------------|-----------------|
| Stores & Spares Consumed : | | | | |
| Opening Stock | 347.54 | | 827.84 | |
| Add : Purchases | 772.69 | | 1314.95 | |
| | 1120.23 | | 2142.79 | |
| Less: Closing Stock | 61.26 | 1058.97 | 347.54 | 1795.25 |
| Power & fuel (Including cost of power generation) | | 5958.48 | | 8059.54 |
| Repairs & Maintenance : | | | | |
| Machinery | 34.17 | | 48.04 | |
| Building | 8.62 | | 2.28 | |
| Others | 7.77 | 50.56 | 18.77 | 69.09 |
| Labour charges | | 539.75 | | 591.60 |
| Freight outward | | 664.61 | | 615.99 |
| Audit Fees* | | 8.00 | | 8.00 |
| Bad Debts / Doubtful Advances | | - | | 674.49 |
| Sales Commission | | 36.55 | | 58.47 |
| General/ Miscellaneous Expenses | | 349.13 | | 465.76 |
| Insurance Expenses | | 18.50 | | 12.65 |
| Legal & Professional Charges | | 255.97 | | 513.28 |
| Vat Expense \$ | | - | | 331.16 |
| Rent,Rate and Taxes | | 16.07 | | 66.05 |
| | | 8956.60 | | 13261.31 |

| | 31.03.2020 (Rs in Lakhs) | 31.03.2019 (Rs in Lakhs) |
|-------------------------------|-----------------------------|-----------------------------|
| As auditors - Statutory audit | 8.00 | 8.00 |
| For other Services | - | - |
| | 8.00 | 8.00 |

| NOTE NO : 31 Earnings Per Share : | Year ended 31st March,2020 | Year ended 31st March,2019 |
|---|-------------------------------|-------------------------------|
| Basic/Diluted Earnings per Share | | |
| Number of Equity Shares at the beginning of the year | 849.67 | 849.67 |
| Number of Equity Shares allotted during the year | | |
| Number of Equity Shares at the end of the year | 849.67 | 849.67 |
| Weighted average number of equity shares | | |
| Profit for the year (after tax,available for equity shareholders) In Rs | 1587.00 | -2159.73 |
| Basic and Diluted Earnings Per Share Rs | 1.87 | -2.54 |

| Note : 31-A Contingent liabilities and commitments (to the extent not provided for): | 31.03.2020 (Rs in lakhs) | 31.03.2019 (Rs in lakhs) |
|---|-----------------------------|-----------------------------|
| (A) Contingent liabilities: | | |
| Disputed Excise Demand (Matter Under appeal) | 1216.42 | 1232.39 |
| Disputed Custom duty demand (Matter Under appeal) | 499.85 | 499.85 |
| Disputed Custom duty service tax demand (Matter Under appeal) | 150.26 | 183.35 |
| Disputed Value added Tax demand (Matter Under appeal) | 227.18 | 701.00 |
| Claims not acknowledge as debt against the company (including interest and penalty) | | |
| Others | 3403.15 | 3403.15 |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

Provident Fund: The Honorable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

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

(B) Commitment:

Estimated amount of contracts, remaining to be executed on capital account and not provided for Rs.Nil net of advance (Previous Year: Rs.Nil).

Commercial Tax Department has challenged by way of Tax Appeal before Supreme Court, the order of Gujarat High Court wherein Judgment of Joint Commissioner of Commercial Tax (Legal) was quashed and decided that non cooking coal used in the manufacturing process for Sponge Iron as raw material and eligible for ITC under Section 11 (3)(b). The result of the appeal will decide whether company has to claim amount of ITC or refund ITC already taken. However, amount of contingent liability cannot be ascertained.

32. SEGMENT REPORTING:

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

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

(Rs in lakhs)

| Particulars | Year Ended on 31st March 2020 | Year Ended on 31st March 2019 |
|-----------------|----------------------------------|----------------------------------|
| Revenue from | | |
| - Outside India | 2,422.04 | 6,273.23 |
| - In India | 38,361.87 | 51,161.82 |

Single customer contributed 10% or more to the company's revenue for 2019-20 Amounting to Rs.17282.09 Lakh (Including GST) and in 2018-19 amounting to Rs. 28898.11 Lakh. (Including GST)

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

The company's objective when managing capital is to:

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

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

Disclosures

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

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

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

(i) Categories of Financial Instruments

(Amount in Rs.in lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Financial Assets | | |
| Measured at Amortised Cost | | |
| (i) Trade and Other Receivables | 12249.57 | 9406.49 |
| (ii) Cash and Cash Equivalents (Including Bank Balance) | 61.59 | 25.58 |
| (iii) Loans | 7.19 | 5.83 |
| (iv) Other Financial Assets | - | - |
| Financial Liabilities | | |
| Measured at Amortised Cost | | |
| (i) Borrowings | 14591.72 | 16247.60 |
| (ii) Trade Payables | 6860.14 | 5035.05 |
| (iii) Other Financial Liabilities | 1623.95 | 901.89 |

(ii) Fair Value Measurement

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

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

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

(iii) Financial Risk Management Objectives

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

Market Risk

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

Foreign Currency Risk

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

Interest Rate Risk

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

Liquidity Risk

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

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

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

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

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

(Amount Rs in lakhs.)

| Particulars | Due in 1 Year | 1 Year - 3 Years | More than 3 Years | Total |
|-------------------------------|----------------|------------------|-------------------|-----------------|
| As at 31st March, 2020 | | | | |
| Borrowings | 28.46 | 14563.26 | — | 14591.72 |
| Trade Payables | 6681.56 | 178.58 | — | 6860.14 |
| Other Financial Liabilities | 1557.27 | 66.68 | — | 1623.95 |
| Total | 8267.29 | 14808.52 | — | 23075.81 |
| As at 31st March, 2019 | — | | | |
| Borrowings | 240.22 | 16007.38 | — | 16247.60 |
| Trade Payables | 4894.56 | 140.49 | — | 5035.05 |
| Other Financial Liabilities | 812.58 | 89.31 | — | 901.89 |
| Total | 5947.36 | 16237.18 | — | 22184.54 |

Credit Risk

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

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 3 and 6, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

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

(Amount Rs in lakhs.)

| Particulars | Upto 1 Year | 1 Year - 3 Years | More Than 3 Years | Total |
|-------------------------------|-----------------|------------------|-------------------|-----------------|
| As at 31st March, 2020 | | | | |
| Loans to Employees | 7.19 | — | — | 7.19 |
| Trade Receivables | 11965.72 | 283.85 | — | 12249.57 |
| Other Financial Assets | — | — | — | — |
| Total | 11972.91 | 283.85 | — | 12256.76 |
| As at 31st March, 2019 | | | | |
| Loans to Employees | 5.83 | — | — | 5.83 |
| Trade Receivables | 9118.49 | 288.00 | — | 9406.49 |
| Other Financial Assets | — | — | — | — |
| Total | 9124.32 | 288.00 | — | 9412.32 |

34. Disclosures Regarding Employee Benefits

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

Defined Contribution Plan

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

| Particulars | 2019-20 (Amount Rs in Lakhs) | 2018-19 (Amount Rs in Lakhs) |
|--|---------------------------------|---------------------------------|
| Employers contribution to provident fund | 56.50 | 52.86 |

- (i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.
- (ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

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

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

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

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

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

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

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

B. Investment Risk:

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

C. Liquidity Risk:

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

D. Market Risk:

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

E. Legislative Risk:

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

(iv) Defined Benefit Cost

| Particulars | For the year ended 31st March 2020 (Amount Rs in Lakhs) | For the year ended 31st March 2019 (Amount Rs in Lakhs) |
|--|---|---|
| Current Service Cost | 18.73 | 13.79 |
| Interest Expense on Defined Benefit Obligation (DBO) | 4.97 | 4.71 |
| Defined Benefit Cost included in Profit and Loss | | |
| Remeasurements - Due to Financial Assumptions | 1.89 | -0.26 |
| Remeasurements - Due to Demographic Assumptions | -0.94 | - |
| Remeasurements - Due to Experience Adjustments | 8.01 | -9.33 |
| Defined Benefit Cost included in Other Comprehensive Income | 8.96 | -9.59 |
| Total Defined Benefit Cost in Profit and Loss and OCI | 32.66 | 8.91 |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

(v) Movement in Defined benefit liability:

| Particulars | For the year ended 31st March 2020 (Amount Rs in Lakhs) | For the year ended 31st March 2019 (Amount Rs in Lakhs) |
|---|---|---|
| Opening Defined Benefit Obligation | 71.74 | 67.22 |
| Interest Expense on Defined Benefit Obligation (DBO) | 4.97 | 4.71 |
| Current Service Cost | 18.73 | 13.79 |
| Total Remeasurements included in OCI | | |
| Less: Benefits paid | 3.05 | 4.39 |
| Less: Contributions to plan assets | 8.96 | 9.59 |
| Closing benefit obligation | 101.35 | 71.74 |
| Current Liabilities of Closing benefit obligation | 23.46 | 13.44 |
| Non-Current Liabilities of Closing benefit obligation | 77.89 | 58.30 |

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount Rs in Lakhs)

| | 2019-20 | 2018-19 |
|---|---------|---------|
| (A) Discount rate Sensitivity | | |
| Increase by 0.5% | 98.99 | 69.27 |
| (% change) | -2.33% | -3.43% |
| Decrease by 0.5% | 103.83 | 74.38 |
| (% change) | 2.45% | 3.68% |
| (B) Salary growth rate Sensitivity | | |
| Increase by 0.5% | 103.81 | 74.32 |
| (% change) | 2.43% | 3.60% |
| Decrease by 0.5% | 98.96 | 69.33 |
| (% change) | -2.35% | -3.36% |
| (C) Withdrawal rate (W.R.) Sensitivity | | |
| W.R. x 110% | 100.83 | 71.81 |
| (% change) | 0.51% | 0.10% |
| W.R. x 90% | 101.84 | 71.62 |
| (% change) | 0.48% | -0.17% |

(vii) Principle Actuarial assumptions:

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--------------------|--|--|
| Discount Rate | 6.25% | 7.65% |
| Salary Growth Rate | 5.00% | 6.00% |
| Withdrawal rate | 30% at younger ages reducing to 5% at older ages | 15% at younger ages reducing to 3% at older ages |

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

35 RELATED PARTY DISCLOSURES:

List of Related Parties and Relationships:

i. Concern where significant interest exists.

| Name of the Concern | Nature of Relationship |
|--------------------------|------------------------|
| Shah Alloys Limited | Promoter Group Company |
| SAL Care Private Limited | Promoter Group Company |
| SAL Corporation Pvt Ltd | Promoter Group Company |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

ii. Key Management Personnel:

| Name of the Key Management Personnel | Nature of Relationship |
|---|-----------------------------|
| Shri Rajendra V Shah | Chairman |
| Shri Sujal A Shah | Executive Director |
| Shri B M Singhal | Whole Time Director Cum CFO |
| Shri Anil Pandya | Whole Time Director |
| Shri Manish Daulani (Related Parties have been identified by the Management) | Company Secretary |

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

| Sr No. | Related Party | Nature of Transaction | 2019-20 | 2018-19 |
|--------|----------------------------|-----------------------|----------|----------|
| 1. | Shah Alloys Limited | Purchases | 504.96 | 480.71 |
| | Sales (Incl Power) | | 17282.09 | 28898.11 |
| | Rent Income | | 11.33 | 11.33 |
| | Balance as at the year end | | 11216.67 | 8229.76 |
| 2. | SAL Care Pvt Ltd | Loan taken | 80.00 | 340.00 |
| | Loan repaid | | 300.00 | 120.00 |
| | Interest | | 9.16 | 7.01 |
| | Balance as at the year end | | 14.56 | 226.31 |
| | Key Management Personnel | | | |
| 3. | Mr. Sujal Shah | Salary | 4.32 | 4.32 |
| 4. | Mr. B.M Singhal | Salary | 4.86 | 4.92 |
| 5. | Mr. Anil Pandya | Salary | 4.48 | 4.80 |
| 6. | Mr. Manish Daulani | Salary | 5.03 | 0.61 |

The remuneration of directors and other members of Key management personal during the year is as follows :

(Amount In lakhs)

| Particulars | 2019-20 | 2018-19 |
|---------------------|---------|---------|
| Short term Benefits | 18.69 | 14.65 |

36. Certain Balance of Debtors, Creditors, are non- moving / sticky since last 3 years. However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.
37. The balance of debtors , creditors and loans and advances are subject to confirmation from respective parties.
38. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.
39. In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31st March, 2020. Inventories are as taken, valued and certified by the management.
40. The Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-grouped / rearranged, wherever necessary to make them comparable with those of current year.
41. **IND AS 115- Illustrative disclosures**

The Company has recognised the following amounts relating to revenue in the statement of profit or loss:

(Amount Rs in lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---------------------------------------|--|--|
| Revenue from contracts with customers | 40,783.91 | 57,435.05 |
| Total revenue | 40,783.91 | 57,435.05 |

Revenue is recognized upon transfer of control of products to customers

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

(a) Disaggregation of revenue from contract with customers

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

(Rs in Lakhs)

| Particulars | Year Ended on 31st March 2020 | Year Ended on 31st March 2019 |
|-----------------|----------------------------------|----------------------------------|
| Revenue from | | |
| - Outside India | 2,422.04 | 6,273.23 |
| - In India | 38,361.87 | 51,161.82 |

Single customer contributed 10% or more to the company's revenue for 2019-20 Amounting to Rs.17282.09 Lakh (Including GST) and in 2018-19 amounting to Rs. 28898.11 Lakh. (Including GST)

(b) Contract assets and liabilities

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

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|-----------------------------------|--|--|
| Contract Assets | 12,249.57 | 9,406.49 |
| Total contract assets | 12,249.57 | 9,406.49 |
| Contract liability | 106.26 | 57.00 |
| Total contract liabilities | 106.26 | 57.00 |

(c) Performance obligations

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

NOTE NO 42 STATEMENT OF CHANGES IN EQUITY

(Amount Rs in Lakhs)

RECONCILIATION OF OTHER EQUITY

Reconciliation of Other Equity as at 1st April 2018

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

Reconciliation of Other Equity as at 1st April 2019

| Particulars | General Reserve | Securities Premium Reserve | Capital Reserve | Retained Earnings | Total |
|---|-----------------|----------------------------|-----------------|--------------------|-------------------|
| Balance at the beginning of the reporting period | 5.11 | 2,878.20 | 800.00 | (12,305.80) | (8,622.49) |
| Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax | - | - | - | 5.83 | 5.83 |
| Profit for the year | - | - | - | 1,587.00 | 1,587.00 |
| Balance at the end of the reporting period | 5.11 | 2,878.20 | 800.00 | (10,724.63) | (7,041.32) |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

NOTE NO -43 TAX RECONCILIATION

Income taxes recognised in Statement of Profit and Loss

(Amount Rs in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Current tax | | |
| In respect of the current year | - | - |
| (Excess)/Short provision for tax of earlier years | - | - |
| | - | - |
| Deferred tax(credit) /Charged | 119.42 | 295.21 |
| Total income tax expense recognised in respect of continuing operations | 119.42 | 295.21 |

Tax reconciliation

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

(Amount Rs in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Profit before taxes | 1,706 | (1,865) |
| Enacted tax rate in India | 25.168% | 34.944% |
| Expected income tax benefit/(expense) at statutory tax rate | - | - |
| Effect of: - | | |
| Deferred tax(credit) /Charged | 119.42 | 295.21 |
| Income taxes recognised in the Statement of Profit and Loss | 119.42 | 295.21 |

The tax rate used for the 2019-20 is corporate tax rate of 22% plus surcharge @ 10% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws. Tax Rate for FY 2018-19 is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Income tax recognised in other comprehensive income

(Amount Rs in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Deferred tax | | |
| Arising on income and expenses recognised in other comprehensive income: | | |
| Remeasurement of defined benefit obligation | 3.13 | (3.35) |
| Total income tax recognised in other comprehensive income | 3.13 | (3.35) |
| Bifurcation of the income tax recognised in other comprehensive income into:- | | |
| Items that will not be reclassified to Statement of Profit and Loss | 3.13 | (3.35) |
| Income tax recognised in other comprehensive income | 3.13 | (3.35) |

Note: Deferred tax liability has been calculated using effective tax rate of 25.168%

Components of deferred tax assets and liabilities

(Amount Rs in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| (a) Deferred tax liabilities | | |
| Difference between book and tax depreciation | 2,070.43 | 2,598.49 |
| | 2,070.43 | 2,598.49 |
| (b) Deferred tax assets | | |
| Disallowances of employee benefits u/s. 43B of the Income Tax | 82.37 | 163.91 |
| Unabsorbed loss | - | 562.81 |
| | 82.37 | 726.72 |
| Deferred Tax Liabilities (Net) | 1,988.06 | 1,871.77 |

Notes forming part of the Financial Statements

Amount (₹ in Lakhs)

44. The financial statements were authorized for issue by the directors on 30th July 2020.
45. The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slow down of economic activity, COVID 19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realisable to the extent shown in the financial results. The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor the development.
46. The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has accordingly recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured its net Deferred Tax Assets and Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit and Loss for the year ended 31st March, 2020.

Signatures to Notes - 1 to 46

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

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

Chartered Accountants
(Firm Regn. No. 107525W)

UDIN: 20040230AAAFZ1823

Sd/-

CA Dr. Hiten Parikh

Partner

M.No.040230

Place : Ahmedabad

Date : 30th July,2020

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

Sd/-

[Rajendra V Shah]

Chairman

DIN 00020904

Sd/-

[Anil Pandya]

Whole Time Director

DIN 02453919

Sd/-

[B L Singhal]

Whole Time Director cum CFO

DIN 01484213

Sd/-

[Manish Daulani]

Company Secretary



SAL STEEL LIMITED

If undelivered please return to
Administrative Office
Corporate House, Sola-Kalol Road,
Santej - 382 721. Ta. Kalol, Dist.-Gandhinagar
www.salsteel.co.in
CIN: L29199GJ2003PLC043148