

SAL

SHAH ALLOYS LIMITED



**Annual Report
2018-19**

29TH ANNUAL REPORT
CIN L27100GJ1990PLC014698

Board of Directors

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

Chief Financial Officer

Shri Ashok A Sharma

Company Secretary & Compliance Officer

Shri Vinod Kumar Shah (upto 10th April, 2018)
Shri Jayesh Bhavsar
(from 01st October, 2018 to 01st November, 2018)
Shri Vinay Kumar Mishra (w.e.f. 04th January, 2019)

Audit Committee

Shri G. M. Shaikh, Chairman
Shri Tejpal Shah
Shri Rajendra V. Shah

Nomination and Remuneration Committee

Shri G. M. Shaikh, Chairman
Shri Tejpal Shah
Shri Harshad M. Shah

Stakeholders' Relationship Committee

Shri G. M. Shaikh, Chairman
Shri Tejpal Shah
Shri Ashok Sharma

Corporate Social Responsibility Committee

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

Registered Office

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

Administrative Office

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

Plant

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

Statutory Auditors

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

Secretarial Auditors

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

Registrar and Share Transfer Agents

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

Bankers to the Company

ICICI Bank Ltd.
State Bank of India

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

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that 29th Annual General Meeting of the Members of **SHAH ALLOYS LIMITED** will be held on **Wednesday, 25th September, 2019 at 10:00 AM at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380 060** to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019, Statement of Profit & Loss for year ended on that date and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Ashok A. Sharma (DIN 00038360), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, as amended from time to time, the approval of the Members be and is hereby accorded for re-appointment and continuation of Directorship of Shri D. K. Sinha (DIN 00366192), Non Executive Director of the company, who shall attain the age of seventy five years and who has submitted a declaration that he meets criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, as Independent Director of the Company for another term of five consecutive years till 31st March, 2024.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, as amended from time to time, Shri Harshad Shah (DIN 01309096), Non Executive Director of the company, who has submitted a declaration that he meets criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company to hold office for another term of 5 consecutive years till 31st March, 2024.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, as amended from time to time, Shri Tejpal Shah (DIN 01195357), Non Executive Director of the company, who has submitted a declaration that he meets criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company to hold office for another term of 5 consecutive years till 31st March, 2024.

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

“RESOLVED THAT pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter as “SEBI (LODR)”], as amended from time to time, consent of the Members be and is hereby accorded for all material related party contracts or arrangements entered and to be entered into for the financial year 2019-20 between the Company and S.A.L. Steel Limited for purchase of power & materials, sale of material and services at a prevailing market price in the ordinary course of business.

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for ratification of related party transactions between the Company and S.A.L. Steel Limited entered into during the financial year 2018-19.

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

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

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

the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 be paid the remuneration of Rs. 1,00,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit.”

By order of the Board of Directors
for Shah Alloys Limited

Place: Santej
Date: 30.05.2019

Sd/-
Vinay Mishra
Company Secretary & Compliance Officer

NOTES

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

A person can act as a proxy on behalf of members not exceeding fifty members and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

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

same. For members who have not registered their email address, a physical copy of the Annual Report for 2018-19 is being sent in the permitted mode.

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

- (i) The voting period begins on 22.09.2019 at 10.00 a.m. and ends on 24.09.2019 at 05:00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and click on Login.
- (vi) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in DEMAT form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If DEMAT account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store**

and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 22.09.2019 at 10.00 a.m. and ends on 24.09.2019 at 05:00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 18.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

GENERAL INSTRUCTIONS FOR VOTING:

- a. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- b. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- c. Shri Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072, Address: 801-A, Mahalaya Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India.) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, submit to the Chairman of the Company.
- e. Results declared by the Chairman along with the Scrutinizer’s Report shall be placed on the Company’s website <http://www.shahalloys.com> and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company. The results shall be communicated to the NSE and BSE Limited and will also be uploaded on website of Stock Exchanges.
- f. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18.09.2019, may obtain the login ID and password by sending a request at www.evotingindia.com

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

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

Place: Santej

Date: 30.05.2019

Registered Office:

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

Sd/-

Vinay Mishra

Company Secretary & Compliance Officer

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER**Item No. 3 to 5:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri D K Sinha, Shri Tejpal Shah and Shri Harshad M Shah are liable to retire as a non-executive Independent Director at this AGM. They have completed one term, and are further eligible for re-appointment for one more term, if the Company has obtained the approval of its Members by way of Special Resolution. Further pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 Shri D. K. Sinha shall attain the age of seventy five years in August 2020 and as such Shri Sinha would be able to continue his directorship in the Company, if the Company has obtained approval for the same from its Members by way of Special Resolution to this effect. Considering the role played by Shri D K Sinha, Shri Tejpal Shah and Shri Harshad M Shah and in order to reap the benefits of their continuous guidance, the Nomination & Remuneration Committee and Board of Directors recommends the re-appointment of Shri D K Sinha, Shri Tejpal Shah and Shri Harshad M Shah for another term of five years as non executive Independent Directors, not liable to retire by rotation and also continuation of directorship of Shri Sinha by passing Special Resolutions as set out at Item No. 3 to 5 of this Notice.

Since, Shri D K Sinha, Shri Tejpal Shah and Shri Harshad M Shah, Independent Directors of the Company have completed one term of 5 years they are eligible for re-appointment for another term of 5 years. The performance evaluation of the Independent Director was conducted by the entire Board (excluding the Director being evaluated).

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

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

Item No. 6:

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

Approval sought for financial year 2019-20

Name of the related party	Relation with the Company	Purpose of related party transaction	Amount Approx. (in ₹ crores)
S.A.L. Steel Limited	Associate Company	Purchase of Power & Material	300
		Sale of Material and Services	100

Transaction during financial year 2018-19

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

Name of the related party	Relation with the Company	Transaction	Limits approved by members for 2018-19 (₹ in Crores)	Total transaction during 2018-19 (₹ in Crores)
SAL Steel Limited	Associate Company	Purchase of Power & Material	300	289
		Sale of Material and Services	100	2.06

Purpose of the aforementioned material related party transactions

Company promoted SAL Steel Ltd. in 2003. The Project of SAL Steel is backward integration project since finished product of SAL Steel Ltd. is raw material for the Company. Further, SAL Steel Ltd. has installed group captive power plant of 40 MW and as such SAL Steel Ltd. has permission of wheeling of power to the Company. On account of above, Shah Alloys is purchasing finished

product of SAL Steel Ltd. as also power generated by group captive power plant. Transactions made with SAL Steel Ltd. are at Arms' length basis in the ordinary course of business.

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

ITEM NO.7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 at the remuneration of Rs. 1,00,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

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

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

**Place: Santej
Date: 30.05.2019
Registered Office:**

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

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

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

Particulars	Details of Director retire by rotation	Details of Director getting reappointment
Name of Director	Shri Ashok A. Sharma	Shri D. K. Sinha
DIN	00038360	00367186
Date of Birth	04.01.1956	15.08.1945
Date of Appointment	11.07.2001	31.12.2005
Relationship with other Directors Inter se	None	None
Profile & Expertise in Specific functional Areas	More than 35 years experience in senior positions in finance and accounts in Public Limited Companies.	More than 40 years of experience of working in State Bank of India on various positions.
Qualification	CA, CS, LLB and IRP by IBBI.	M.A., CAIIB
No. of Equity Shares held in the Company	Nil	Nil
List of other Companies in which Directorships are held	Nil	Parenteral Drugs (India) Limited
List of committees of Board of Directors (across all Companies) in which Chairmanship/ Membership is held	Shah Alloys Limited: - Member of Stakeholders' Relationship Committee	Nil

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

Particulars	Details of Director getting reappointment	Details of Director getting reappointment
Name of Director	Shri Harshad Shah	Shri Tejal Shah
DIN	01309096	01195357
Date of Birth	01.07.1952	01.06.1953
Date of Appointment	31.12.2005	01.02.2006
Relationship with other Directors Inter se	None	None
Profile & Expertise in Specific functional Areas	More than 40 years of experience in trading of Steel Products and in Construction Industry	More than 40 years of experience in trading business.
Qualification	B.Com.	B.Com.
No. of Equity Shares held in the Company	Nil	Nil
List of other Companies in which Directorships are held	SAL Steel Limited	SAL Steel Limited
List of committees of Board of Directors (across all Companies) in which Chairmanship/ Membership is held	Shah Alloys Limited: - Member of Nomination and remuneration committee SAL Steel Limited: - Member of Nomination and remuneration committee - Member of Stakeholders Relationship Committee	Shah Alloys Limited: - Member of Audit Committee - Member of Nomination and remuneration committee - Member of Stakeholders Relationship Committee

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 29th Annual Report of your company on the operations and performance along with the Audited Financial Statements for the year ended on 31st March 2019.

FINANCIAL HIGHLIGHTS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Total Revenues	576.66	480.53
Less: Total Expenditure	569.36	480.63
Profit / (Loss) before interest, depreciation, extraordinary item and tax	7.30	(0.10)
Less: Depreciation and Interest	13.01	13.64
Profit / (Loss) after depreciation and Interest but before extraordinary item and Tax.	(5.71)	(13.74)
Less: Extraordinary item	(6.78)	140.88
Profit after Extraordinary item but before tax	(12.49)	127.14
Less: Tax Expense / Deferred tax	(13.24)	85.04
Net Profit available for Appropriation	0.75	42.09
Balance to be carried forward	0.79	42.37

STATE OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW

During the year under review Total revenue from Operations and from other operating income increased from Rs. 480.53 crores in the previous year to Rs. 576.66 crores. Company has registered a profit of Rs. 0.75 crores in comparison to the profit of Rs. 42.09 crores during previous year.

During the year under review, Company has been regularly paying all the instalments as per the terms of settlements with banks and Financial Institution

DIVIDEND

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

BUSINESS ACTIVITY

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

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

DEPOSIT

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

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

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

REGULATORY STATEMENT

In conformity with provision of regulation 34(2)(c) & 53(b) of SEBI (LODR), Regulations 2015, the Cash Flow Statement for the year

ended 31.03.2019 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 2019-20 to above stock exchanges.

DETAILS OF DIRECTORS OR KMPs APPOINTMENT OR RESIGNATION

The Board of Directors consists of 8 members, of which 5 are Independent Directors including one Women Independent Director.

During the year under review there is no change in the Composition of the Board. However, during the current financial year Shri Vinod Kumar Shah resigned from the post of Head – Legal cum Company Secretary & Compliance officer of the Company w.e.f. 10th April, 2018 and Shri Jayesh Bavsar was appointed as the Company Secretary of the Company w.e.f. 01.10.2018 and due to his personal reasons Shri Jayesh Bhavsar resigned from the post of Company Secretary & Compliance officer of the Company w.e.f. 01.11.2018. The Board appreciates the valuable services rendered by them during their tenure. Thereafter, during the year Shri Vinay Kumar Mishra was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 04.01.2019.

MEETINGS OF THE BOARD

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

DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD DIVERSITY

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

BOARD EVALUATION

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

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

CORPORATE GOVERNANCE REPORT

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

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

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

RISK MANAGEMENT POLICY

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

VIGIL MECHANISM POLICY

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

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

CORPORATE SOCIAL RESPONSIBILITY

Company has earned a profit in the year under review. However, the average net profit calculated as per section 197 of the Companies Act, 2013 of last three preceding years is negative, therefore, provisions related to expenditure of atleast two percent of the average net profits in CSR activities is presently not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended 31st March 2019, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

PARTICULARS OF THE EMPLOYEES

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

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

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

AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

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

b) Cost Auditors

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

c) Internal Auditor

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

d) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s Kamlesh Shah & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2019-20. The report submitted by the Secretarial Auditor in Form MR-3 for the financial year ended as on 31st March, 2019 is attached to this report as Annexure - 5.

BOARD'S RESPONSE ON THE REMARKS MADE BY STATUTORY AUDITORS

The Directors submit their explanations to various observations made by the Auditors in their report for the year 2018-19. Para nos. of Auditors' Report and reply are as under:

Basis for Qualified Opinion – Para 1 of Standalone and Consolidated Independent Auditor's Report

On account of maturity of foreign currency convertible Bonds (FCCB) on 22.09.2011, dues have been frozen. On 13.09.2010 the Company was declared as Sick Unit by Hon'ble BIFR u/s 3(1)(0) of SICA. It was taken a conscious decision that the principal amount be frozen on the date of maturity and no further exchange gain / loss and interest to be provided on FCCB. This liability was frozen on the maturity.

Para 2 of Standalone and Consolidated Independent Auditor's Report

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

Para 3 of Standalone and Consolidated Independent Auditor's Report

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

Annexure A to Standalone Independent Auditors' Report - Para viii

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

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

On account of maturity of Foreign Currency Convertible Bonds (FCCB) on 22.09.2011 dues have been frozen on maturity since company was declared Sick company by Hon'ble BIFR u/s 3(1)(o) of SICA. In view of the insufficient accruals of the Company the cash flow is not sufficient enough to pay to the FCCB holders. The company's operations are not profitable and market conditions of steel industries are very bad. All the steel industries in India at large is facing crisis due to dumping of material from China and Company is also not an exception to that.

Para 4 of Consolidated Independent Auditor's Report

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

MATERIAL CHANGES / INFORMATION:

1. No material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financials of the Company.

2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

EXTRACT OF ANNUAL RETURN

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

APPRECIATION

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

For and on behalf of the Board

Date: 30th May 2019
Place: Santej

Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 1**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Crores)
Company does not have subsidiary company; therefore Part A is not applicable

Part "B": Associates and Joint Ventures

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

1. Latest audited Balance Sheet Date	March 31, 2019
2. Shares of Associate/Joint Ventures held by the company on the year end	
a) No. of Shares	30256989
b) Amount of Investment in Associates/Joint Venture (₹ in Cr.)	15.04
c) Extend of Holding %	35.61
3. Description of how there is significant influence	Based on Shareholding
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in Cr.)	(150.76)
6. Profit/Loss for the year	
i. Considered in Consolidation (₹ in Cr.)	7.57
ii. Not Considered in Consolidation (₹ in Cr.)	0.79

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

ANNEXURE 2

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

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

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

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

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

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

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

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

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

(I) POWER & FUEL CONSUMPTION

		2018-19	2017-18
1	ELECTRICITY		
	(a) Purchased		
	Unit (Kwh)	14,00,85,532	12,41,64,421
	Total Amount (Rs.)	74,50,75,111	64,16,15,519
	Rate / Unit (Rs)	5.32	5.17
	(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)	Nil	Nil
	Unit Per Kg of Lignite	Nil	Nil
	Cost Lignite / Unit (Rs)	Nil	Nil
	Cost Coal / Unit (Rs)	Nil	Nil
	Cost Coal & Lignite / Unit (Rs)	Nil	Nil
2	COAL (Including Coal Fines)	Nil	Nil
	Quantity (MT)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil
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)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil

(II) CONSUMPTION PER M.T. OF PRODUCTION

Particulars of Product	2018-19	2017-18
Electricity (in Unit)	1075	1004
Furnace Oil	Nil	Nil
Coal (Specify quantity)	Nil	Nil
Others	Nil	Nil

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

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

(II) Technology absorption, adaptation:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO(Rs. in Cr.)

Particulars	2018-19	2017-18
1) EARNINGS & OUTGO		
a. Foreign Exchange earnings	0.00	0.51
b. Foreign Exchange outgo	113.11	37.33
2) TOTAL FOREIGN EXCHANGE USED AND EARNED		
As per notes on account		

For and on behalf of the Board

Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 30th May 2019
Place: Santej

ANNEXURE 3 TO THE BOARD'S REPORT**PARTICULARS OF THE EMPLOYEES**

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

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

Sr. no.	Name of director / KMP	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2018-19	*% increase / (decrease) in remuneration in the FY 2018-19
a)	Shri K. S. Kamath	Jt. Managing Director	8.04:1	0
b)	Shri Ashok Sharma	Whole Time Director & CFO	7.46:1	0
c)	Shri Vinod Kumar Shah	Company Secretary (till 10.04.2018)	0.25:1	0
d)	Shri Jayesh Bhavsar	Company Secretary (from 01.10.2018 till 01.11.2018)	0.45:1	NA
e)	Shri Vinay Kumar Mishra	Company Secretary (w.e.f. 04.01.2019)	1.05:1	NA

II.	The percentage increase in the median remuneration of employees in the financial year:	5.7%
III.	The number of permanent employees on the rolls of company:	658
IV.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration;	During the year under review, the average annual increase was negligible.
V.	Affirmation that the remuneration is as per the remuneration policy of the Company.	All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

For and on behalf of the Board

Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 30th May 2019
Place: Santej

ANNEXURE 4

FORM NO. AOC -2

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis							
	Name (s) of the related party	Nature of relationship	Nature of transaction	Duration of the transaction	Transactions value in ₹	Date of approval by the Board	Amount paid as advances
1.	S.A.L. Steel Ltd.	Associate	Purchase of Power	April 2018-March 2019	41,35,52,000	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.	N.A.
			Purchase of material		247,48,76,117		
			Sale of material & Services		4,80,71,147		

For and on behalf of the Board

Sd/-

Rajendra V. Shah

Chairman

(DIN: 00020904)

Date: 30th May 2019

Place: Santej

ANNEXURE 5**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

To,

The Members,

SHAH ALLOYSLIMITED**CIN: L27100GJ1990PLC014698**

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

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

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by SHAH ALLOYS LIMITED (CIN: L27100GJ1990PLC014698) for the financial year ended on 31.03.2019 according to the provisions of:

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

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f 1st day of July 2015 are adopted by the Company by passing requisite Board Resolutions and are complied with.
- ii) The Listing Agreements entered into by the Company with BSE Limited and NSE Limited (Stock Exchanges).

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

I/We further report that

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

There were no changes in the composition of the Board of Directors during the year.

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

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

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

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

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

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad

Date: 30th May, 2019

ANNEXURE-A

Securities Laws

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

Labour Laws

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

Environmental Laws

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

Taxation Laws

1. The company follows provisions of the taxation and Income Tax Act, 1961 and filing the returns with Income tax department and all other necessary departments, however, in few instances company has filed the returns with the authorities with delay payment charges / interest.

2. The company normally making payment of TDS, GST and other statutory payment with appropriate Authorities well in time except few instances with delay payment charges / interest.

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

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad
Date: 30th May, 2019

ANNEXURE-B

To

The Members,

Shah Alloys Limited

CIN:L27100GJ1990PLC014698

SHAH ALLOYS CORPORATE HOUSE,

SOLA-KALOL ROAD TAL. KALOL,

DIST. GANDHINAGAR SANTEJ 382043

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

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

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

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad
Date: 30th May, 2019

ANNEXURE 6

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

[Pursuant to section 92(3) of the Companies Act, 2013 and
rule 12(1) of the Companies (Management and Administration) Rules, 2014]**1) REGISTRATION AND OTHER DETAILS:**

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

2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and descriptions of main products/ services	NIC Code of the product/ Service	% to Total turnover of the company
1.	Ingots of iron & steel & other primary forms	24103	100%

3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/HUF	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks FI	0	0	0	0	0	0	0	0	0
e) Any other....	0	0	0	0	0	0	0	0	0
Sub Total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	2853304	800	2854104	14.42	2727770	800	2728570	13.78	-0.63
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	2928756	422432	3351188	16.93	2962690	369732	3332422	16.83	-0.09
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2735254	0	2735254	13.82	3026511	0	3026511	15.29	1.47
c) Others									
Non Resident Indians	72333	2000	74333	0.38	58994	2000	60994	0.31	-0.07
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	141470	0	141470	0.71	7852	0	7852	0.04	-0.67
Trusts	200	0	200	0	200	0	200	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	8731317	425232	9156549	46.25	8784017	372532	9156549	46.25	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)									0
C. Shares held by Custodian for GDR& ADR	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19372308	425232	19797540	100.00	19425008	372532	19797540	100.00	0

II) Shareholding of promoters

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

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

Name of promoter	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				Shareholding at the end of the year	
	No. of share	% of total shares of the company	Date	Increase / Decrease	No. of Shares	Reason	No. of share	% of total shares of the company
Rajendrabhai V. Shah	7912404	39.97	No change				7912404	39.97
Rajendrabhai V. Shah – HUF	1531960	7.74	No change				1531960	7.74
Ragini R Shah	1146006	5.79	No change				1146006	5.79
Prakash V. Shah	0	0	No change				0	0
Karan R Shah	0	0	No change				0	0
Jayesh V. Shah	28681	0.14	No change				28681	0.14
Ashvin V. Shah	21940	0.11	No change				21940	0.11
TOTAL	10640991	53.75					10640991	53.75

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

Sr. No.	NAME OF SHAREHOLDERS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	GUJARAT NRE COKE LTD.	969769	4.90	969769	4.90
2	SATELLITE MERCANTILES PVT LTD.	901361	4.55	761675	3.85
3	JAIDEEP NARENDRA SAMPAT	368810	1.86	432036	2.18
4	ANAND MOHAN	308800	1.56	321600	1.62
5	JM FINANCIAL SERVICES LIMITED	140100	0.71	271919	1.37
6	SHEELA LALIT MEHTA	200000	1.01	200000	1.01
7	AMBITION MERCHANTS PRIVATE LIMITED	177021	0.89	177021	0.89
8	MALTI NARENDRA SAMPAT	106174	0.54	174901	0.88
9	ASSET RECONSTRUCTION COMPANY (INDIA) LTD.(TRUST HOLDINGS)	200000	1.01	200000	1.01
10	RAMASWAMY ANAND	110000	0.56	110000	0.56
	TOTAL	3482035	17.59	3618921	18.27

5) **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

6) **INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	365,07,81,346	48,82,05,000	-	413,89,86,346
ii) Interest due but not paid	106,85,62,326	23,55,83,323		130,41,45,649
iii) Interest accrued but not due				
Total (i+ii+iii)	471,93,43,672	72,37,88,323	-	544,31,31,995
Change in Indebtedness during the financial year				
i) Principal Amount	(9,37,50,000)	-	-	(9,37,50,000)
ii) Interest due but not paid	(44,81,956)	-	-	(44,81,956)
iii) Interest accrued but not due	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	355,70,31,346	48,82,05,000	-	404,52,36,346
ii) Interest due but not paid	106,40,80,370	23,55,83,323		129,96,63,693
iii) Interest accrued but not due				
Total (i+ii+iii)	462,11,11,716	72,37,88,323	-	534,49,00,039

7) **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	SALARY	Shri Ashok Sharma*	12,00,000
		Shri K.S. Kamath	12,92,400
2.	Stock Option	NIL	-
3.	Sweat Equity	NIL	-
4.	Commission		
	- as % of profit	NIL	-
	- others, specify...	NIL	-
5.	Others, please specify	NIL	-
	Total (A)	NIL	-
	Ceiling as per the Act	Within the Ceiling of Section II of Part II of Schedule V of the Companies Act, 2013	

*Salary inclusive of services rendered in the capacity of CFO of the Company

b. **Remuneration to other Directors**

Particulars of remuneration	Name of Directors					Total Amount
	Shri Dilip Kumar Sinha	Shri G.M. Shaikh	Shri Tejpal S. Shah	Shri Harshad M. Shah	Smt. Shefali M. Patel	
Fee for attending Board / committee meeting	30,000	60,000	60,000	22,500	30,000	2,02,500
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	30,000	60,000	60,000	22,500	30,000	2,02,500

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Company Secretary	Company Secretary	Total
		Shri Vinod Kumar Shah*	Shri Jayesh Bhavsar#	Shri Vinay Kumar Mishra@	
1	Gross salary	39,999	72,508	1,68,443	2,80,950
2	Stock Option	-	-	-	N.A.
3	Sweat Equity	-	-	-	N.A.
4	Commission	-	-	-	N.A.
	- as % of profit	-	-	-	N.A.
	Others, please specify	-	-	-	N.A.
5	Others, please specify	-	-	-	N.A.
	Total	39,999	72,508	1,68,443	2,80,950

* upto 10.04.2018

01.10.2018 to 01.11.2018

@ 04.01.2019 to 31.03.2019

d. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY

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

Name of Director	Category	Numbers of Board Meetings		No. of other Directorships held	Committee Memberships held in other companies		Attendance at Last AGM
		Held during the year	Attended during the year		as Member	as Chairman	
NON-EXECUTIVE DIRECTOR							
Shri Rajendra V. Shah	Promoter Non- Executive Chairman	4	4	1	1	Nil	Yes
EXECUTIVE DIRECTORS							
Shri Kondadi S Kamath	Non Promoter Executive Director	4	4	Nil	Nil	Nil	Yes
Shri Ashok A Sharma	Non Promoter Whole time Director	4	4	Nil	Nil	Nil	Yes
INDEPENDENT DIRECTORS							
Shri G.M. Shaikh	Non - Executive & Independent	4	4	1	Nil	Nil	Yes
Shri Harshad M. Shah	Non-Executive & Independent	4	3	1	3	Nil	No
Shri Tejpal S. Shah	Non-Executive & Independent	4	4	1	Nil	Nil	No
Shri Dilip Kumar Sinha	Non-Executive & Independent	4	4	2	Nil	Nil	No
Smt. Shefali M. Patel	Non-Executive & Independent	4	4	1	1	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 independence of the Board and to separate the board functions of governance and management. The Board currently comprises of two Executive Directors and Six Non-Executive Directors including the Chairman of the Board.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board met 4 times:

- 28.05.2018 (adjourned and held on 30.05.2018)
- 11.08.2018
- 14.11.2018 (adjourned and held on 16.11.2018)
- 13.02.2019

INDEPENDENT DIRECTORS' MEETING

Independent Directors met on 13.02.2019 without presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

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

DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

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

3. COMMITTEES OF THE BOARD

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

The various Board level Committees are as under:-

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

AUDIT COMMITTEE:

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

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

During the period under review, four Audit Committee meetings were held respectively on 28.05.2018 (adjourned and held on 30.05.2018), 11.08.2018, 14.11.2018 (adjourned and held on 16.11.2018), 13.02.2019.

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

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

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

4. NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three independent Non-executive directors. During the period under review, four meetings of Nomination and Remuneration Committee were held on 28.05.2018, 11.08.2018, 14.11.2018, 13.02.2019.

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

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

Board Evaluation

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

Directors, excluding directors being evaluated.

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

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

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

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

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

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

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

5. Remuneration of Directors

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

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

b. Criteria for Making Payment to Non- Executive Directors

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

c. Compensation/Fees Paid to Non-Executive Directors

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

d. Details of Remunerations

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

(Amount in ₹)

Name of Director	Sitting Fees	Salaries & Perquisites	Commission	Total
ShriRajendra V. Shah	Nil	Nil	Nil	Nil
ShriKondadi S Kamath	Nil	12,92,400	Nil	12,92,400
Shri Ashok Sharma	Nil	12,00,000	Nil	12,00,000
Shri G. M Shaikh	60,000	Nil	Nil	60,000
ShriHarshad M. Shah	22,500	Nil	Nil	22,500
Shri Dilip Kumar Sinha	30,000	Nil	Nil	30,000
ShriTejpal S. Shah	60,000	Nil	Nil	60,000
Smt. Shefali M. Patel	30,000	Nil	Nil	30,000

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.

During the period under review, four meetings of Stakeholders' Grievance Committee were held on 28.05.2018, 11.08.2018, 14.11.2018, 13.02.2019.

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

Name and designation of Compliance Officer

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

Details of Shareholders Complaints

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

No. of shareholders' complaints received during the year: 03

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

No. of pending Complaints: NIL

No. of complaints resolved during the year: 03

7. GENERAL BODY MEETING

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

Year	Date	Time	Venue	No. of special resolutions passed
2015-16	September 24th, 2016.	11:30 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2016-17	September 30th, 2017.	12:00 Noon	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	00
2017-18	September 29th, 2018	12:00 Noon	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01

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

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDERS INFORMATION

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

a) Annual General Meeting.

Date : 25th September, 2019

Time : 10:00 AM

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

b) Financial Year

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

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

- Quarter ending 30th June 2019 : By 14th August 2019
 Quarter ending 30th September 2019 : By 14th November 2019
 Quarter ending 31st December 2019 : By 14th February 2020
 Quarter ending 31st March 2020 : By 30th May 2020
- c) **Dividend Payment Date** : Not Applicable
- d) **Listing on Stock Exchange** : **Bombay Stock Exchange Ltd.(BSE)**
 Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
 Scrip Code: 513436
- : **National Stock Exchange of India Ltd (NSE)**
 “Exchange Plaza”, BandraKurla Complex, Bandra (E), Mumbai – 400051
 NSE Symbol: SHAHALLOYS

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

- Demat ISIN No. for NSDL and CDSL** : INE640C01011
- e) **Stock code** : **Bombay Stock Exchange Ltd.(BSE)**
 Scrip Code: 513436
- : **National Stock Exchange of India Ltd (NSE)**
 NSE Symbol: SHAHALLOYS

f) **Share Price Data**

(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	48.2	39.2	48.40	38.00
May-18	41.25	30.95	41.60	31.50
Jun-18	38	23.05	37.65	22.50
Jul-18	32.6	23.5	31.85	22.75
Aug-18	27.8	22.2	27.95	22.40
Sep-18	25.5	18.45	25.35	18.30
Oct-18	21	17.15	20.90	16.90
Nov-18	23.65	18.2	23.50	18.05
Dec-18	21.9	17.1	21.00	17.20
Jan-19	23.25	18.2	23.45	17.95
Feb-19	19.75	11.2	19.90	11.90
Mar-19	17.88	14.11	17.90	14.40

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

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

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

h) **Share Transfer System**

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods (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 (LODR) Regulations, 2015 and files a copy of the certificate with the stock exchanges.

i) Shareholding pattern as on 31st March, 2019

Category	No. of Shares	%
Promoters	10640991	53.75
Clearing Members	7852	0.04
Indian Public	6358933	32.12
Domestic Companies	2728570	13.78
NRI	60994	0.31
Trust	200	0.00
Total	19797540	100

Distribution of shareholding as on 31st March, 2019

Shareholding (Rs)	No. of Shares	% to Total	No. of Members	% to Total
Up to 5000	1171055	5.91	6864	82.73
5001 - 10000	591748	3.00	714	8.60
10001 - 20000	533858	2.70	341	4.11
20001 - 30000	306110	1.55	120	1.45
30001 - 40000	211020	1.06	59	0.71
40001 - 50000	182125	0.92	39	0.47
50001 - 100000	510562	2.58	69	0.83
100001 & above	16291062	82.28	91	1.10
Total	19797540	100	8297	100

j) Dematerialization of Shares and Liquidity

On March 31st 2019, nearly 98.11 % of the shareholders of Company were holding Company's shares in DEMAT form. In the same way, Promoters & Promoters-group shareholding was also fully dematerialized.

k) Plant Location:

The Company's plant is located at:

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

l) Registered & Administrative Offices:

Registered Office

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

Corporate / Administrative Office:

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

m) Address for Investor Correspondence:

In case any problem or query shareholders can contact at:

Name : Shri Vinay Kumar Mishra, Company Secretary and Compliance officer
Address : Shah Alloys Corporate House, Sola-Kalol Road, Santej, Dist. Gandhinagar, Gujarat 382 721
Phone : 91-02764-661100/11
Fax : 91-02764-661110
Email : sal.investor@shahalloys.com; cs@shahalloys.com

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

Name : Bigshare Services Private Limited
Address : Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri - East,
Mumbai - 400059, Maharashtra
Board No. : 022 6263 8200
Fax No. : 022 2847 5207
Email id. : info@bigshareonline.com
Website : www.bigshare.com

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

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

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

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

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

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

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

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

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

Corporate Governance Compliance Certificate

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

DISCLOSURE OF ACCOUNTING TREATMENT

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

CEO AND CFO CERTIFICATION

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

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

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

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

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

For, Shah Alloys Limited

Sd/-

(K.S. Kamath)

Joint Managing Director

(DIN 00261544)

Place: Santej

Date: 30.05.2019

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

SHAH ALLOYS LIMITED

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

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

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

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

For, K. K. Patel & Associates

Sd/-

(Kiran Kumar Patel)

Company Secretary

C.P.No.6352

Place: Gandhinagar

Date: 30.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

World Economic Environment

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and automobile production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightened for vulnerable emerging markets in the mid of 2018 and then in advanced economies later in the year, weighing on global demand.

Following a broad-based upswing in cyclical growth that lasted nearly two years, the global economic expansion decelerated in the second half of 2018. Activity softened amid an increase in trade tensions and tariff hikes between the United States and China, a decline in business confidence, a tightening of financial conditions, and higher policy uncertainty across many economies. Against this global backdrop, a combination of country- and sector-specific factors further reduced momentum. After peaking at close to 4 percent in 2017, global growth remained strong, at 3.8 percent in the first half of 2018, but dropped to 3.2 percent in the second half of the year.

World Steel Scenario

Global crude steel production reached 1,808.6 million tonnes (Mt) for the year 2018, up by 4.6% compared to 2017. Crude steel production increased in all regions in 2018 except in the EU, which saw a 0.3% contraction.

Asia produced 1,271.1 Mt of crude steel in 2018, an increase of 5.6% compared to 2017. China's crude steel production in 2018 reached 928.3 Mt, up by 6.6% on 2017. China's share of global crude steel production increased from 50.3% in 2017 to 51.3% in 2018. India's crude steel production for 2018 was 106.5 Mt, up by 4.9% on 2017, meaning India has replaced Japan as the world's second largest steel producing country. Japan produced 104.3 Mt in 2018, down 0.3% compared to 2017. South Korea produced 72.5 Mt of crude steel in 2018, an increase of 2.0% compared to 2017.

The EU produced 168.1 Mt of crude steel in 2018, a decrease of 0.3% compared to 2017. Germany produced 42.4 Mt of crude steel in 2018, a decrease of 2.0% on 2017. Italy produced 24.5 Mt in 2018, up by 1.7% on 2017. France produced 15.4 Mt of crude steel, a decrease of 0.7% on 2017. Spain produced 14.3 Mt of crude steel in 2018, a decrease of 0.1% on 2017.

Crude steel production in North America was 120.5 Mt in 2018, 4.1% higher than in 2017. The US produced 86.7 Mt of crude steel, up by 6.2% on 2017. The CIS produced 101.3 Mt, an increase of 0.3%. Russia produced 71.7 Mt of crude steel in 2018, up by 0.3% on 2017. Ukraine produced 21.1 Mt of crude steel in 2018, a decrease of -1.1% compared to 2017.

Annual crude steel production for South America was 44.3 Mt in 2018, an increase of 1.3% on 2017. Brazil produced 34.7 Mt in 2018, up by 1.1% compared to 2017. The Middle East produced 38.5 Mt of crude steel in 2018, an increase of 11.7% on 2017. Iran produced 25.0 Mt in 2018, up 17.7% on 2017. Turkey's crude steel production for 2018 was 37.3 Mt, down by 0.6% on 2017.

Indian Steel Scenario

India was the world's second-largest steel producer with production standing at 106.5 MT in 2018. 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 very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

India's finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT. India's crude steel and finished steel production increased to 103.13 MT and 104.98 MT in 2017-18, respectively. In 2017-18, the country's finished steel exports increased 17 per cent year-on-year to 9.62 million tonnes (MT), as compared to 8.24 MT in 2016-17. Exports and imports of finished steel stood at 0.72 MT and 1.12 MT, respectively, in FY20 (up to May).

According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US\$ 11.30 billion in the period April 2000-March 2019.

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

- An export duty of 30 per cent has been levied on iron ore[^] (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the boost in 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 has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 envisages 300 million tonnes (MT) steel-making capacity and 160 kgs per capita

steel consumption by 2030-31.

- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

OPPORTUNITIES & THREATS:

Opportunities:

The interim Union Budget for 2019-20 focused on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India launched Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY 27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2020, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Pricewaterhouse Coopers.

Threats:

The glut in the global steel market, which led to an influx of cheap imports into India and a series of steps by the government to protect the domestic steel industry, might not end anytime soon. In what indicates that threats of low-priced imports are here to stay, the world capacity utilization ratio of the alloy climbed upwards in the current year. So only structural reforms that will help cut costs and improve productivity could enable the domestic steelmakers to acquire competitiveness in the domestic and global markets. Rising cost of raw material, fuel, power prices coupled with unforeseen general macro economic factors may affect the industry adversely. Your Company may face unfavorable foreign exchange rate fluctuations this year as well as increase in raw material prices thus putting a pressure on margins.

OUTLOOK:

While the single-party majority mandate has set the foundation for a stable central government for another five years, significant headwinds potentially lie ahead. Domestic risks, such as slowing demand and poor health of the banking sector, together with external risks from uncertainties around global trade, will likely impact business investment and credit growth, and thereby, growth.

In the coming months, monsoon will play a crucial role in calibrating monetary policy. This year's monsoon is predicted to be lower than average, which will likely have implications for both inflation and growth. Besides, if global uncertainties intensify, there could be pressure on the currency and trade balance.

Over the past five years, the government took myriad steps and implemented several groundbreaking reforms, such as implementing the landmark tax reform, allowing foreign investment in restricted sectors, and reforming the bankruptcy law. By presenting a visionary budget with mid- to long-term benefits, the finance minister committed to continuity of previous policies. However, the budget lacked details on implementation, and all eyes will now be on the specific steps the government takes to execute its proposals.

RISKS AND CONCERNS:

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's Structured Risk Management Process attempts to provide confidence to the stakeholders that the Company's risks are known and well managed. The company

management has a Risk Management Team comprising of Functional heads as Champions and accountable for risks associated in their areas. The company has review mechanism of risks at regular intervals. The management of the Company has identified some of the major areas of concern having inherent risk, viz. Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans. The processes are continuously improved.

Risk Management comprises three key components which are as below:

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

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review company concentrated on manufacturing of Bars, beams, flats, plate, coil, slab, billets etc. Production of bars, beams and flats during the year was 12509 MT. and sale was 11580 MT. Production of plate & coil during the year was 115033 MT and sales was 111229 MT. Likewise production of Slab, billets etc. was 2776 MT and sales was 1460 MT. Total production of all items taken together during the year increased from 123721 MT to 130318 MT whereas total sales decreased from 137049 MT to 124269 MT.

During the year under review Total revenue from Operations and from other operating income increased from Rs. 480.53 crores in the previous year to Rs. 576.66 crores. Company has registered a profit of Rs. 0.75 crores in comparison to the profit of Rs. 42.09 crores during previous year.

Further, for the Financial Year 2019-20 the company is also focusing on manufacturing and sales of Stainless Steel which is having huge demand in both domestic as well as International markets. Since the company is already having experience in Stainless Steel segment marketing and sales of the same will not be an issue for the company.

DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever- changing market realities. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Company has more than 650 employees on its permanent rolls as on 31st March, 2019.

DISCLOSURE OF ACCOUNTING TREATMENT:

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

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

Independent Auditors' Report

To the Members of
SHAH ALLOYS LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

1. The Company has not provided for foreign exchange loss in the financial results on the Principal amount of 1,00,00,000 USD and on the Premium amount of 48,25,500 USD of the Foreign Currency Convertible Bonds (FCCB) which had become due for payment on September 22, 2011 and remain unpaid as at March 31, 2019, which constitutes a departure from the Indian Accounting Standard- 21. "The Effects of Changes in Foreign Exchange Rates which requires that each foreign currency monetary items should be reported using the closing rate as at the balance sheet date. Non provision of the foreign exchange loss on the aforesaid Foreign Currency Convertible Bonds (FCCB) and the Premium amount relates to the period from September 23, 2011 to March 31, 2019. Had the company followed the Accounting Standard and made the provision for foreign exchange loss on the above FCCB for the year ending on 31.03.2019, then the Profit of the company for the year ending on 31.03.2019 would have been lower by Rs. 652.17 lacs and to that extent the liability would have been higher. However, the company has not provided for foreign exchange fluctuation on the above FCCB since September 2011 and accordingly the total loss on foreign exchange works out to Rs.3057.40 lacs which has not been provided by the company. Thus, balance of Reserve and surplus and the current liabilities have been understated by Rs. 3057.40 as on 31.03.2019. (Refer Note no 32 of notes forming part of standalone financial statements)
2. For the year ending on 31st March,2019, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding on the settlement entered with ARCs for specific loans which are assigned to them).Had the company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March2019 the Profit of the year would have been lower by Rs 1305.64 lacs and current liabilities would have been higher to that extent. (Refer Note no 33 of notes forming part of standalone financial statements)
3. The Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2019(Refer Note no 43 of notes forming part of standalone financial statements)
4. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2019(Refer Note no 44 of notes forming part of standalone financial statements)

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

Material Uncertainty Related to Going Concern

The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in the view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the

Company have been prepared on a "going concern basis". (Refer Note no 42 of notes forming part of standalone financial statements)

Key Audit Matters

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

Key Audit Matter:

Description of Key audit Matter	Our response and results
<p>Litigations and claims (Refer note 38) to the standalone financial statements)</p> <p>The cases are pending with multiple tax authorities like Excise and Service tax and there are claims against the company which have not been acknowledged as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the company's management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/response including on the claims lodged by customers, were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the standalone financial statements.</p>

Emphasis of Matter

1. The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in the view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Company have been prepared on a "going concern basis". (Refer Note no 42 of notes forming part of standalone financial statements)
2. The balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties(Refer Note no 41 of notes forming part of standalone financial statements)

Our opinion is not modified on the above matters.

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and except for the matters described in the Basis for Qualified opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the possible effects of the matter described in the Basis for Qualified opinion, paragraph above, In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company
 - e. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of written representations, received from the directors as on March 31,2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31,2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone Financial Statements (Refer Note No 38 to the Standalone Financial Statements.)
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

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

Place:Ahmedabad
Date: 30/05/2019

ANNEXURE A –TO THE INDEPENDENT AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF SHAH ALLOYS LIMITED
ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

Sr. no	Name of the 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 , Service tax and Excise	Service tax	January 2005 to July 2011	The Commissioner of Central Excise , Ahmedabad III	51.58
2	Custom , Service tax and Excise	Service tax	April 2012 to October 2012	Custom Excise and Service Tax , Appellate Tribunal, Ahmedabad	23.43

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.)
3	Custom , Service tax and Excise	Service tax to March 2013	November 2012	The Addl. Commissioner of Central Excise , Ahmedabad III	1.71
4	Custom , Service tax and Excise	Service tax	2013-14	The Joint Commissioner of Central Excise , Ahmedabad III	1.48
5	Custom , Service tax and Excise	Service tax	November 1997 to June 1998	Gujarat High Court	25.43
6	Custom , Service tax and Excise	Excise duty	September 2010 to Dec. 2013	Custom Excise and Service Tax , Appellate Tribunal, Ahmedabad	1909.76
7	Custom , Service tax and Excise	Service tax	Dec. 2014 to May 2015	The Dy. Commissioner of Central Excise Division Kalol, Ahmedabad III	0.87
8	Custom , Service tax and Excise	Service tax	June 2015 to Dec. 2015	The Asst. Commissioner of Central Excise & CGST, Div.Kalol	5.75
9	Custom , Service tax and Excise	Service tax	January 2016 to July 2016	The Asst. Commissioner of Central Excise & CGST, Division Kalol	1.22
10	Custom , Service tax and Excise	Service tax	August 2016 to June 2017	The Asst. Commissioner of Central Excise & CGST, Division Kalol	1.83

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

NAME OF THE BANK/FINANCIAL INSTITUTIONS	NATURE OF FACILITY	AMOUNT OF DEFAULT AS AT 31-03-2019 (Rs in lacs)	PERIOD OF DEFAULT (No. of days)
HDFC BANK	Term Loan	1171.54	1-2831
	Funded Interest Term loan	449.41	1-1916
	Interest Payable	877.89	1-2892
INDIAN OVERSEAS BANK	Non convertible Debenture	979.17	1-2831
	Funded Interest Term loan	684.15	1-1916
	Interest payable	311.33	1-3165
LIC OF INDIA	TERM LOAN	629.39	1-2831
	Funded Interest Term loan	370.01	1-1916
	Non convertible Debenture	7833.33	1-2831
	Interest Payable	51.58	1-3196

Moreover, the company, in September 2006 has raised us \$10 million through unsecured zero coupon foreign currency convertible bonds (FCCB), due on 22 September 2011. On full conversion of FCCB, the FCCB will be converted into 26,41,143 equity shares of Rs10 each at a premium of Rs 165 per share, at the option of bondholders at any time before the maturity of bonds. On conversion capital will increase by Rs264.11 Lakhs and share premium by Rs 4357.58 Lakhs. If bonds are not converted, the company will have to repay the bonds at premium and in us\$. The bonds were convertible into equity shares at the option of bond holders at any time on or after 20th Sept 2006 and upto and including 8th September 2011. And hence as on 31st March 2019, this conversion option with bond holders is not being in effect. The company has provided the premium till 22nd Sept 2011 which has been adjusted against security premium in accordance with section 52 of Companies Act, 2013.

However, the company has defaulted in repayment of foreign currency convertible bond (FCCB) dues on its maturity. The default is subsisting since 2746 days.

- (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 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 given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

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

Place: Ahmedabad
Date: 30/05/2019

**Annexure B to the Independent Auditor's Report
of Even Date to the Members of SHAH ALLOYS LIMITED**

on the Standalone Financial Statements of the year ended on 31st March 2019

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

Place: Ahmedabad
Date: 30/05/2019

Standalone Balance Sheet as at 31st March, 2019

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	As At 31.03.2019	As At 31.03.2018
ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	11917.98	13056.63
b) Capital work-in-progress	2	900.50	900.50
c) Financial Assets			
(i) Investments	3	1503.77	2181.53
(ii) Trade receivables	4	0.00	0.00
(iii) Loans		0.00	0.00
d) Deferred tax Assets (net)	5	22502.45	21180.94
e) Other non-current assets	6	464.42	654.74
2) Current assets			
a) Inventories	7	12510.81	8442.64
b) Financial Assets			
(i) Trade receivables	8	2856.42	365.38
(ii) Cash and cash equivalents	9	35.16	102.03
c) Loans	10	8.38	77.29
d) Other current assets	11	833.77	926.75
TOTAL ASSETS		53533.68	47888.43
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	12	1979.75	1979.75
b) Other Equity	13	-17055.81	-17134.83
LIABILITIES :			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	15691.73	23821.05
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1725.78	1708.82
(b) Provisions	16	138.16	121.34
(c) Non-current liabilities	17	0.00	77.85
(d) Other non-current liabilities		0.00	0.00
2) Current liabilities			
(a) Borrowings			
(b) Trade payables	18	0.00	0.00
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11589.14	5027.20
(c) Other financial liabilities	19	38125.00	30977.99
(d) Other current liabilities	20	612.91	647.09
(e) Provision for Employee Benefits	21	727.02	662.17
Total Equity and Liabilities		53533.68	47888.43

The accompanying Notes 1 to 49 are integral part of these Financial Statements.

As per our report of even date attached.

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2019

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	Year ended 31st March,2019	Year ended 31st March,2018
I Revenue from Operations	22	57002.25	47978.83
II Other Income	23	663.95	74.47
III Total Income (I +II)		57666.20	48053.30
IV Expenses:			
Cost of Materials Consumed	24	43088.60	31222.57
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	25	-2987.51	3348.80
Employee Benefits Expense	26	2007.77	1803.70
Finance Costs	27	10.13	13.13
Depreciation and Amortization Expense		1300.75	1364.30
Other Expenses	28	14817.48	11675.05
Total Expenses (IV)		58237.21	49427.55
V Profit before tax and Exceptional Item (III- IV)		-571.01	-1374.25
VI Exceptional Item (Refer Note No 35)		-677.76	14087.79
VII Profit before tax (V+VI)		-1248.77	12713.54
VIII Tax expense :			
(1) Current Tax		0.00	0.00
(2) Deferred Tax		-1323.70	8504.20
Total Tax Expenses (VIII)		-1323.70	8504.20
IX Profit for the period (VII -VIII)		74.93	4209.34
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		6.28	20.45
(ii) Income tax relating to items that will not be reclassified to profit or loss		-2.20	7.15
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Income (X)		4.09	27.60
XI Total Comprehensive Income for the period (IX + X) (Comprising (Profit and Other Comprehensive Income for the period)		79.01	4236.94
XII Earnings per equity share (Face Value of Rs 10/- each)			
Basic & Diluted	29	0.38	21.26

The accompanying Notes 1 to 49 are integral part of these Financial Statements.
As per our report of even date attached.

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March 2019

(Amount ₹ in Lakhs)

PARTICULARS	2018-19		2017-18	
	Amount in ₹		Amount in ₹	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax		(1242.49)		12733.99
Adjustments for :				
Depreciation	1300.75		1364.30	
Loss / (Profit) on Sale of Assets	0.04		0.00	
Interest expenses	10.13		13.13	
Interest waiver (OTS)	0.00		(10567.00)	
Interest Income	(17.24)		(15.13)	
		1293.68		(9204.69)
		51.19		3529.30
Operating Profit Before Working Capital Changes				
Adjustments for :				
Trade and other receivables	(2329.15)		(42.83)	
Inventories	(4068.17)		3232.60	
Trade Payable and others (including non current liabilities)	6548.55		(4183.22)	
		151.23		(993.45)
Cash Generated From Operations		202.42		2535.85
Direct Taxes Paid		0.00		0.00
Net Cash from Operating Activities before Extra Ordinary Items		202.42		2535.85
Extra-ordinary Items				
Changes in non current assets	190.32		(45.98)	
Interest waiver income (OTS)	0.00		10567.00	
Provision for diminution in value of long term investments	677.76		(647.50)	
		868.08		9873.52
Net Cash from Operating Activities after Extra Ordinary Items(A)		1070.50		12409.37
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed assets	(162.82)		(104.35)	
Sale of Fixed Assets	0.65		0.00	
Interest Income	17.24		15.13	
	(144.93)		(89.22)	
Net Cash from Investing Activities(B)		(144.93)		(89.22)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term and Short Term Borrowings (Net of Repayment)	(982.31)		(12397.55)	
Interest Paid	(10.13)	(992.44)	(13.13)	(12410.68)
Net Cash from Financing Activities(C)		(992.44)		(12410.68)
Net Increase in Cash and Equivalent.(A+B+C)		(66.87)		(90.53)
Cash And Cash Equivalents as at the Beginning of the year		102.03		192.56
Cash And Cash Equivalents as at the Close of the year		35.16		102.03

Standalone Cash Flow Statement for the year ended 31st March 2019 (Contd.)

Note:

As per our Report of even date

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

(Amount ₹ in Lakhs)

S.No. Particulars	As At 31.03.2019	As At 31.03.2018
Cash and Bank Balances:		
a) Balances with banks (in Current Accounts)	35.06	101.53
b) Cash on Hand	0.10	0.50
Total	35.16	102.03

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

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

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 primarily engaged in manufacturing and sale of wide range of Stainless Steel, Alloy & Special Steel, Carbon / Mild Steel in Flat and Long Products. The Company presently has manufacturing facilities at Santej, District: Gandhinagar (Gujarat).

APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

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

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

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

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

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

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

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

The amendments require an entity:

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

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

Ind AS 23 – "Borrowing Costs"

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Notes forming part of the Standalone Financial Statements

1.2 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.

1.3 USE OF ESTIMATES :

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

1.4 PROPERTY, PLANT AND EQUIPMENT:

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

Notes forming part of the Standalone Financial Statements

of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 Revenue Recognition

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

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

1.6 EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognized as an expense at the undis-counted 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 dis-counting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

1.7 Valuation of Inventories

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

1.8 Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a

Notes forming part of the Standalone Financial Statements

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

1.10 FINANCIAL LIABILITIES:

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

1.11 FAIR VALUE MEASUREMENT:

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

1.12 FOREIGN CURRENCY TRANSACTIONS:

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

Notes forming part of the Standalone Financial Statements

- 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 recognised 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 differ-ences,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 recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or con-structive 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.

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

Notes forming part of the Standalone Financial Statements

for at least twelve months after the reporting period. All other assets are classified as non-current.

- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

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

1.18 EARNINGS PER SHARE:

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

Notes forming part of the Standalone Financial Statements

Note No -2 Property, Plant and Equipment

TANGIBLE ASSETS :

(Amount in ₹ in lakhs)

Particulars	Freehold Land	Factory Building	Office Building	Plant and Machinery	Laboratory Equipments	Vehicles	Office Equipments	Furniture & Fixtures	TOTAL
Cost of Assets									
As at 1st April 2017	422.82	2,276.72	326.92	51,672.69	49.17	320.37	210.23	197.24	55,476.15
Addition	104.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104.35
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2018	527.17	2,276.72	326.92	51,672.69	49.17	320.37	210.23	197.24	55,580.50
Addition	162.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	162.82
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	14.27	0.00	0.00	14.27
As at 31st March 2019	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Depreciation									
As at 1st April 2017	0.00	1,086.42	48.72	39,293.82	46.71	304.35	199.72	179.84	41,159.57
Charge for the year 2018	0.00	68.85	5.16	1,284.09	0.00	0.00	0.00	6.21	1,364.30
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2018	0.00	1,155.27	53.88	40,577.91	46.71	304.35	199.72	186.04	42,523.87
Charge for the year 2019	0.00	64.00	5.16	1,230.26	0.00	0.00	0.00	1.34	1,300.75
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	-13.56	0.00	0.00	-13.56
As at 31st March 2019	0.00	1,219.27	59.04	41,808.17	46.71	290.79	199.72	187.38	43,811.07
Net Block									
As at 31st March 2018	527.17	1,121.45	273.04	11,094.78	2.46	16.02	10.51	11.20	13,056.63
As at 31st March 2019	689.99	1,057.45	267.88	9,864.52	2.46	15.30	10.51	9.86	11,917.98

CAPITAL WORK IN PROGRESS	31.03.2019	31.03.2018
Plant & Machinery	900.50	900.50
Total	900.50	900.50

Notes:

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

Notes forming part of the Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 3	As at	As at
Investments:	March 31, 2019	March 31, 2018
Trade Investments		
Quoted		
Investment in Equity instruments of Associate Company	3994.96	3994.96
3,02,56,989 Equity shares of Face value Rs 10/- each in SAL Steel Limited (P.Y: 3,02,56,989 Equity shares)		
Less : Provision for Diminution in value of Investment	2491.19	1813.43
TOTAL	1503.77	2181.53

Aggregate amount of Quoted Investment and Market Value Rs 1503.77 Lakhs as at 31st March 2019 (P.Y. Rs 2181.53 Lakhs)

NOTE NO : 4	As at	As at
Trade Receivables :	March 31, 2019	March 31, 2018
Non-current Trade Receivable		
Unsecured, considered Doubtful	107.24	113.15
less : Provision for Doubtful Debts	107.24	113.15
TOTAL	0.00	0.00

(Amount in ₹in lakhs)

NOTE NO : 5	As at	As at
Deferred tax Assets (Net)	March 31, 2019	March 31, 2018
Deferred tax Assets (Net)	22502.45	21180.94
TOTAL	22502.45	21180.94
DEFERRED TAX ASSETS		
Unabsorbed Depreciation and Business Loss	20350.46	19204.10
On account of disallowances under the Income tax act, 1961	4460.57	4474.10
Gross deferred tax asset (A)	24811.02	23678.20
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	2308.57	2497.26
Gross deferred tax liability (B)	2308.57	2497.26
Net Deferred tax (A-B)	22502.45	21180.94

(Amount in ₹in lakhs)

NOTE NO : 6	As at	As at
Other non-current assets :	March 31, 2019	March 31, 2018
(a) Loans & Advance Recoverable in cash or in kind	73.47	94.51
(b) Security Deposit		
Unsecured, considered good	304.50	227.02
(c) Advances to Supplier		
Unsecured, considered good	0.00	198.10
(d) Advance Income Tax , TDS & TCS	14.50	22.02
(e) Balance with Govt. Authorities	71.95	113.09
Unsecured, considered good		
TOTAL	464.42	654.74

(Amount in ₹in lakhs)

NOTE NO : 7	As at	As at
Inventories :	March 31, 2019	March 31, 2018
(Inventories are taken, valued and certified by the management)		
(a) Raw Materials	1367.82	500.12
(b) Work in progress	2985.80	2148.96
(c) Finished goods	4354.52	2203.85
(d) Stores and spares	3802.67	3589.71
TOTAL	12510.81	8442.64

Notes forming part of the Standalone Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 8	As at	As at
Trade receivables :	March 31, 2019	March 31, 2018
Un Secured, considered good	2856.42	365.38
TOTAL	2856.42	365.38
Trade Receivable include dues from Associate concerns:		
'SAL Hospital & Medical Institute (A Div. of SAL Care Pvt Ltd.)	0.00	0.59

(Amount in ₹in lakhs)

NOTE NO : 9	As at	As at
Cash and cash equivalents	March 31, 2019	March 31, 2018
(a) Balances with Scheduled Banks		
On current Account	35.06	101.53
(b) Cash on hand	0.10	0.50
TOTAL	35.16	102.03

(Amount in ₹in lakhs)

NOTE NO : 10	As at	As at
Loans	March 31, 2019	March 31, 2018
Loans & Advance Recoverable in cash or in kind	8.38	77.29
	8.38	77.29

(Amount in ₹in lakhs)

NOTE NO : 11	As at	As at
Other current assets :	March 31, 2019	March 31, 2018
Balance with government authorities	244.47	463.41
Advance to Suppliers	588.12	291.36
Prepaid Expenses	1.19	171.98
	833.77	926.75

(Amount in ₹in lakhs)

NOTE NO : 12	As at	As at
Share Capital :	March 31, 2019	March 31, 2018
Authorised :		
3,50,00,000 Equity Shares of Rs 10/- each		
(Previous year : 3,50,00,000 Equity Shares of Rs 10/- each)	3500.00	3500.00
	3500.00	3500.00
Issued & Subscribed and Paid up :		
1,97,97,540 Equity Shares of Rs.10/- each fully paid up		
(Previous year : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up)	1979.75	1979.75
	1979.75	1979.75

Notes forming part of the Standalone Financial Statements

a) Reconciliation of number of shares:

(Amount in ₹in lakhs)

Equity Shares	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Shares outstanding at the beginning of the year	1 97 97 540	1979.75	1 97 97 540	1979.75
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	1 97 97 540	1979.75	1 97 97 540	1979.75

b) Rights, Preferences and restrictions attached to shares

Equity shares:

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Mr. Rajendra V. Shah #	94 44 364	47.71%	94 44 364	47.71%
Mrs. Ragini R. Shah	11 46 006	5.79%	11 46 006	5.79%

including 7.74 % shares held as Karta of HUF

(Amount in ₹in lakhs)

NOTE NO : 13	Amount		Amount	
Other Equity :	31.03.2019		31.03.2018	
Securities Premium Account				
Opening Balance	502.61		502.61	
Add : Addition during the year	0.00		0.00	
		502.61		502.61
Capital Reserve				
Opening Balance	39006.18		28282.73	
Add : Addition during the year	0.00		10723.45	
		39006.18		39006.18
Debenture Redemption Reserve:				
Opening Balance	6000.00		6000.00	
Add : Addition during the year	0.00	6000.00	0.00	6000.00
Retained Earnings				
Balance Brought Forward From Previous Year	-62643.62		-66880.55	
Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-4.09		-27.60	
	-62639.53		-66852.95	
Add: Profit/(Loss) for the year	74.94	-62564.60	4209.34	-62643.61
TOTAL		-17055.81		-17134.83

NOTE NO : 14	As at		As at	
Borrowings :	March 31, 2019		March 31, 2018	
(A) SECURED :				
I) Debentures				
-Non Convertible Debentures	0.00		187.50	
II) Term Loans				
a) From Banks	0.00		24.93	
b) From Financial Institutions	15324.00	15324.00	23240.89	23453.32
(B) UNSECURED:				
Loans & Advances from related parties				
- From Director		367.73		367.73
TOTAL		15691.73		23821.05

(A) SECURED :

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

I) Non Convertible Debentures

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

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

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

(Amount in ₹in lakhs)

Financial Year	Default in repayment of principal	Period of default (Days)	Default in payment of interest	Period of default (Days)
2011-12	937.50	2555-2831	818.90	2555-2892
2012-13	1125.00	2190-2466	980.00	2190-2527
2013-14	1125.00	1825-2101	980.00	1825-2162
2014-15	1125.00	1460-1736	890.00	1460-1797
2015-16	1125.00	1095-1370	892.44	1095-1431
2016-17	1125.00	730-1005	890.00	730-1066
2017-18	1125.00	365-640		(*)
2018-19	1125.00	1-270		(*)
Total	8812.50		5451.34	

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

II) Term Loan from Bank / Financial Institution:

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

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

(Amount in ₹in lakhs)

Particulars / Financial Year	2020-21	2021-22	2022-23	2023.24
Term Loans from Financial Institution	8216.50	5573.75	607.25	926.50
Total	8216.50	5573.75	607.25	926.50

Notes forming part of the Standalone Financial Statements

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

The company has made a default in repayment as follows:

(Amount in ₹in lakhs)

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in payment of interest	Period of default (Days)
Rupee Term Loan From Bank	2011-12	124.63	2555-2831	119.97	2555-2892
	2012-13	149.56	2190-2466	119.65	2190-2527
	2013-14	149.56	1825-2101	119.65	1825-2162
	2014-15	149.56	1460-1736	119.65	1460-1797
	2015-16	149.56	1095-1370	119.65	1095-1431
	2016-17	149.56	730-1005	119.65	730-1066
	2017-18	149.56	365-640	-	(*)
	2018-19	149.56	1-270	-	(*)
Rupee Term Loan From Financial Institutions	2011-12	66.96	2555-2831		
	2012-13	80.35	2190-2466	56.24	2190-2527
	2013-14	80.35	1825-2101	56.24	1825-2162
	2014-15	80.35	1460-1736	56.24	1460-1797
	2015-16	80.35	1095-1370	56.40	1095-1431
	2016-17	80.35	730-1005	56.24	730-1066
	2017-18	80.35	365-640	-	(*)
	2018-19	80.35	1-270	-	(*)
Funded Interest Term Loan	2010-11			235.71	2921-3165
	2011-12			247.10	2556-2800
	2012-13			247.10	2191-2435
	2013-14	150.36	1825-1916	247.10	1826-2070
	2014-15	300.71	1460-1551	247.10	1461-1704
	2015-16	300.71	1095-1186	247.10	1096-1339
	2016-17	300.71	730-821	247.10	730-1066
	2017-18	300.71	365-455	-	(*)
2018-19	150.36	1-270	-	(*)	
TOTAL		3304.50		2717.87	

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

(Amount in ₹in lakhs)

NOTE NO : 15 Trade Payable	As at March 31, 2019	As at March 31, 2018
Trade Payables	1725.78	1708.82
TOTAL	1725.78	1708.82

Refer Note No 18(a) of Notes forming part of Standalone Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 16 Long term provisions :	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity	138.16	121.34
TOTAL	138.16	121.34

Notes forming part of the Standalone Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 17 Non-current liabilities :	As at March 31, 2019	As at March 31, 2018
(a) Advances from Customer	0.00	0.00
(b) Other Liabilities	0.00	77.85
TOTAL	0.00	77.85

(Amount in ₹in lakhs)

NOTE NO : 18 Trade payables :	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	0.00	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No 18a)	11589.14	5027.20
TOTAL	11589.14	5027.20
Trade Receivable include dues from Associate concerns:		
SAL Steel Limited	8215.93	2560.86
SAL Hospital & Medical Institute (A Div. of SAL Care Pvt Ltd.)	7.45	45.38
SAL Pharmacy (A Div. of SAL Corporation P. Ltd)	26.48	8.82

(Amount in ₹in lakhs)

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

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

Notes forming part of the Standalone Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 19	As at	As at
Other financial liabilities :	March 31, 2019	March 31, 2018
(a) Current maturities of long-term debt;	8129.32	2442.76
(b) Interest accrued and due on borrowings;	10640.80	10685.62
(c) Unpaid Matured Debentures	8812.50	7687.50
(d) Unpaid Foreign Currency Convertible Bonds (FCCB)	7237.88	7237.88
(e) Other Payables to Banks & Financial Institutions	3304.50	924.23
TOTAL	38125.00	30977.99

(Amount in ₹in lakhs)

NOTE NO : 20	As at	As at
Other Current Liabilities :	March 31, 2019	March 31, 2018
Advance from customers	52.21	129.67
Duties and taxes	417.21	19.43
Deferred sales tax Liability	143.49	497.99
TOTAL	612.91	647.09

(Amount in ₹in lakhs)

NOTE NO : 21	As at	As at
Provision for Employee Benefits	March 31, 2019	March 31, 2018
-Gratuity	53.25	48.28
- Others	673.76	613.89
TOTAL	727.02	662.17

(Amount in ₹in lakhs)

NOTE NO : 22	As at	As at
I. Revenue from operations	March 31, 2019	March 31, 2018
I. Sale of Products		
Direct Export Turnover	0.00	56.78
Domestic Turnover	56940.10	56940.10
	47590.06	47646.84
II. Sale of service		
-Job work Income (TDS Rs 1.28 Lakhs PY Rs 6.09 Lakhs)	62.15	330.95
III. Other Operating Revenues		
Export Incentives- Duty Draw Back	0.00	1.04
Total Revenue from operations	57002.25	47978.83

Notes forming part of the Standalone Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 23	As at	As at
Other Income :	March 31, 2019	March 31, 2018
Interest Income (TDS Rs 1.55 Lakhs P Y Rs 1.36 Lakhs)	17.24	15.13
Foreign exchange fluctuation Gain (Net)	165.61	42.38
Sundry balances written back (Net)	350.35	16.96
VAT Refund	130.74	0.00
TOTAL	663.95	74.47

(Amount in ₹in lakhs)

NOTE NO : 24	As at	As at
Cost of Materials Consumed:	March 31, 2019	March 31, 2018
Opening Stock of Raw Material	500.12	474.06
Add : Purchases	43956.30	31248.63
	44456.42	31722.69
Less : Closing Stock of Raw Material	1367.82	500.12
TOTAL	43088.60	31222.57

NOTE NO : 25	Amount	31.03.2019	Amount	31.03.2018
	₹in lakhs		₹in lakhs	
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress				
Opening Stock				
Finished Goods	2203.85		5498.98	
Stock-in-Progress	2148.96	4352.81	2202.63	7701.61
Less : Closing Stock				
Finished Goods	4354.52		2203.85	
Stock-in-Progress	2985.80	7340.32	2148.96	4352.81
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		-2987.51		3348.80

(Amount in ₹in lakhs)

NOTE NO : 26	As at	As at
Employee benefits expenses	March 31, 2019	March 31, 2018
Salary & Bonus	1882.36	1694.01
Contribution to Provident Fund etc.	77.39	58.94
Staff welfare expenses	48.03	0.75
TOTAL	2007.77	1803.70

(Amount in ₹in lakhs)

NOTE NO : 27	As at	As at
Finance Costs	March 31, 2019	March 31, 2018
Interest to Others	10.13	13.13
	10.13	13.13

Notes forming part of the Standalone Financial Statements

(Amount in ₹in lakhs)

NOTE NO. : 28	Amount	31.03.2019	Amount	31.03.2018
Other Expenses	₹in lakhs		₹in lakhs	
Stores & Spares Consumed :				
Opening Stock	3589.71		3499.57	
Add : Purchases	6202.57		4787.13	
	9792.29		8286.70	
Less: Closing Stock	3802.67	5989.62	3589.71	4696.99
Power & fuel		7450.75		6416.16
Factory Labour expense		770.28		621.08
Factory Expenses		71.38		40.22
Repairs & Maintenance :				
Machinery	178.49		181.49	
Building	8.92		4.00	
Others	0.61	188.02	4.61	190.10
Selling costs		35.83		31.40
Packing Cost		0.99		1.62
Freight outward expenses		86.40		43.04
Travelling, Conveyance and Vehicle Expenses		25.30		41.76
Legal, Consultancy and Professional Fees		91.47		81.87
Miscellaneous expenses		34.20		38.68
Advertisement, Stationery and Communication		19.75		28.01
Payment to Auditors #		8.00		9.25
Rent		9.60		9.60
Rates and Taxes		10.19		27.94
Insurance		11.11		8.75
Bank Charges		12.09		12.51
Donation		2.50		0.00
Provision for Bad debt (Net)		0.00		-15.54
Excise duty adjustment for stock		0.00		-608.39
TOTAL		14817.48		11675.05

(Amount in ₹in lakhs)

	As at March 31, 2019	As at March 31, 2018
As auditors - Statutory audit	8.00	8.00
For other Services	0.00	1.25
	8.00	9.25

(Amount in ₹in lakhs)

NOTE NO : 29	Year Ended March 31, 2019	Year Ended March 31, 2018
Earnings Per Share :		
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year (Lakhs)	197.98	197.98
Number of Equity Shares allotted during the year (Lakhs)	0.00	0.00
Number of Equity Shares at the end of the year (Lakhs)	197.98	197.98
Weighted average number of equity shares		
Profit for the year (after tax,available for equity shareholders)	74.94	4209.34
Basic and Diluted Earnings Per Share in Rs.	0.38	21.26

Notes forming part of the Standalone Financial Statements

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

The company's objective when managing capital is to:

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

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

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 provided hereunder :

(i) Categories of Financial Instruments

(Amount in Rs.in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	2856.42	365.38
(ii) Cash and Cash Equivalents	35.16	102.03
(iii) Loans	8.38	77.29
(iv) Other Financial Assets	1298.19	1581.49
(v) Investments	1503.77	2181.53
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	15691.73	23821.05
(ii) Trade Payables	13314.92	6736.02
(iii) Other Financial Liabilities	38125.00	30977.99

(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.

Notes forming part of the Standalone Financial Statements

Interest Rate Risk

(Amount in ₹in lakhs)

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.

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, 2019				
Borrowings	--	14765.23	926.50	15691.73
Trade Payables	11589.14	1725.78	--	13314.92
Other Financial Liabilities	38125.00	--	--	38125.00
Total	49714.14	16491.01	926.50	67131.65
As at 31st March, 2018				
Borrowings	--	22287.30	1533.75	23821.05
Trade Payables	5027.20	1708.82	--	6736.02
Other Financial Liabilities	30977.99	--	--	30977.99
Total	36005.19	23996.12	1533.75	61535.06

Credit Risk

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

Trade Receivables

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

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

(Amount Rs.in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2019				
Investments	--	--	1503.77	1503.77
Loans	8.38	--	--	8.38
Cash & Cash Equv	35.16	--	--	35.16
Trade Receivables	2856.42	--	--	2856.42
Other Financial Assets	833.77	464.42	--	1298.19
Total	3733.73	464.42	1503.77	5701.92
As at 31st March, 2018				
Investments	--	--	2181.53	2181.53
Loans	77.29	--	--	77.29
Cash & Cash Equv	102.03	--	--	102.03
Trade Receivables	365.38	--	--	365.38
Other Financial Assets	926.75	654.74	--	1581.49
Total	1471.45	654.74	2181.53	4307.72

Notes forming part of the Standalone Financial Statements

31. Disclosures Regarding Employee Benefits

(Amount in ₹in lakhs)

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

Defined Contribution Plan

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

Particulars	2018-19 (Amount Rs in Lakhs)	2017-18 (Amount Rs in Lakhs)
Employers contribution to provident fund	77.39	58.93

(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.

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 as-sumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

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

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

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

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

B. Investment Risk:

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

C. Liquidity Risk:

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

D. Market Risk:

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

E. Legislative Risk:

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

Notes forming part of the Standalone Financial Statements

(iv) Defined Benefit Cost

(Amount in ₹ in lakhs)

Particulars	For the year ended 31st March 2019 (Amount Rs in Lakhs)	For the year ended 31st March 2018 (Amount Rs in Lakhs)
Current Service Cost	37.14	30.46
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Defined Benefit Cost included in Profit and Loss	-	-
Remeasurements - Due to Financial Assumptions	1.09	(1.40)
Remeasurements - Due to Experience Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(7.37)	(19.05)
Return on plan assets excluding amounts included in interest income	-	-
Defined Benefit Cost included in Other Comprehensive Income	(6.28)	(20.45)
Total Defined Benefit Cost in Profit and Loss and OCI	30.86	10.01

(v) Movement in Defined benefit liability:

Particulars	For the year ended 31st March 2019 (Amount Rs in Lakhs)	For the year ended 31st March 2018 (Amount Rs in Lakhs)
Opening Defined Benefit Obligation	169.61	171.06
Interest Expense on Defined Benefit Obligation (DBO)	10.61	10.64
Current Service Cost	26.52	19.65
Total Remeasurements included in OCI	-	-
Less: Benefits paid	9.06	11.46
Less: Contributions to plan assets	6.27	20.28
Closing benefit obligation	191.41	169.61
Current Liabilities of Closing benefit obligation	53.25	48.28
Non-Current Liabilities of Closing benefit obligation	138.16	121.33

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount Rs in Lakhs)

	2018-19	2017-18
(A) Discount rate Sensitivity		
Increase by 0.5%	186.10	165.12
(% change)	-2.77%	-2.65%
Decrease by 0.5%	197.05	174.38
(% change)	2.95%	2.81%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	197.03	174.37
(% change)	2.93%	2.80%
Decrease by 0.5%	186.07	165.09
(% change)	-2.79%	-2.67%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	190.93	169.45
(% change)	-0.25%	-0.10%
W.R. x 90%	191.89	169.78
(% change)	0.25%	-0.10%

(vii) Actuarial assumptions:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Mortality Table : Indian Assured Lives Mortality (2006-08) Table		
Discount Rate (per annum)	7.20%	7.30%
Salary Growth Rate (per annum)	7.00%	7.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

Notes forming part of the Standalone Financial Statements

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

- 32** The Company has not provided for foreign exchange loss in the financial results on the Principal amount of 1,00,00,000 USD and on the Premium amount of 48,25,500 USD of the Foreign Currency Convertible Bonds (FCCB) which had become due for payment on September 22, 2011 and remain unpaid as at March 31, 2019, which constitutes a departure from the Indian Accounting Standard- 21. "The Effects of Changes in Foreign Exchange Rates which re-quires that each foreign currency monetary items should be reported using the closing rate as at the balance sheet date. Non provision of the foreign exchange loss on the aforesaid Foreign Currency Convertible Bonds (FCCB) and the Premium amount relates to the period from September 23, 2011 to March, 2019. However, the company has not provided for foreign exchange fluctuation on the above FCCB since September 2011 and accordingly the total net loss on foreign exchange works out to Rs. 3057.40 lakhs which has not been provided by the company.
- 33.** For the year ending on 31st March,2019, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding loans assigned to various ARCs) amounting to Rs 1305.64 lakhs.
- 34.** Inventories are as taken, valued and certified by the management.
- 35.** The Company has long term investment in the shares of SAL Steel Limited amounting to Rs 3,994.96 Lakhs. Based on the audited financial statement of SAL Steel Limited as at 31st March, 2019, the Company has accumulated losses and its net worth has been fully eroded. The Financial results of SAL Steel Limited also indi-cates that the Company has and the Company's current liabilities exceeded its cur-rent assets as at the current and previous year balance sheet date. Also there is no-major movement in the prices of stock in share market. All such circumstances indi-cate that there is decline, other than temporary, in the value of a long term invest-ment. And as a result, we have accounted for investment in shares of SAL Steel Ltd at market rate of shares @ Rs 4.97 per share reducing the value of investment to Rs. 1503.77 Lakhs and provided for Rs. 2491.19 Lakhs as diminution other than temporary in the value of investment in books of accounts

33 RELATED PARTY DISCLOSURES:

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

(REALTED PARTIES HAVE BEEN IDENTIFIED BY THE MANAGEMENT)

Key Management Personnel and Relatives

1	Mr. Rajendra V. Shah	Chairman
2	Mr. K. S. Kamath	Jt. Managing Director
3	Mr. Ashok Sharma	Whole Time Director & CFO
4	Mr. Yashpal Mehta (till 30.6.2017)	Vice President & CFO
5	Mr. Vinod Shah (till 10.04.2018)	Company Secretary
6	Mr. Jayesh Bhavsar (From 1.10.2018 to 01.11.2018)	Company Secretary
7	Mr. Vinay kumar Mishra (From 04.01.2019)	Company Secretary

Notes forming part of the Standalone Financial Statements

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

Sr No.	Nature of Transaction	Parties mentioned at a (i) above		Key management person-nel	
		2018-19	2017-18	2018-19	2017-18
1	Purchase of goods & Ser-vices	24,754.60	17,169.55		
2	Purchase of Power	4,135.52	3,932.74		
3	Sales of Goods	480.94	5,176.46		
4	Rent paid	9.60	9.60		
5	Interest Paid	0	4.56		
6	Loan Availed	0	425.00		
7	Loan Repaid	0	475.00		
8	Remuneration			27.73	42.36

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

Amount Rs in Lakhs

S.N	Description	Related Parties	2018-19 (P Y 2017-18)	Balance outstanding as at 31/03/2019 (P Y 31.3.2018)
1	Purchase of Goods & Services	SAL Steel Ltd	24,748.76	8,215.93
			(17,168.90)	(2,560.86)
		SAL Pharmacy	0.15	26.48
			(0.14)	(8.82)
		SAL Hospital & Medical Institute	5.69	7.45
			(0.51)	(45.38)
2	Purchase of power	SAL Steel Ltd	4,135.52	0.00
			(3,932.74)	(0.00)
3	Sales of goods & Services	SAL Steel Ltd	480.71	0.00
			(5,176.32)	(0.00)
		SAL Hospital & Medical Institute	0	0.00
			(0.14)	(0.59)
		SAL Institute of Technical & Engineering Research	0.23	0.00
			(0.00)	(0.00)
4	Rent paid	SAL Steel Ltd	9.60	
			(9.60)	
5	Interest Paid	SAL Hospital & Medical Institute	0.00	
			(4.56)	
6	Remuneration to Key Management Personnel	Mr. K S Kamath	12.92	
			(12.92)	
		Mr. Ashok Sharma	12.00	
			(12.00)	
		Mr. Yashpal Mehta	0.00	
			(2.44)	
		Mr. Vinod Shah	0.40	
	(15.00)			
7	Loan Availed	Mr. Jayesh Bhavsar	0.73	
			(0.00)	
		Mr. Vinay kumar Mishra	1.68	
		(0.00)		
8	Loan Repaid	SAL Hospital & Medical Institute	0.00	0.00
			(425.00)	0.00
		Mr. Rajendra V Shah	0.00	367.73
		0.00	(367.73)	
			(475.00)	0.00

Notes forming part of the Standalone Financial Statements

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

Particulars	As at 31-03-2019	As at 31-03-2018
Advance Payment to Suppliers		
Rupees in Lakhs	535.82	288.55
US Dollar in Lakhs	7.73	4.44
FCCB Payable (Including Interest)		
Rupees in Lakhs	7237.88	7237.88
US Dollar in Lakhs	148.25	148.25

38. Contingent liabilities :

(1) Claims against the Company not acknowledged as debts

Particulars

- Disputed Excise, Service Tax Demand Matter Under Appeal Rs 2023.04 Lakhs (P.Y.Rs 2122.84 Lakhs)
- Disputed VAT Liability matter under Appeal Rs. Nil (P.Y 381.28 Lakhs)
- Claim against the company not acknowledged as debt – Claim by parties Rs 26509.56 Lakhs (P.Y 26505.88 Lakhs) Bank / Financial Institutions Rs.82486.23 Lakhs (P Y Rs 82486.23 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.

Note:

(a) It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.

(b) The Company has reviewed all its pending litigations and proceedings and has ad-equately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial re-sults.

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

39. Certain Balance of Debtors, Creditors, Loans & Advances for Capital expenditures are non- moving / sticky . However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.
40. 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.
41. The balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties.
42. The Company's current liabilities exceeded its current assets as at the previ-ous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company for the year ended on 31st March 2019 and considering the view of the management, the financial results of the Company have been prepared on a "going concern basis".
43. The Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not iden-tifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2019.
44. The Company has not evaluated the provisioning requirement of a loss al-lowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Fi-nancial Instruments' and hence, the effect of the same if any on the Finan-cial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2019

Notes forming part of the Standalone Financial Statements

45 IND AS 115- Illustrative disclosures

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Earnings Per Share :		
Revenue from contracts with customers	57,002.25	47,978.83
Total revenue	57,002.25	47,978.83

Revenue is recognized upon transfer of control of products to customers

(a) Disaggregation of revenue from contract with customers

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from		
- Outside India	-	56.78
- In India	57,002.25	47,922.05

No Single customer contributed 10% or more to the company's revenue for 2018-19 and 2017-18.

(b) Contract assets and liabilities

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contract Assets	2,856.42	365.38
Total contract assets	2,856.42	365.38
Contract liability	52.21	129.67
Total contract liabilities	52.21	129.67

(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 46 STATEMENT OF CHANGES IN EQUITY

B) OTHER EQUITY

Reconciliation of Other Equity as at 1st April 2017

(Amount in ₹in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	28,282.73	-66880.55	(32,095.21)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	27.60	27.60
Profit for the year	-	-	-	4,209.34	4,209.34
Balance at the end of the reporting period	6,000.00	502.61	39,006.18	(62,643.61)	(17,134.83)

Notes forming part of the Standalone Financial Statements

Reconciliation of Other Equity as at 1st April 2018

(Amount in ₹in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	(62,643.61)	(17,134.83)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	4.09	4.09
Profit for the year	-	-	-	74.94	74.94
Balance at the end of the reporting period	6,000.00	502.61	39,006.18	(62,564.60)	(17,055.81)

(Amount in ₹in lakhs)

NOTE NO -47 TAX RECONCILIATION	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Income taxes recognised in Statement of Profit and Loss		
Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
Deferred tax(credit) /Charged	(1,323.70)	8,504.20
Total income tax expense recognised in respect of continuing operations	(1,323.70)	8,504.20

Tax reconciliation

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit before taxes	-	-
Enacted tax rate in India	34.944%	34.940%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Effect of:		
Deferred tax(credit) /Charged	(1,323.70)	8,504.20
Income taxes recognised in the Statement of Profit and Loss	(1,323.70)	8,504.20

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

Income tax recognised in other comprehensive income

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	6.28	20.45
Total income tax recognised in other comprehensive income	6.28	20.45
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(2.20)	7.15
Income tax recognised in other comprehensive income	(2.20)	7.15

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

Notes forming part of the Standalone Financial Statements

Components of deferred tax assets and liabilities

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
(A) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	4,460.57	4,474.10
Unabsorbed loss	20,350.46	19,204.10
	24,811.02	23,678.20
(B) Deferred tax Liabilities		
Difference between book and tax depreciation	2,308.57	2,497.26
	2,308.57	2,497.26
Deferred Tax Assets (Net)	22,502.45	21,180.94

48. 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.

48A Donation to Political Parties

Donation includes Rs 2.50 lacs (P,Y Nil) contributed to Kalol Taluka Congress Samiti

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

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

As per our report of even date attached.

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Independent Auditors' Report

To the Members of
SHAH ALLOYS LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial statements of M/s SHAH ALLOYS LIMITED ("the Holding Company"), and its Associate (the Holding Company and its Associate together referred to as 'the Group'), which comprise the Consolidated balance sheet as at March 31, 2019, and the Consolidated statement of profit and loss (including other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the Associate, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting standards (Ind AS) specified under section 133 of the Act, of the Consolidated state of affairs (Consolidated financial Position) of the Group as at March 31, 2019, and its Consolidated Profits (Consolidated financial performance including other comprehensive income), its Consolidated Cash flows and Consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. The Holding Company has not provided for foreign exchange loss in the financial results on the Principal amount of 1,00,00,000 USD and on the Premium amount of 48,25,500 USD of the Foreign Currency Convertible Bonds (FCCB) which had become due for payment on September 22, 2011 and remain unpaid as at March 31, 2019, which constitutes a departure from the Indian Accounting Standard- 21. "The Effects of Changes in Foreign Exchange Rates which requires that each foreign currency monetary items should be reported using the closing rate as at the balance sheet date. Non provision of the foreign exchange loss on the aforesaid Foreign Currency Convertible Bonds (FCCB) and the Premium amount relates to the period from September 23, 2011 to March 31, 2019. Had the company followed the Accounting Standard and made the provision for foreign exchange loss on the above FCCB for the year ending on 31.03.2019, then the Profit of the company for the year ending on 31.03.2019 would have been lower by Rs. 652.17 lacs and to that extent the liability would have been higher. However, the company has not provided for foreign exchange fluctuation on the above FCCB since September 2011 and accordingly the total loss on foreign exchange works out to Rs. 3057.40 lacs which has not been provided by the company. Thus, balance of Reserve and surplus and the current liabilities have been understated by Rs. 3057.40 as on 31.03.2019. (Refer Note no 32 of notes forming part of Consolidated financial statements)
2. For the year ending on 31st March,2019, the Holding company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding on the settlement entered with ARCs for specific loans which are assigned to them).Had the company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March2019 the Profit of the year would have been lower by Rs 1305.64 lakhs and current liabilities would have been higher to that extent. (Refer Note no 33 of notes forming part of consolidated financial statements)
3. The Holding Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2019(Refer Note no 43 of notes forming part of Consolidated financial statements)
4. The Holding Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2019(Refer Note no 48 of notes forming part of consolidated financial statements)

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

Material Uncertainty Related to Going Concern

The Holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, in the view of the management, the Holding Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Holding Company have been prepared on a "going concern basis". (Refer Note no 42 of notes forming part of Consolidated financial statements)

Key Audit Matters

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

Key Audit Matters

Description of Key audit Matter	Our response and results
<p>Litigations and claims (Refer note 38) to the Consolidated financial statements)</p> <p>The cases are pending with multiple tax authorities like Excise and Service tax and there are claims against the Holding company & its Associate company which have not been acknowledged as debt by the Holding Company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the Holding Company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the Consolidated financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/response including on the claims lodged by customers, were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the Consolidated financial statements.</p>

Emphasis of Matter

1. The Holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, in the view of the management, the Holding Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Holding Company have been prepared on a "going concern basis". (Refer Note no 42 of notes forming part of Consolidated financial statements)
2. The balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the Holding Company and are subject to confirmation from the respective parties(Refer Note no 41 of notes forming part of Consolidated financial statements)
3. The Associate Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Associate Company's ability to continue as a going concern. However, in the view of the management, the associate Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and there fore the financial results of the associate Company have been prepared on a "going concern basis". (Refer Note no 44 of notes forming part of Consolidated financial statements)

4. The Consolidated financial statements which describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard – 108 'Operating Segments' by the Associate Company . As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the Consolidated financial results due to non disclosure. (Refer Note no 45 of notes forming part of Consolidated financial statements)
5. During the year the associate company had written off an amount of Rs. 9,12,32,064/- paid as advances for capital projects shown under the heading of "Long term loans and advances" up to the Financial year 2017-18. (Refer Note no 46 of notes forming part of Consolidated financial statements)
6. During the year under ended on 31st March 2019, the associate company has carried out a techno economic assessment for the valuations of its Capital Projects, to identify the impairment loss and provision thereof if any. Based on the said techno economic assessment of the capital projects, the associate company has provided Rs 20,01,00,200 as per note no 47 to the consolidated financial statements. The same is in accordance with Indian Accounting Standard – 36 'IMPAIRMENT OF ASSETS', which states that impairment loss is recognized when the carrying amount of an assets exceeds its recoverable amount. (Refer Note no 47 of notes forming part of Consolidated financial statements)

Our opinion is not modified on the above matters.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the Holding company and associate company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and except for the matters described in the Basis for Qualified opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. Except for the possible effects of the matter described in the Basis for Qualified opinion, paragraph above, in our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Group
 - e. In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of written representations, received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding and the reports of the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- g. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, & its Associate covered under the Act, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report express an unmodified opinion on the adequacy and operating effectiveness of the Holding Company & its Associate's internal financial control over financial reporting.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note No 38 to the Consolidated Financial Statements.)
 - ii The Group did not have any material foreseeable losses on long term contracts including derivative contracts .
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Associate company during the year ended 31st March 2019.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

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

Place: Ahmedabad
Date: 30/05/2019

Annexure A to the Independent Auditor's Report off Even Date to the Members of Shah Alloys Limited on the Consolidated financial Statements for the year ended on 31st March,2019**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated financial statements of

M/s Shah Alloys Limited ("the Holding Company") and its associates (the Holding company and its associates together referred to as the Group) as at and for the year ended 31st March 2019, We have audited the internal financial controls over financial reporting of the Holding company and its associates, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate which are companies covered under the Act, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its associate as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

Place:Ahmedabad
Date: 30/05/2019

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

Consolidated Balance Sheet as at 31st March, 2019

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	As At 31.03.2019	As At 31.03.2018
ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	11917.98	13056.63
b) Capital work-in-progress	2	900.50	900.50
c) Financial Assets			
(i) Investments	3	0.00	0.00
(ii) Trade receivables	4	0.00	0.00
(iii) Loans		0.00	0.00
d) Deferred tax Assets (net)	5	22502.45	21180.94
e) Other non-current assets	6	464.42	654.74
2) Current assets			
a) Inventories	7	12510.81	8442.64
b) Financial Assets			
(i) Trade receivables	8	2856.42	365.38
(ii) Cash and cash equivalents	9	35.16	102.03
c) Loans	10	8.38	77.29
d) Other current assets	11	833.77	926.75
TOTAL ASSETS		52029.90	45706.90
EQUITY & LIABILITIES			
EQUITY:			
a) Equity Share capital	12	1979.75	1979.75
b) Other Equity	13	-18559.59	-19316.36
LIABILITIES :			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	15691.73	23821.05
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1725.78	1708.82
(b) Provisions 16	138.16	121.34	
(c) Non-current liabilities	17	0.00	77.85
(d) Other non-current liabilities		0.00	0.00
2) Current liabilities			
(a) Borrowings		0.00	0.00
(b) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11589.14	5027.20
(c) Other financial liabilities	19	38125.00	30977.99
(d) Other current liabilities	20	612.91	647.09
(e) Provision for Employee Benefits	21	727.02	662.17
Total Equity and Liabilities		52029.90	45706.90

The accompanying Notes 1 to 55 are integral part of these Financial Statements.

As per our report of even date attached.

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	Year ended 31st March,2019	Year ended 31st March,2018
I Revenue from Operations	22	57002.25	47978.83
II Other Income	23	663.95	74.47
III Total Income (I +II)		57666.20	48053.30
IV Expenses:			
Cost of Materials Consumed	24	43088.60	31222.57
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	25	-2987.51	3348.80
Employee Benefits Expense	26	2007.77	1803.70
Finance Costs	27	10.13	13.13
Depreciation and Amortization Expense		1300.75	1364.30
Other Expenses	28	14817.48	11675.05
Total Expenses (IV)		58237.21	49427.55
V Profit before tax and Exceptional Item (III- IV)		-571.01	-1374.25
VI Share of Loss of Associate Concern		-677.76	647.50
VI Exceptional Item (Refer Note No 35)		-677.76	14087.79
VII Profit before tax (V+VI)		-571.01	12713.54
VIII Tax expense :			
(1) Current Tax		0.00	0.00
(2) Deferred Tax		-1323.70	8504.20
Total Tax Expenses (VIII)		-1323.70	8504.20
IX Profit for the period (VII -VIII)		752.69	4209.34
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		6.28	20.45
(ii) Income tax relating to items that will not be reclassified to profit or loss		-2.20	7.15
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Income (X)		4.09	27.60
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)		756.77	4236.94
XII Earnings per equity share (Face Value of Rs 10/- each)			
Basic & Diluted	29	3.80	21.26

The accompanying Notes 1 to 55 are integral part of these Financial Statements.
As per our report of even date attached.

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2019

(Amount ₹ in Lakhs)

PARTICULARS	2018-19		2017-18	
	Amount in ₹		Amount in ₹	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax		(564.73)		12733.99
Adjustments for :				
Depreciation	1300.75		1364.30	
Loss / (Profit) on Sale of Assets	0.04		0.00	
Interest expenses	10.13		13.13	
Interest waiver (OTS)	0.00		(10567.00)	
Interest Income	(17.24)		(15.13)	
		1293.68		(9204.69)
		728.95		3529.30
Operating Profit Before Working Capital Changes				
Adjustments for :				
Trade and other receivables	(2329.15)		(42.83)	
Inventories	(4068.17)		3232.60	
Trade Payable and others (including non current liabilities)	6548.55		(4183.22)	
		151.23		(993.45)
Cash Generated From Operations		880.18		2535.85
Direct Taxes Paid		0.00		0.00
Net Cash from Operating Activities before Extra Ordinary Items		880.18		2535.85
Extra-ordinary Items				
Changes in non current assets	190.32		(45.98)	
Interest waiver income (OTS)	0.00		10567.00	
Provision for diminution in value of long term investments	0.00		(647.50)	
		190.32		9873.52
Net Cash from Operating Activities after Extra Ordinary Items(A)		1070.49		12409.37
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed assets	(162.82)		(104.35)	
Sale of Fixed Assets	0.65		0.00	
Interest Income	17.24		15.13	
		(144.93)		(89.22)
Net Cash from Investing Activities(B)		(144.93)		(89.22)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term and Short Term Borrowings (Net of Repayment)	(982.31)		(12397.55)	
Interest Paid	(10.13)	(992.44)	(13.13)	(12410.68)
Net Cash from Financing Activities(C)		(992.44)		(12410.68)
Net Increase in Cash and Equivalent.(A+B+C)		(66.88)		(90.53)
Cash And Cash Equivalents as at the Beginning of the year		102.03		192.56
Cash And Cash Equivalents as at the Close of the year		35.16		102.03

Consolidated Cash Flow Statement for the year ended 31st March 2019 (Contd.)**Note:**

As per our Report of even date

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

(Amount ₹ in Lakhs)

S.No. Particulars	As At 31.03.2019	As At 31.03.2018
Cash and Bank Balances:		
a) Balances with banks (in Current Accounts)	35.06	101.53
b) Cash on Hand	0.10	0.50
Total	35.16	102.03

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

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

DISCLOSURE OF ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

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

APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

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

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

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

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

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

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

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

The amendments require an entity:

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

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

Ind AS 23 – "Borrowing Costs"

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The holding Company does not expect any impact from this amendment.

Notes forming part of the Consolidated Financial Statements**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

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

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

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

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

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

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

1.3 USE OF ESTIMATES :

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

1.4 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/dutycreditavailed)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 holding Company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and ad-justed if appropriate, at the end of each reporting period.
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets
- vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
 - Buildings - 3 to 60 years
 - Plant and Equipments - 15 to 25 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
- viii) At each balance sheet date, The holding Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the re-coverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount

Notes forming part of the Consolidated Financial Statements

is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 Revenue Recognition

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

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of The holding Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to The holding Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss excludes, 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.
- vi) Dividend income is recognized when right to receive is established.

1.6 EMPLOYEE BENEFITS:

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

1.7 Valuation of Inventories

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

1.8 Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a

Notes forming part of the Consolidated Financial Statements

non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of The holding Company is segregated.

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

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

1.9 FINANCIAL ASSETS:

- i) The holding Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.
- ii) Trade receivables represent receivables for goods sold by the 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 holding Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when The holding Company has transferred the rights to receive cashflows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

1.10 FINANCIAL LIABILITIES:

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

1.11 FAIR VALUE MEASUREMENT:

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

1.12 FOREIGN CURRENCY TRANSACTIONS:

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

Notes forming part of the Consolidated Financial Statements

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

1.13 BORROWING COSTS:

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

1.14 ACCOUNTING FOR TAXES ON INCOME:

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

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for The holding Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The holding Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the

Notes forming part of the Consolidated Financial Statements

reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

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

1.18 EARNINGS PER SHARE:

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

Notes forming part of the Consolidated Financial Statements

Note No -2 Property, Plant and Equipment

TANGIBLE ASSETS :

(Amount in ₹ in lakhs)

Particulars	Freehold Land	Factory Building	Office Building	Plant and Machinery	Laboratory Equipments	Vehicles	Office Equipments	Furniture & Fixtures	TOTAL
Cost of Assets									
As at 1st April 2017	422.82	2,276.72	326.92	51,672.69	49.17	320.37	210.23	197.24	55,476.15
Addition	104.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104.35
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2018	527.17	2,276.72	326.92	51,672.69	49.17	320.37	210.23	197.24	55,580.50
Addition	162.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	162.82
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	14.27	0.00	0.00	14.27
As at 31st March 2019	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Depreciation									
As at 1st April 2017	0.00	1,086.42	48.72	39,293.82	46.71	304.35	199.72	179.84	41,159.57
Charge for the year 2018	0.00	68.85	5.16	1,284.09	0.00	0.00	0.00	6.21	1,364.30
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2018	0.00	1,155.27	53.88	40,577.91	46.71	304.35	199.72	186.04	42,523.87
Charge for the year 2019	0.00	64.00	5.16	1,230.26	0.00	0.00	0.00	1.34	1,300.75
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	-13.56	0.00	0.00	-13.56
As at 31st March 2019	0.00	1,219.27	59.04	41,808.17	46.71	290.79	199.72	187.38	43,811.07
Net Block									
As at 31st March 2018	527.17	1,121.45	273.04	11,094.78	2.46	16.02	10.51	11.20	13,056.63
As at 31st March 2019	689.99	1,057.45	267.88	9,864.52	2.46	15.30	10.51	9.86	11,917.98

CAPITAL WORK IN PROGRESS	31.03.2019	31.03.2018
Plant & Machinery	900.50	900.50
Total	900.50	900.50

Notes:

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

Notes forming part of the Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 3	As at	As at
Investments:	March 31, 2019	March 31, 2018
Trade Investments		
Quoted		
Investment in Equity instruments of Associate Company	3994.96	3994.96
3,02,56,989 Equity shares of Face value Rs 10/- each in SAL Steel Limited (P.Y: 3,02,56,989 Equity shares)		
Less : Provision for Diminution in value of Investment	2491.19	1813.43
TOTAL	1503.77	2181.53
Less : Share of Loss of Associate	(1,503.77)	(2,181.53)
TOTAL	0.00	0.00

Aggregate amount of Quoted Investment and Market Value Rs 1503.77 Lakhs as at 31st March 2019 (P.Y. Rs 2181.53 Lakhs)

NOTE NO : 4	As at	As at
Trade Receivables :	March 31, 2019	March 31, 2018
Non-current Trade Receivable		
Unsecured, considered Doubtful	107.24	113.15
less : Provision for Doubtful Debts	107.24	113.15
TOTAL	0.00	0.00

(Amount in ₹in lakhs)

NOTE NO : 5	As at	As at
Deferred tax Assets (Net)	March 31, 2019	March 31, 2018
Deferred tax Assets (Net)	22502.45	21180.94
TOTAL	22502.45	21180.94
DEFERRED TAX ASSETS		
Unabsorbed Depreciation and Business Loss	20350.46	19204.10
On account of disallowances under the Income tax act, 1961	4460.57	4474.10
Gross deferred tax asset (A)	24811.02	23678.20
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	2308.57	2497.26
Gross deferred tax liability (B)	2308.57	2497.26
Net Deferred tax (A-B)	22502.45	21180.94

(Amount in ₹in lakhs)

NOTE NO : 6	As at	As at
Other non-current assets :	March 31, 2019	March 31, 2018
(a) Loans & Advance Recoverable in cash or in kind	73.47	94.51
(b) Security Deposit		
Unsecured, considered good	304.50	227.02
(c) Advances to Supplier		
Unsecured, considered good	0.00	198.10
(d) Advance Income Tax , TDS & TCS	14.50	22.02
(e) Balance with Govt. Authorities	71.95	113.09
Unsecured, considered good		
TOTAL	464.42	654.74

(Amount in ₹in lakhs)

NOTE NO : 7	As at	As at
Inventories :	March 31, 2019	March 31, 2018
(Inventories are taken, valued and certified by the management)		
(a) Raw Materials	1367.82	500.12
(b) Work in progress	2985.80	2148.96
(c) Finished goods	4354.52	2203.85
(d) Stores and spares	3802.67	3589.71
TOTAL	12510.81	8442.64

Notes forming part of the Consolidated Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 8	As at	As at
Trade receivables :	March 31, 2019	March 31, 2018
Un Secured, considered good	2856.42	365.38
TOTAL	2856.42	365.38
Trade Receivable include dues from Associate concerns:		
'SAL Hospital & Medical Institute (A Div. of SAL Care Pvt Ltd.)	0.00	0.59

(Amount in ₹in lakhs)

NOTE NO : 9	As at	As at
Cash and cash equivalents	March 31, 2019	March 31, 2018
(a) Balances with Scheduled Banks		
On current Account	35.06	101.53
(b) Cash on hand	0.10	0.50
TOTAL	35.16	102.03

(Amount in ₹in lakhs)

NOTE NO : 10	As at	As at
Loans	March 31, 2019	March 31, 2018
Loans & Advance Recoverable in cash or in kind	8.38	77.29
	8.38	77.29

(Amount in ₹in lakhs)

NOTE NO : 11	As at	As at
Other current assets :	March 31, 2019	March 31, 2018
Balance with government authorities	244.47	463.41
Advance to Suppliers	588.12	291.36
Prepaid Expenses	1.19	171.98
	833.77	926.75

(Amount in ₹in lakhs)

NOTE NO : 12	As at	As at
Share Capital :	March 31, 2019	March 31, 2018
Authorised :		
3,50,00,000 Equity Shares of Rs 10/- each		
(Previous year : 3,50,00,000 Equity Shares of Rs 10/- each)	3500.00	3500.00
	3500.00	3500.00
Issued & Subscribed and Paid up :		
1,97,97,540 Equity Shares of Rs.10/- each fully paid up		
(Previous year : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up)	1979.75	1979.75
	1979.75	1979.75

a) Reconciliation of number of shares:

Equity Shares	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Shares outstanding at the beginning of the year	1 97 97 540	1979.75	1 97 97 540	1979.75
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	1 97 97 540	1979.75	1 97 97 540	1979.75

b) Rights, Preferences and restrictions attached to shares

Equity shares:

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

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

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Mr. Rajendra V. Shah #	94 44 364	47.71%	94 44 364	47.71%
Mrs. Ragini R. Shah	11 46 006	5.79%	11 46 006	5.79%

including 7.74 % shares held as Karta of HUF

(Amount in ₹in lakhs)

NOTE NO : 13	Amount		Amount	
Other Equity :	31.03.2019		31.03.2018	
Securities Premium Account				
Opening Balance	502.61		502.61	
Add : Addition during the year	0.00		0.00	
		502.61		502.61
Capital Reserve				
Opening Balance	39006.18		28282.73	
Add : Addition during the year	0.00		10723.45	
		39006.18		39006.18
Debenture Redemption Reserve:				
Opening Balance	6000.00		6000.00	
Add : Addition during the year	0.00	6000.00	0.00	6000.00
Retained Earnings				
Balance Brought Forward From Previous Year	-64825.14		-69062.08	
Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-4.09		-27.60	
	-64821.06		-69034.48	
Add: Profit/(Loss) for the year	752.69	-64068.37	4209.34	-64825.14
TOTAL		-18559.59		-19316.36

NOTE NO : 14	As at		As at	
Borrowings :	March 31, 2019		March 31, 2018	
(A) SECURED :				
I) Debentures				
-Non Convertible Debentures	0.00		187.50	
II) Term Loans				
a) From Banks	0.00		24.93	
b) From Financial Institutions	15324.00	15324.00	23240.89	23453.32
(B) UNSECURED:				
Loans & Advances from related parties				
- From Director		367.73		367.73
TOTAL		15691.73		23821.05

(A) SECURED :

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

I) Non Convertible Debentures

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

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

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

(Amount in ₹in lakhs)

Financial Year	Default in repayment of principal	Period of default (Days)	Default in payment of interest	Period of default (Days)
2011-12	937.50	2555-2831	818.90	2555-2892
2012-13	1125.00	2190-2466	980.00	2190-2527
2013-14	1125.00	1825-2101	980.00	1825-2162
2014-15	1125.00	1460-1736	890.00	1460-1797
2015-16	1125.00	1095-1370	892.44	1095-1431
2016-17	1125.00	730-1005	890.00	730-1066
2017-18	1125.00	365-640		(*)
2018-19	1125.00	1-270		(*)
Total	8812.50		5451.34	

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

II) Term Loan from Bank / Financial Institution:

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

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

(Amount in ₹in lakhs)

Particulars / Financial Year	2020-21	2021-22	2022-23	2023.24
Term Loans from Financial Institution	8216.50	5573.75	607.25	926.50
Total	8216.50	5573.75	607.25	926.50

Notes forming part of the Consolidated Financial Statements

(Amount in ₹in lakhs)

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

The company has made a default in repayment as follows:

(Amount in ₹in lakhs)

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in payment of interest	Period of default (Days)
Rupee Term Loan From Bank	2011-12	124.63	2555-2831	119.97	2555-2892
	2012-13	149.56	2190-2466	119.65	2190-2527
	2013-14	149.56	1825-2101	119.65	1825-2162
	2014-15	149.56	1460-1736	119.65	1460-1797
	2015-16	149.56	1095-1370	119.65	1095-1431
	2016-17	149.56	730-1005	119.65	730-1066
	2017-18	149.56	365-640	-	(*)
	2018-19	149.56	1-270	-	(*)
Rupee Term Loan From Financial Institutions	2011-12	66.96	2555-2831		
	2012-13	80.35	2190-2466	56.24	2190-2527
	2013-14	80.35	1825-2101	56.24	1825-2162
	2014-15	80.35	1460-1736	56.24	1460-1797
	2015-16	80.35	1095-1370	56.40	1095-1431
	2016-17	80.35	730-1005	56.24	730-1066
	2017-18	80.35	365-640	-	(*)
	2018-19	80.35	1-270	-	(*)
Funded Interest Term Loan	2010-11			235.71	2921-3165
	2011-12			247.10	2556-2800
	2012-13			247.10	2191-2435
	2013-14	150.36	1825-1916	247.10	1826-2070
	2014-15	300.71	1460-1551	247.10	1461-1704
	2015-16	300.71	1095-1186	247.10	1096-1339
	2016-17	300.71	730-821	247.10	730-1066
	2017-18	300.71	365-455	-	(*)
2018-19	150.36	1-270	-	(*)	
TOTAL		3304.50		2717.87	

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

(Amount in ₹in lakhs)

NOTE NO : 15 Trade Payable	As at March 31, 2019	As at March 31, 2018
Trade Payables	1725.78	1708.82
TOTAL	1725.78	1708.82

(Refer Note No.18a of Notes forming part of Consolidated financial Statement)

(Amount in ₹in lakhs)

NOTE NO : 16 Long term provisions :	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity	138.16	121.34
TOTAL	138.16	121.34

Notes forming part of the Consolidated Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 17	As at	As at
Non-current liabilities :	March 31, 2019	March 31, 2018
(a) Advances from Customer	0.00	0.00
(b) Other Liabilities	0.00	77.85
TOTAL	0.00	77.85

(Amount in ₹in lakhs)

NOTE NO : 18	As at	As at
Trade payables :	March 31, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	0.00	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No 18a)	11589.14	5027.20
TOTAL	11589.14	5027.20
Trade Receivable include dues from Associate concerns:		
SAL Steel Limited	8215.93	2560.86
SAL Hospital & Medical Institute (A Div. of SAL Care Pvt Ltd.)	7.45	45.38
SAL Pharmacy (A Div. of SAL Corporation P. Ltd)	26.48	8.82

(Amount in ₹in lakhs)

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

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

Notes forming part of the Consolidated Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 19	As at	As at
Other financial liabilities :	March 31, 2019	March 31, 2018
(a) Current maturities of long-term debt;	8129.32	2442.76
(b) Interest accrued and due on borrowings;	10640.80	10685.62
(c) Unpaid Matured Debentures	8812.50	7687.50
(d) Unpaid Foreign Currency Convertible Bonds (FCCB)	7237.88	7237.88
(e) Other Payables to Banks & Financial Institutions	3304.50	2924.23
TOTAL	38125.00	30977.99

(Amount in ₹in lakhs)

NOTE NO : 20	As at	As at
Other Current Liabilities :	March 31, 2019	March 31, 2018
Advance from customers	52.21	129.67
Duties and taxes	417.21	19.43
Deferred sales tax Liability	143.49	497.99
TOTAL	612.91	647.09

(Amount in ₹in lakhs)

NOTE NO : 21	As at	As at
Provision for Employee Benefits	March 31, 2019	March 31, 2018
-Gratuity	53.25	48.28
- Others	673.76	613.89
TOTAL	727.02	662.17

(Amount in ₹in lakhs)

NOTE NO : 22	As at	As at
I. Revenue from operations	March 31, 2019	March 31, 2018
I. Sale of Products		
Direct Export Turnover	0.00	56.78
Domestic Turnover	56940.10	47590.06
	47590.06	47590.06
II. Sale of service		
-Job work Income (TDS Rs 1.28 Lakhs PY Rs 6.09 Lakhs)	62.15	330.95
III. Other Operating Revenues		
Export Incentives- Duty Draw Back	0.00	1.04
Total Revenue from operations	57002.25	47978.83

Notes forming part of the Consolidated Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 23 Other Income :	As at March 31, 2019	As at March 31, 2018
Interest Income (TDS Rs 1.55 Lakhs P Y Rs 1.36 Lakhs)	17.24	15.13
Foreign exchange fluctuation Gain (Net)	165.61	42.38
Sundry balances written back (Net)	350.35	16.96
VAT Refund	130.74	0.00
TOTAL	663.95	74.47

(Amount in ₹in lakhs)

NOTE NO : 24 Cost of Materials Consumed:	As at March 31, 2019	As at March 31, 2018
Opening Stock of Raw Material	500.12	474.06
Add : Purchases	43956.30	31248.63
	44456.42	31722.69
Less : Closing Stock of Raw Material	1367.82	500.12
TOTAL	43088.60	31222.57

NOTE NO : 25 Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	Amount ₹in lakhs	31.03.2019	Amount ₹in lakhs	31.03.2018
Opening Stock				
Finished Goods	2203.85		5498.98	
Stock-in-Progress	2148.96	4352.81	2202.63	7701.61
Less : Closing Stock				
Finished Goods	4354.52		2203.85	
Stock-in-Progress	2985.80	7340.32	2148.96	4352.81
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		-2987.51		3348.80

(Amount in ₹in lakhs)

NOTE NO : 26 Employee benefits expenses	As at March 31, 2019	As at March 31, 2018
Salary & Bonus	1882.36	1694.01
Contribution to Provident Fund etc.	77.39	58.94
Staff welfare expenses	48.03	0.75
TOTAL	2007.77	1803.70

(Amount in ₹in lakhs)

NOTE NO : 27 Finance Costs	As at March 31, 2019	As at March 31, 2018
Interest to Others	10.13	13.13
	10.13	13.13

Notes forming part of the Consolidated Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 28	Amount	31.03.2019	Amount	31.03.2018
Other Expenses	₹in lakhs		₹in lakhs	
Stores & Spares Consumed :				
Opening Stock	3589.71		3499.57	
Add : Purchases	6202.57		4787.13	
	9792.29		8286.70	
Less: Closing Stock	3802.67	5989.62	3589.71	4696.99
Power & fuel		7450.75		6416.16
Factory Labour expense		770.28		621.08
Factory Expenses		71.38		40.22
Repairs & Maintenance :				
Machinery	178.49		181.49	
Building	8.92		4.00	
Others	0.61	188.02	4.61	190.10
Selling costs		35.83		31.40
Packing Cost		0.99		1.62
Freight outward expenses		86.40		43.04
Travelling, Conveyance and Vehicle Expenses		25.30		41.76
Legal, Consultancy and Professional Fees		91.47		81.87
Miscellaneous expenses		34.20		38.68
Advertisement, Stationery and Communication		19.75		28.01
Payment to Auditors #		8.00		9.25
Rent		9.60		9.60
Rates and Taxes		10.19		27.94
Insurance		11.11		8.75
Bank Charges		12.09		12.51
Donation		2.50		0.00
Provision for Bad debt (Net)		0.00		-15.54
Excise duty adjustment for stock		0.00		-608.39
TOTAL		14817.48		11675.05

(Amount in ₹in lakhs)

	As at March 31, 2019	As at March 31, 2018
As auditors - Statutory audit	8.00	8.00
For other Services	0.00	1.25
	8.00	9.25

(Amount in ₹in lakhs)

NOTE NO : 29	Year Ended March 31, 2019	Year Ended March 31, 2018
Earnings Per Share :		
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year (Lakhs)	197.98	197.98
Number of Equity Shares allotted during the year (Lakhs)	0.00	0.00
Number of Equity Shares at the end of the year (Lakhs)	197.98	197.98
Weighted average number of equity shares		
Profit for the year (after tax, available for equity shareholders)	752.69	4209.34
Basic and Diluted Earnings Per Share in Rs.	3.80	21.26

Notes forming part of the Consolidated Financial Statements

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

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

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

The holding Company's Board of director's reviews the capital structure on regular ba-sis. 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 holding Company and provides additional information on balance sheet items that contain financial instruments.

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

(i) Categories of Financial Instruments

(Amount in Rs. in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	2856.42	365.38
(ii) Cash and Cash Equivalents	35.16	102.03
(iii) Loans	8.38	77.29
(iv) Other Financial Assets	1298.19	1581.49
(v) Investments	1503.77	2181.53
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	15691.73	23821.05
(ii) Trade Payables	13314.92	6736.02
(iii) Other Financial Liabilities	38125.00	30977.99

(ii) Fair Value Measurement

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

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

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

(iii) Financial Risk Management Objectives

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

Market Risk

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

Foreign Currency Risk

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

Notes forming part of the Consolidated Financial Statements

Interest Rate Risk

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

Liquidity Risk

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

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

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

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, 2019				
Borrowings	--	14765.23	926.50	15691.73
Trade Payables	11589.14	1725.78	--	13314.92
Other Financial Liabilities	38125.00	--	--	38125.00
Total	49714.14	16491.01	926.50	67131.65
As at 31st March, 2018				
Borrowings	--	22287.30	1533.75	23821.05
Trade Payables	5027.20	1708.82	--	6736.02
Other Financial Liabilities	30977.99	--	--	30977.99
Total	36005.19	23996.12	1533.75	61535.06

Credit Risk

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

Trade Receivables

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

The holding Company has a detailed review mechanism of overdue customer receivables at various levels within organization 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,2019				
Investments	--	--	--	--
Loans	8.38	--	--	8.38
Cash & Cash Equv	35.16	--	--	35.16
Trade Receivables	2856.42	--	--	2856.42
Other Financial Assets	833.77	464.42	--	1298.19
Total	3733.73	464.42	--	4198.15
As at 31st March,2018				
Investments	--	--	--	--
Loans	77.29	--	--	77.29
Cash & Cash Equv	102.03	--	--	102.03
Trade Receivables	365.38	--	--	365.38
Other Financial Assets	926.75	654.74	--	1581.49
Total	1471.45	654.74	--	2126.19

Notes forming part of the Consolidated Financial Statements

31. Disclosures Regarding Employee Benefits

(Amount in ₹in lakhs)

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

Defined Contribution Plan

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

Particulars	2018-19 (Amount Rs in Lakhs)	2017-18 (Amount Rs in Lakhs)
Employers contribution to provident fund	77.39	58.93

(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.

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

As The holding Company has not funded its liability, it has nothing to disclose re-garding 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 holding Company there can be strain on the cash flows.

D. Market Risk:

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

E. Legislative Risk:

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

Notes forming part of the Consolidated Financial Statements

(Amount in ₹ in lakhs)

(iv) Defined Benefit Cost

Particulars	For the year ended 31st March 2019 (Amount Rs in Lakhs)	For the year ended 31st March 2018 (Amount Rs in Lakhs)
Current Service Cost	37.14	30.46
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Defined Benefit Cost included in Profit and Loss	-	-
Remeasurements - Due to Financial Assumptions	1.09	(1.40)
Remeasurements - Due to Experience Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(7.37)	(19.05)
Return on plan assets excluding amounts included in interest income	-	-
Defined Benefit Cost included in Other Comprehensive Income	(6.28)	(20.45)
Total Defined Benefit Cost in Profit and Loss and OCI	30.86	10.01

(v) Movement in Defined benefit liability:

Particulars	For the year ended 31st March 2019 (Amount Rs in Lakhs)	For the year ended 31st March 2018 (Amount Rs in Lakhs)
Opening Defined Benefit Obligation	169.61	171.06
Interest Expense on Defined Benefit Obligation (DBO)	10.61	10.64
Current Service Cost	26.52	19.65
Total Remeasurements included in OCI	-	-
Less: Benefits paid	9.06	11.46
Less: Contributions to plan assets	6.27	20.28
Closing benefit obligation	191.41	169.61
Current Liabilities of Closing benefit obligation	53.25	48.28
Non-Current Liabilities of Closing benefit obligation	138.16	121.33

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount Rs in Lakhs)

	2018-19	2017-18
(A) Discount rate Sensitivity		
Increase by 0.5%	186.10	165.12
(% change)	-2.77%	-2.65%
Decrease by 0.5%	197.05	174.38
(% change)	2.95%	2.81%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	197.03	174.37
(% change)	2.93%	2.80%
Decrease by 0.5%	186.07	165.09
(% change)	-2.79%	-2.67%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	190.93	169.45
(% change)	-0.25%	-0.10%
W.R. x 90%	191.89	169.78
(% change)	0.25%	0.10%

(vii) Actuarial assumptions:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Mortality Table : Indian Assured Lives Mortality (2006-08) Table		
Discount Rate (per annum)	7.20%	7.30%
Salary Growth Rate (per annum)	7.00%	7.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

Notes forming part of the Consolidated Financial Statements

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

32. The holding Company has not provided for foreign exchange loss in the Consolidated financial results on the Principal amount of 1,00,00,000 USD and on the Premium amount of 48,25,500 USD of the Foreign Currency Convertible Bonds (FCCB) which had become due for payment on September 22, 2011 and remain unpaid as at March 31, 2019, which constitutes a departure from the Indian Accounting Standard- 21. "The Effects of Changes in Foreign Exchange Rates which requires that each foreign currency monetary items should be reported using the closing rate as at the balance sheet date. Non provision of the foreign exchange loss on the aforesaid Foreign Currency Convertible Bonds (FCCB) and the Premium amount relates to the period from September 23, 2011 to March, 2019. However, The holding Company has not provided for foreign exchange fluctuation on the above FCCB since September 2011 and accordingly the total net loss on foreign exchange works out to Rs. 3057.40 lakhs which has not been provided by The holding Company.
33. For the year ending on 31st March,2019, The holding Company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding loans assigned to various ARCs) amounting to Rs 1305.64 lakhs.
34. Inventories are as taken, valued and certified by the management.
35. The holding Company has long term investment in the shares of SAL Steel Limited amounting to Rs 3,994.96 Lakhs. Based on the audited financial statement of SAL Steel Limited as at 31st March, 2019, The holding Company has accumulated losses and its net worth has been fully eroded. The Financial results of SAL Steel Limited also indicates that The holding Company has and The holding Company's current liabilities exceeded its current assets as at the current and previous year balance sheet date. Also there is no major movement in the prices of stock in share market. All such circumstances indicate that there is decline, other than temporary, in the value of a long term investment. And as a result, we have accounted for investment in shares of SAL Steel Ltd at market rate of shares @ Rs 4.97 per share reducing the value of investment to Rs. 1503.77 Lakhs and provided for Rs. 2491.19 Lakhs as diminution other than temporary in the value of investment in books of accounts
36. **RELATED PARTY DISCLOSURES:**

i) **Concern where significant interest exists.**

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

(RELATED PARTIES HAVE BEEN IDENTIFIED BY THE MANAGEMENT)

Key Management Personnel and Relatives

1	Mr. Rajendra V. Shah	Chairman
2	Mr. K. S. Kamath	Jt. Managing Director
3	Mr. Ashok Sharma	Whole Time Director & CFO
4	Mr. Yashpal Mehta (till 30.6.2017)	Vice President & CFO
5	Mr. Vinod Shah (till 10.04.2018)	Company Secretary
6	Mr. Jayesh Bhavsar (From 1.10.2018 to 01.11.2018)	Company Secretary
7	Mr. Vinay kumar Mishra (From 04.01.2019)	Company Secretary

Notes forming part of the Consolidated Financial Statements

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

Sr No.	Nature of Transaction	Parties mentioned at a (i) above		Key management person-nel	
		2018-19	2017-18	2018-19	2017-18
1	Purchase of goods & Ser-vices	24,754.60	17,169.55		
2	Purchase of Power	4,135.52	3,932.74		
3	Sales of Goods	480.94	5,176.46		
4	Rent paid	9.60	9.60		
5	Interest Paid	0	4.56		
6	Loan Availed	0	425.00		
7	Loan Repaid	0	475.00		
8	Remuneration			27.73	42.36

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

Amount Rs in Lakhs

S.N	Description	Related Parties	2018-19 (P Y 2017-18)	Balance outstanding as at 31/03/2019 (P Y 31.3.2018)
1	Purchase of Goods & Services	SAL Steel Ltd	24,748.76	8,215.93
			(17,168.90)	(2,560.86)
		SAL Pharmacy	0.15	26.48
			(0.14)	(8.82)
		SAL Hospital & Medical Institute	5.69	7.45
			(0.51)	(45.38)
2	Purchase of power	SAL Steel Ltd	4,135.52	0.00
			(3,932.74)	(0.00)
3	Sales of goods & Services	SAL Steel Ltd	480.71	0.00
			(5,176.32)	(0.00)
		SAL Hospital & Medical Institute	0	0.00
			(0.14)	(0.59)
		SAL Institute of Technical & Engineering Research	0.23	0.00
			(0.00)	(0.00)
4	Rent paid	SAL Steel Ltd	9.60	
			(9.60)	
5	Interest Paid	SAL Hospital & Medical Institute	0.00	
			(4.56)	
6	Remuneration to Key Management Personnel	Mr. K S Kamath	12.92	
			(12.92)	
		Mr. Ashok Sharma	12.00	
			(12.00)	
		Mr. Yashpal Mehta	0.00	
			(2.44)	
		Mr. Vinod Shah	0.40	
	(15.00)			
7	Loan Availed	Mr. Jayesh Bhavsar	0.73	
			(0.00)	
		Mr. Vinay kumar Mishra	1.68	
		(0.00)		
8	Loan Repaid	SAL Hospital & Medical Institute	0.00	0.00
			(425.00)	0.00
		Mr. Rajendra V Shah	0.00	367.73
		0.00	(367.73)	
			(475.00)	0.00

Notes forming part of the Consolidated Financial Statements

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

Particulars	As at 31-03-2019	As at 31-03-2018
Advance Payment to Suppliers		
Rupees in Lakhs	535.82	288.55
US Dollar in Lakhs	7.73	4.44
FCCB Payable (Including Interest)		
Rupees in Lakhs	7237.88	7237.88
US Dollar in Lakhs	148.25	148.25

38. Contingent liabilities :

(1) Claims against the Company not acknowledged as debts

Particulars

- Disputed Excise, Service Tax Demand Matter Under Appeal Rs 2023.04 Lakhs (P.Y.Rs 2122.84 Lakhs)
- Disputed VAT Liability matter under Appeal Rs. Nil (P.Y 381.28 Lakhs)
- Claim against The holding Company not acknowledged as debt – Claim by parties Rs 26509.56 Lakhs (P.Y 26505.88 Lakhs) Bank / Financial Institutions Rs.82486.23 Lakhs (P Y Rs 82486.23 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 holding Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its Consolidated financial statements, if any. Accordingly, the applicability of the judgment to The holding 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.

Note:

(a) It is not practicable for The holding Company to estimate the timings of cash out-flows, 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.

(b) The holding Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated financial statements. The holding Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

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

39. Certain Balance of Debtors, Creditors, Loans & Advances for Capital expenditures are non- moving / sticky . However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.
40. 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.
41. The balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by The holding Company and are subject to confirmation from the respective parties.
42. The holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about The holding Company's ability to continue as a going concern. However, considering the profit earned by The holding Company for the year ended on 31st March 2019 and considering the view of the management, the Consolidated financial results of The holding Company have been prepared on a "going concern basis".
43. The holding Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Consolidated financial results for the year ended March 31, 2019.
44. The Associate Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Associate Company's ability to continue as a going concern. However, in the view of the management, the associate Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the associate Company have been prepared on a "going concern

Notes forming part of the Consolidated Financial Statements

basis".

45. The Consolidated financial statements which describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard - 108 'Operating Segments' by the Associate Company. As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the Consolidated financial results due to non disclosure.
46. During the year the associate company had written off an amount of Rs.912.32 Lakhs paid as advances for capital projects shown under the heading of "Long term loans and advances" up to the Financial year 2017-18.
47. During the year under ended on 31st March 2019, the associate company has carried out a techno economic assessment for the valuations of its Capital Projects, to identify the impairment loss and provision thereof if any. Based on the said techno economic assessment of the capital projects, the associate company has provided Rs 2001.00 Lakhs as per note no 47 to the consolidated financial statements. The same is in accordance with Indian Accounting Standard - 36 'IMPAIRMENT OF ASSETS', which states that impairment loss is recognized when the carrying amount of an assets exceeds its recoverable amount.
48. The holding Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Consolidated financial Results is not identifiable therefore. We are unable to comment upon its impact on the Consolidated financial results for the year ended March 31, 2019
49. Holding company's accumulated share of losses in the Associate since the date of being an Associate till March 31, 2019 exceeds its investment value in shares of SAL Steel Limited (Associate). Hence Holding Company's Share of accumulated losses in the Associate completely reduces the Investment value and hence, adjustment of share of loss can be made to the carrying value of investment to the extent of the balance of Investment only in F Y 2018-19. This is in accordance with Indian Accounting Standard 28, "Accounting for Investment in Associates and Joint Venture" which states that If Investor's share of losses in associate equal or exceed the carrying amount of investment, the investor discontinues recognizing its share of further losses and investment is reported at nil value.
50. The Holding Company's share of losses in the Associate has been recognized in the books of accounts to the extent of the carrying amount of the value of Investment. This is in accordance with Indian Accounting Standard 28, "Accounting for Investment in Associates and Joint Venture" which state that If Investor's share of losses in associate equal or exceed the carrying amount of investment, the investor discontinues recognizing its share of further losses and investment is reported at nil value.

51 IND AS 115- Illustrative disclosures

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from contracts with customers	57,002.25	47,978.83
Total revenue	57,002.25	47,978.83

Revenue is recognized upon transfer of control of products to customers

(a) Disaggregation of revenue from contract with customers

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from		
- Outside India	-	56.78
- In India	57,002.25	47,922.05

No Single customer contributed 10% or more to the company's revenue for 2018-19 and 2017-18.

Notes forming part of the Consolidated Financial Statements

(b) Contract assets and liabilities

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

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contract Assets	2,856.42	365.38
Total contract assets	2,856.42	365.38
Contract liability	52.21	129.67
Total contract liabilities	52.21	129.67

(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 52 STATEMENT OF CHANGES IN EQUITY

B) OTHER EQUITY

Reconciliation of Other Equity as at 1st April 2017 (Amount in ₹in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	28,282.73	-69062.08	(34,276.74)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	27.60	27.60
Profit for the year	-	-	-	4,209.34	4,209.34
Balance at the end of the reporting period	6,000.00	502.61	39,006.18	(64,825.14)	(19,316.36)

Reconciliation of Other Equity as at 1st April 2018

(Amount in ₹in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	(64,825.14)	(19,316.36)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	4.09	4.09
Profit for the year	-	-	-	752.69	752.69
Balance at the end of the reporting period	6,000.00	502.61	39,006.18	(64,068.37)	(18,559.59)

(Amount in ₹in lakhs)

NOTE NO -53 TAX RECONCILIATION

Income taxes recognised in Statement of Profit and Loss

For the Year Ended

For the Year Ended

March 31, 2019

March 31, 2018

Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
	-	-
Deferred tax(credit) /Charged	(1,323.70)	8,504.20
Total income tax expense recognised in respect of continuing operations	(1,323.70)	8,504.20

Notes forming part of the Consolidated Financial Statements

Tax reconciliation

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

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit before taxes	-	-
Enacted tax rate in India	34.944%	34.940%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Effect of:		
Deferred tax(credit) /Charged	(1,323.70)	8,504.20
Income taxes recognised in the Statement of Profit and Loss	(1,323.70)	8,504.20

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

Income tax recognised in other comprehensive income

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	6.28	20.45
Total income tax recognised in other comprehensive income	6.28	20.45
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(2.20)	7.15
Income tax recognised in other comprehensive income	(2.20)	7.15

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

Components of deferred tax assets and liabilities

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
(A) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	4,460.57	4,474.10
Unabsorbed loss	20,350.46	19,204.10
	24,811.02	23,678.20
(B) Deferred tax Liabilities		
Difference between book and tax depreciation	2,308.57	2,497.26
	2,308.57	2,497.26
Deferred Tax Assets (Net)	22,502.45	21,180.94

Notes forming part of the Consolidated Financial Statements

54. The holding 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.
- 54A Donation to Political Parties
Donation includes Rs 2.50 lacs (P.Y. - Nil) contributed to Kalol Taluka Congress Samiti
55. The Consolidated financial statements were authorized for issue by the directors on 30th May 2019.

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

As per our report of even date attached.

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

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

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

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[K.S.Kamath]
Jt. Managing Director
(DIN : 0261544)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Intentionally Left Blank

SHAH ALLOYS LIMITED

CIN: L27100GJ1990PLC014698

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

ATTENDANCE SLIP

DP ID*	Folio
Client ID*	No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **29TH ANNUAL GENERAL MEETING** of the Company held on Wednesday, 25th September, 2019 at 10:00 AM at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380 060.

Signature of the Shareholder | Proxy

* Applicable for investors holding shares in electronic form.

SHAH ALLOYS LIMITED

CIN: L27100GJ1990PLC014698

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

Form No. MGT- 11 [PROXY FORM]

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

Name of Members : _____
Registered Address : _____
E-mail Address : _____
Folio No. | Client ID : _____
DP ID : _____

I/we, being the member(s) of _____ shares of SHAH ALLOYS LIMITED, hereby appoint:

- 1) _____ of _____
having e-mail id _____ or failing him
- 2) _____ of _____
having e-mail id _____ or failing him
- 3) _____ of _____
having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **29th ANNUAL GENERAL MEETING** of the Company, to be held on Wednesday, 25th September, 2019 at 10:00 AM at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380060 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO	RESOLUTIONS
1	Adoption of financial statements for the year ended on March 31, 2019
2	Reappointment of Shri Ashok A. Sharma as retiring Director.
3	Reappointment of Shri D. K. Sinha, Non Executive Independent Director.
4	Reappointment of Shri Harshad M Shah, Non Executive Independent Director.
5	Reappointment of Shri Tejpal Shah, Non Executive Independent Director.
6	Approval of Related Party Transactions
7	Ratification of Remuneration of Cost Auditors

Signed this _____ day of _____ 2019

Affix
Revenue
Stamp

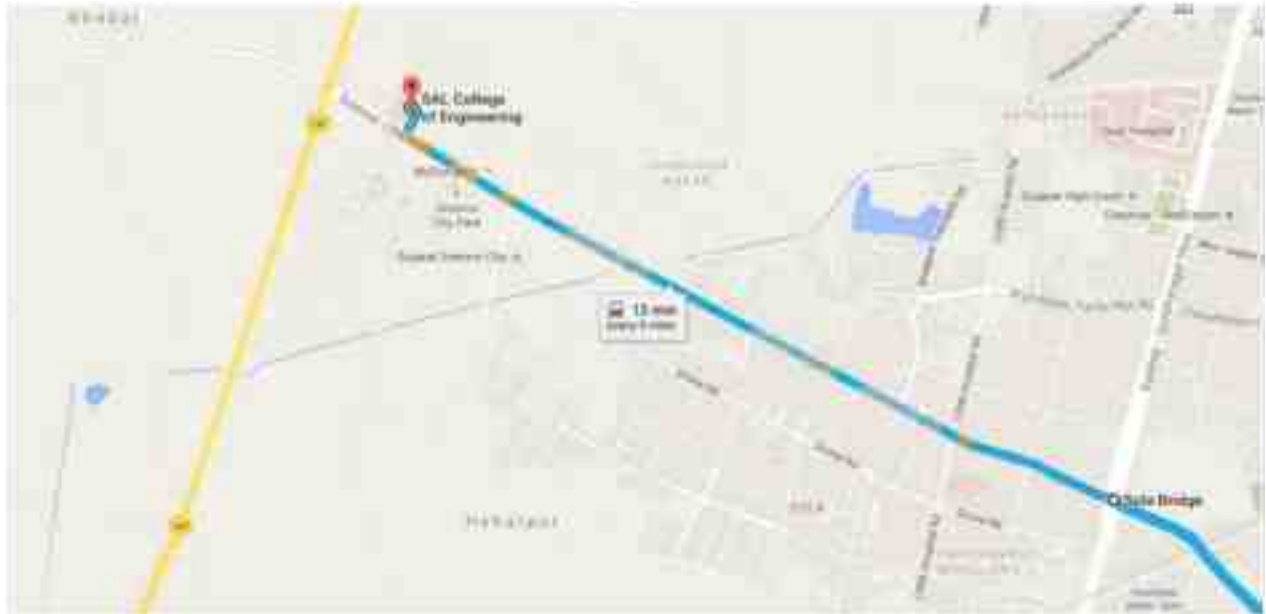
Signature of first proxy holder

Signature of Second proxy holder

Signature of Third proxy holder

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

Route map to reach venue of the Annual General Meeting





SHAH ALLOYS LTD.

If undelivered please return to

Corporate Office

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

www.shahalloys.com

CIN: L27100GJ1990PLC014698