NARAYANI STEELS LIMITED

24th Annual General Meeting
Annual Report
Financial Year 2018-19

Narayani Steels Limited
CIN: L27109WB1996PLC082021

Registered Office: 23A, N.S.Road 7th Floor, Room-31, Kolkata, West Bengal
Corporate Office: Door No. 49-24-66, Plot No 5,2nd floor, Sankarmatam Road, Madhuranagar, Allipuram
Visakhapatnam, Andhra Pradesh

BSE Security Code: 540080 | BSE Security ID: NARAYANI

Website - www.narayanisteels.com | Email – info@narayanisteels.com | Contact - Tel: 0891 2501182

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sunil Kumar Choudhary
(DIN: 00289479)
Chairman & Managing Director

Mr. Ankit Gupta
(DIN: 08415248)
Director & CFO

Ms. Bina Choudhury
(DIN: 00299534)
Non-Executive Director

Mr. Eunny Krishnamacharyulu
(DIN: 07281774)
Independent Director

Mr. Puvvala Bhaskara Rao
(DIN: 07282264)
Independent Director

Mr. Atul Kumar Saxena
(DIN: 07284335)
Independent Director

COMPANY SECRETARY & COMPIANCE OFFICER
Mr. Arun Kumar Meher

STATUTORY AUDITOR
M/s. A C Bhuteria and Co.
Chartered Accountants,
Kolkata

SECRETARIAL AUDITORS
ASN Associates Company Secretaries
D. No 9-29-19/A, Flat No.201,
Level-2, Waltair Heights,
Balaji Nagar, Siripuram,
Visakhapatnam, - 530003, Andhra Pradesh

REGISTRAR AND TRANSFER AGENT
Bigshare Services Private Limited
1st Floor, Bharat tin Works Building, Opp.vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai-400059,
Maharashtra

REGISTERED OFFICE
23A, N.S. Road, 7th Floor, Room-31,
Kolkata,
West Bengal – 700001, India

CORPORATE OFFICE
Door no. 49-24-66, Plot no 5, 2nd floor,
Sankarmatam Road,
Madhuranagar, Allipuram
Visakhapatnam, Andhra Pradesh – 530016,

BANKERS
Union Bank of India
Andhra Bank
Tata Capital Financial Services Ltd.
Yes Bank Ltd.
ICICI Bank Ltd.
Axis bank Ltd.

BOARD COMMITTEES

Audit Committee

Mr. Eunny Krishnamacharyulu
Mr. Puvvala Bhaskara Rao
Mr. Atul Kumar Saxena

Stakeholder Relationship Committee

Mr. Atul Kumar Saxena
Mr. Puvvala Bhaskara Rao
Mr. Eunny Krishnamacharyulu

Nomination and Remuneration Committee

Mr. Eunny Krishnamacharyulu
Mr. Puvvala Bhaskara Rao
Mr. Atul Kumar Saxena

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN TO ALL THE MEMBERS THAT THE 24TH ANNUAL GENERAL MEETING OF THE MEMBERS OF NARAYANI STEELS LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30, 2019 AT 03.00 PM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 23A, N.S. ROAD, 7TH FLOOR, ROOM - 31, KOLKATA– 700 001, WEST BENGAL TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Bina Choudhary, Director of the Company who retires by rotation and being eligible, offers herself for re-appointment

SPECIAL BUSINESS:

3. **Ratification of and payment to A. S. Rao as Cost Auditor of the Company**
   To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modifications or re-enactment thereof, for the time being in force), A.S. Rao, Cost Accountants, (Firm Registration Number: 000326) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2020, be paid a remuneration amounting to Rs. 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit;

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **Appointment of Ms. Jaya Padmavathi Bandi (DIN: 06632712) as Non-Executive and Non-Independent Director of the Company**
   To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

   "RESOLVED THAT pursuant to provisions of section 152 and any other applicable provisions of the Companies Act, 2013 ('the Act'), the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Jaya Padmavathi Bandi

(DIN: 06632712) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an Additional Director under section 161(1) of the Act and who holds office till the conclusion of this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Act has been received from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director, liable to retire by rotation;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Appointment of Mr. Ankit Gupta (DIN: 08415248) as an Executive Director of the Company**
To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ankit Gupta (DIN: 08415248) who was appointed by the Board of Directors based on the recommendation of Nomination and Remuneration Committee, as an Additional Director of the Company with effect from April 6, 2019 under Section 161(1) of the Act to hold office till the conclusion of this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Act has been received from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Executive Director of the Company, liable to retire by rotation, for a term of 5 (five) consecutive years with effect from April 6, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit;

RESOLVED FURTHER THAT Mr. Ankit Gupta be paid remuneration comprising salary, performance linked bonus / commission on profits, perquisites / benefits on following terms and conditions with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment and / or remuneration as it may deem fit and as may be mutually agreed between Mr. Ankit Gupta and the Board, for a period of 5 (five) years from April 6, 2019 to April 5, 2024 subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

i) Salary: A salary at the rate of Rs. 1,80,000/- (Rupees One Lakh Eighty Thousand Only) per month. The Board of Directors or Committees thereof, are authorized to determine yearly increment in accordance with the policy of the Company.

ii) Performance linked Bonus / Commission on Profits: Such amount(s) as may be decided by the Board of Directors or Committee thereof from year to year subject to the approval of shareholders.

iii) Perquisites and Other Benefits / Allowance: Perquisites and other benefits / allowances shall be as determined by the Board or Committee thereof, in accordance with the policies of the Company.

iv) Other Benefits (including retirals): Such amount(s) as may be decided by the Board of Directors or Committee thereof, in accordance with the policies of the Company.

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

6. Re-appointment of Mr. Sunil Choudhary (DIN: 00289479) as the Managing Director of the Company for a term of five years

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of Nomination & Remuneration Committee and subject to approvals under applicable laws, if any, and pursuant to the resolution passed by the Board of Directors, approval of the members be and is hereby accorded to re-appoint Mr. Sunil Choudhary (DIN: 00289479) as the Managing Director of the Company, for a period of 5 (five) years, on expiry of his present term of office, i.e. with effect from September 4, 2020.

RESOLVED FURTHER THAT Mr. Sunil Choudhary be paid remuneration comprising salary, performance linked bonus / commission on profits, perquisites / benefits on following terms and conditions with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment and / or remuneration as it may deem fit and as may be mutually agreed between Mr. Sunil Choudhary and the Board, for a period of 5 (five) years from September 4, 2020 to September 3, 2025, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

i) Salary: A salary at the rate of Rs. 3,00,000/- (Rupees Three Lakhs Only) per month. The Board of Directors or Committees thereof, are authorized to determine yearly increment in accordance with the policy of the Company.

ii) Performance linked Bonus / Commission on Profits: Such amount(s) as may be decided by the Board of Directors or Committee thereof from year to year subject to the approval of shareholders.

iii) Perquisites and Other Benefits / Allowance: Perquisites and other benefits / allowances shall be as determined by the Board or Committee thereof, in accordance with the policies of the Company.

iv) Other Benefits (including retirals): Such amount(s) as may be decided by the Board of Directors or Committee thereof, in accordance with the policies of the Company.

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

7. Re-appointment of Mr. Bhaskararao Puvvala (DIN:07282264) as Independent Director of the Company for a second term

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of Nomination and Remuneration Committee, Mr. Bhaskararao Puvvala (DIN: 07282264), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) years, commencing from September 10, 2020 to September 9, 2025;

RESOLVED FURTHER THAT the board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. Re-appointment of Mr. Atul Kumar Saxena (DIN: 07284335) as Independent Director of the Company for a second term

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force),based on the recommendation of Nomination and Remuneration Committee, Mr. Atul Kumar Saxena (DIN: 07284335),Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) years, commencing from September 10, 2020 to September 9, 2025;

RESOLVED FURTHER THAT the board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. Continuation of term of Mr. Eunny Krishnamacharyulu (DIN: 07281774)as Independent Director on attaining age of 75 years

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions if any, consent of members of the Company be and is hereby accorded to the continuation of Mr. Eunny Krishnamacharyulu (DIN: 07281774) as an Independent Director of the Company, who shall attain the age of 75 years on September 11, 2019, during his term as an Independent Director of the Company."

10. Re-appointment of Mr. Eunny Krishnamacharyulu (DIN: 07281774) as Independent Director of the Company for a second term

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder, read with

Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of Nomination and Remuneration Committee, Mr. Eunny Krishnamacharyulu (DIN: 07281774), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of 5 (five) consecutive years, commencing from September 10, 2020 to September 9, 2025 including the period from September 11, 2019 when he attains 75 years of age;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. Approval for Related Party Transactions under Section 188 of the Companies Act, 2013

To consider and if thought fit, to pass, with or without modifications, the following resolution as anOrdinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 ("the Act") and all other applicable provisions, if any, of the Act and Rules made thereunder including any amendment, modification, variation or re-enactment thereof, the members of the company be and hereby ratify and accord further approval to the Board of Directors of the company (hereinafter referred to as the "the Board" which term shall be deemed to include any committee(s) constituted by the Board, to exercise its powers under this resolution), to enter into contracts and/or agreements with parties with respect to sale, purchase or supply of goods or materials, selling or otherwise disposing of, or buying, property of any kind, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property, appointment of related parties to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature notwithstanding the fact that all the transactions during the a particular financial year, in aggregate, may exceed 10% of the turnover of the Company as per Company's last audited financial statements or any other materiality threshold as may be applicable, from time to time for a period of 3 years from the date of expiry of the resolution passed by shareholders in 22nd Annual General Meeting held on August 30, 2017;

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to determine the actual sums to be involved in the transaction and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

For and on behalf of the Board of Directors of Narayani Steels Limited

Place: Visakhapatnam
Date: August 27, 2019

Arun Kumar Meher
Company Secretary

NOTES

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and such Proxy need not be a Member of the Company. A proxy so appointed shall not have right to speak at the meeting. The Instrument of Proxies, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight (48) hours before the commencement Meeting. Proxies submitted on behalf of Companies, Societies, etc., must be supported by appropriate Resolutions/authority, as applicable.

2. A person can act as a Proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total Share Capital of the Company. In case of proxy is proposed to be appointed by the a Member holding more than ten percent of the total Share Capital of the Company carrying voting rights, then such Proxy shall not act as Proxy for any other person or Shareholder.

3. Members / Proxies shall bring Attendance Slips filled in and duly signed for attending the meeting.

4. Documents referred to in the Notice open for inspection at the Registered Office of the Company during working hours on all working days till the date of Annual General Meeting and also at the place of the Meeting at the scheduled time of the Annual General Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from **September 24, 2019** to **September 30, 2019** (both days inclusive).

6. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate.

   In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra by sending an email at investor@bigshareonline.com and by enclosing a photocopy of blank cancelled cheque of your bank account.

   With reference to SEBI circular no. LIST/COMP/ 15/ 2018-19 dated 05th July, 2018 the amendment to Regulation 40 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated that transfer of "securities would be carried out only in dematerialized form w.e.f. 05th December, 2018. Therefore we request all the holders of physical certificates to get them dematerialized.

7. Members are requested to send their queries, if any, in writing at least 10 days in advance of the date of the Meeting to the Company at its Registered Office.

8. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

9. Registrar and Share Transfer Agent: M/s. Bigshare Services Private Limited have been appointed by the Company as Registrar and Share Transfer Agent by the Company. Hence, Depository Participants/ Shareholders / Investors of the Company are advised to send all documents / correspondence such as requests for Dematerialization of Shares, Transfer of Shares, Change of Address , Registration of e- mail id, Change of Bank Mandate / NEACS , and other Shares related documents.

10. Green Initiative: As a responsible Corporate Citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India. We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live. The Members who have not registered their e- mail address are requested to register their e-mail Id's with the Company, Registrar and Share Transfer Agent or Depository Participant as the case may be.

11. In compliance with provisions of section 108 of the Act and rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

12. The Board of the Directors has appointed **N. Agrawal & Associates, Practicing Chartered Accountants,** as scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

13. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.

14. 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.

15. Details under Regulation 36(3)of SEBI (LODR)Regulations,2015("SEBI Listing Regulations"),with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, the Directors have furnished the requisite information for their appointment/re-appointment.

Details of Directors seeking Re-appointment at the Annual General Meeting

Name of the Director	DIN	Date of Appointment on Board	Shareholding in Narayani Steels Limited (No. of shares)
Ankit Gupta	08415248	March 30, 2019	1,04,000
Bina Choudhary	00299534	September 4, 2015	56,000
Sunil Choudhary	00289479	September 4, 2015	12,24,500

Apart from the abovementioned directors, none of the other directors seeking appointment/re-appointment held any shares in the Company.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3

The Board of Directors at its Meeting held on August 27, 2019, upon the recommendation of the Audit Committee, approved the appointment of A.S. Rao, Cost Accountants, to conduct the audit of the Cost records of the Company on a remuneration of 60,000/- (Rupees Sixty Thousand Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) for the financial year ending March 31, 2020. In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the Members.

ITEM NO. 4

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee, had appointed Ms. Jaya Padmavathi Bandi as an Additional Director with effect from August 27, 2019. In accordance with the provisions of Section 161 of the Companies Act, 2013, Ms. Jaya PadmavathiBandi shall hold office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Non-Executive Director of the Company.

The Board of Directors of the Company at its meeting held on August 27, 2019, had subject to necessary approval of shareholders, appointed Ms. Jaya Padmavathi Bandi as a Non-Executive Non-Independent Director of the Company with effect from August 27, 2019.

Information about the appointee: Ms. Jaya Padmavathi Bandi, aged 46 years, is a Graduate by qualification. Before joining the Company, Ms. Bandi was associated with a leading Steel Company. Ms. Bandi has experience and expertise of approx. 5 years in the Steel Industry.

Directorships: Narayani Steels Limited

Committee Positions: NIL

Shareholding in the Company: NIL

Terms & Conditions of Appointment: Appointment as Non-Executive and Non-Independent Director of the Company, liable to retire by rotation

No. of Board Meetings attended/entitled to attend during the year: Not applicable

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are related to Ms. Jaya Padmavathi Bandi and accordingly none of them are concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

ITEM NO. 5

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. Ankit Gupta as an Additional Director with effect from April 6, 2019. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Ankit Gupta shall hold office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Non-Executive Director of the Company.

The Board of Directors of the Company at its meeting held on April 6, 2019, had subject to necessary approval of shareholders, appointed Mr. Ankit Gupta as an Executive Director of the Company for a term of five consecutive years with effect from April 6, 2019 on such terms of remuneration as the Board thinks fit from time to time, but within the ceiling(s) laid down in the Act or any statutory amendment or relaxation thereof.

Information about the appointee: Mr. Ankit Gupta, aged 30 years, is a Chartered Accountant by qualification and a member of Institute of Chartered Accountants of India. Mr. Ankit Gupta has an added responsibility of functioning as the Chief Financial Officer of our Company with effect from March 30, 2019.

Directorships**:** Narayani Steels Limited

Committee positions**:** NIL

Shareholding in the Company**:** 1,04,000 shares

No. of Board Meetings attended/entitled to attend during the year:Not Applicable

Terms & Conditions of Appointment: Appointment as an Executive Director of the Company, liable to retire by rotation.

Details of Remuneration last drawn: A salary at the rate of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month.

Details of Remuneration sought to be paid:

i) Salary: A salary at the rate of Rs. 1,80,000/- (Rupees One Lakh Eighty Thousand Only) per month. The Board of Directors or Committees thereof, are authorized to determine yearly increment in accordance with the policy of the Company.

ii) Performance linked Bonus / Commission on Profits: Such amount(s) as may be decided by the Board of Directors or Committee thereof from year to year subject to the approval of shareholders.

iii) Perquisites and Other Benefits / Allowance: Perquisites and other benefits / allowances shall be as determined by the Board or Committee thereof, in accordance with the policies of the Company.

iv) Other Benefits (including retirals): Such amount(s) as may be decided by the Board of Directors or Committee thereof, in accordance with the policies of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are related to Mr. Ankit Gupta and accordingly, none of them are concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

ITEM NO. 6

Mr. Sunil Choudhary was appointed as the Managing Director of the Company for a period of five years with effect from September 4, 2015, post approval of the Members. The present term of Mr. Sunil Choudhary comes to an end on September 3, 2020.

Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, the Board of Directors had approved the re-appointment of Mr. Sunil Choudhary as Managing Director for a further period of five years, post completion of his present term on September3, 2020.

Mr. Sunil Choudhary is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. Mr. Sunil Choudhary satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, and is eligible for re-appointment.

Information about the appointee
Mr. Sunil Choudhary, aged 54 years, is a Graduate by qualification. Mr. Choudhary has been Director of the Company since incorporation. Mr. Choudhary is the guiding force behind the strategic Decisions of the Company and has been instrumental in formulating the overall business strategy and developing business relations of the Company. Mr. Choudhary also looks after the overall business operations of our Company.

Directorships:

1. Narayani Steels Limited
2. HariEquipments Limited
3. Nippon Alloy Limited
4. Cooltex Merchandise Private Limited

Committee positions: NIL

Shareholding in the Company: 12,24,500 shares

No. of Meeting attended/entitled to attend during the year: 25/25

Terms & Conditions of Re-appointment: *Re-a*ppointment as a Managing Director of the Company, liable to retire by rotation.

Details of Remuneration last drawn: A salary at the rate of Rs. 3,00,000/- (Rupees Three Lakhs Only) per month.

Details of Remuneration sought to be paid:

i) Salary: A salary at the rate of Rs. 3,00,000/- (Rupees Three Lakhs Only) per month. The Board of Directors or Committees thereof, are authorized to determine yearly increment in accordance with the policy of the Company.

ii) Performance linked Bonus / Commission on Profits: Such amount(s) as may be decided by the Board of Directors or Committee thereof from year to year subject to the approval of shareholders.

iii) Perquisites and Other Benefits / Allowance: Perquisites and other benefits / allowances shall be as determined by the Board or Committee thereof, in accordance with the policies of the Company.

iv) Other Benefits (including retirals): Such amount(s) as may be decided by the Board of Directors or Committee thereof, in accordance with the policies of the Company.

Ms. Bina Choudhary may be deemed to be interested in the Resolution as set out in Item No. 6 of this Notice. Mr. Sunil Choudhary is husband of Ms. Bina Choudhary, accordingly, Ms. Bina Choudhary may be deemed to be interested in the Resolution. None of the other Directors and / or Key Managerial Personnel of the Company and their relatives, except Mr. Sunil Choudhary, is concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommend the Special Resolution set out at Item No.6 of the Notice for approval by the Members.

ITEM NO. 7

Mr. Bhaskararao Puvvala was appointed as Independent Director of the Company for a period of five years with effect from September 10, 2015, post approval of the Members. The present term of Mr. Bhaskararao Puvvala comes to an end on September 9, 2020.

After taking into consideration report of performance evaluation, background, experience and contribution made by him and based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, the Board of Directors had approved the re-appointment of Mr. Bhaskararao Puvvala as Independent Director for a further period of five years, post completion of his present term in September, 2020.

Mr. Bhaskararao Puvvala is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Independent Director of the Company. Mr. Bhaskararao Puvvala satisfies all the conditions as set out in Section 149(6) of the Act, for being eligible for his appointment. The annual performance evaluation results for Mr. Bhaskararao Puvvala were also positive on an overall basis confirming high performance standards.

***Information about the appointee*:** Mr. Bhaskararao Puvvala, aged 64 years, is a MSC, CAIIB by qualification. Mr. Bhaskararao Puvvala has a vast experience in the steel and iron industry. His expertise in technical domain gives him an insight to evaluate things with broader perspectives. With a solution centric approach, his work has been acknowledged by the Company during his tenure. The Board is of the opinion that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bhaskararao Puvvala.

Directorships: Narayani Steels Limited

Committee positions:

1. Member of Audit Committee of the Company
2. Member of Nomination and Remuneration Committee of the Company
3. Member of Stakeholder Relationship Committee of the Company

Shareholding in the Company: NIL

No. of Meeting attended/entitled to attend during the year: 25/25

Terms & Conditions of Appointment: Appointment as an Independent Director of the Company

Details of Remuneration last drawn: Not Applicable

Details of Remuneration sought to be paid: NIL

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Mr. Bhaskararao Puvvala, is concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members.

ITEM NO. 8

Mr. Atul Kumar Saxena was appointed as Independent Director of the Company for a period of five years with effect from September 10, 2015, post approval of the Members. The present term of Mr. Atul Kumar Saxena comes to an end on September 9, 2020.

After taking into consideration report of performance evaluation, background, experience and contribution made by him and based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, the Board of Directors of the Company had approved the re-appointment of Mr. Atul Kumar Saxena as Independent Director for a further period of five years, post completion of his present term in September, 2020.

Mr. Atul Kumar Saxena is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Independent Director of the Company. Mr. Atul Kumar Saxena satisfies all the conditions as set out in Section 149(6) of the Act, for being eligible for his appointment. The annual performance evaluation results for Mr. Atul Kumar Saxena were also positive on an overall basis confirming high performance standards.

***Information about the appointee*:** Mr. Atul Kumar Saxena, aged 66 years, is a MSC, LLB by qualification. Mr. Atul Kumar Saxena has a vast experience in the steel and iron industry. Considering his experience and contributions made by him during his tenure, the Board is of the opinion that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Atul Kumar Saxena.

Directorships: Narayani Steels Limited

Committee positions:

1. Member of Audit Committee of the Company
2. Member of Nomination and Remuneration Committee of the Company

3. Chairman of Stakeholder Relationship Committee of the Company

Shareholding in the Company: NIL

No. of Meeting attended/entitled to attend during the year: 25/25

Terms & Conditions of Appointment: *A*ppointment as an Independent Director of the Company

Details of Remuneration last drawn: Not Applicable

Details of Remuneration sought to be paid: NIL

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Mr. Atul Kumar Saxena, is concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No.8 of the Notice for approval by the Members.

ITEM NO. 9 & 10

Mr. Eunny Krishnamacharyulu was appointed as an Independent Director of the Company for a period of 5 (five years) with effect from September 10, 2015, post approval of the Members. The present term of Mr. Eunny Krishnamacharyulu comes to an end on September 9, 2020.

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy five years. Mr. Eunny Krishnamacharyulu will attain the age of seventy five years on September 11, 2019.

The Nomination & Remuneration Committee and the Board of Directors of the Company are of the view that in order to take advantage of Mr. Eunny Krishnamacharyulu's counsel and advice, especially in the steel industry, it would be appropriate that he continues to serve on the Board till the completion of his present term of appointment as already approved by the Members.

After taking into consideration report of performance evaluation, background, experience and contribution made by him and based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, the Board of Directors of the Company had approved the re-appointment of Mr. Eunny Krishnamacharyulu as Independent Director for a further period of five years, post completion of his present term in September, 2020.

Mr. Eunny Krishnamacharyulu is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Independent Director of the Company. Mr. Eunny Krishnamacharyulu satisfies all the conditions as set out in Section 149(6) of the Act, for being eligible for his appointment. The annual performance evaluation results for Mr. Eunny Krishnamacharyulu were also positive on an overall basis confirming high performance standards

Information about the appointee: Mr. Eunny Krishnamacharyulu, aged 75 years, is a BE (Hons) by qualification. Mr. Eunny Krishnamacharyulu has a vast experience in the steel and iron industry. Considering his experience and contributions made by him during his tenure, the Board is of the opinion that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Eunny Krishnamacharyulu.

Directorships: Narayani Steels Limited

Committee positions:

1. Chairman of Audit Committee of the Company
2. Chairman of Nomination and Remuneration Committee of the Company
3. Member of Stakeholder Relationship Committee of the Company

Shareholding in the Company: NIL

No. of Meeting attended/entitled to attend during the year: 25/25

Terms & Conditions of Appointment: *A*ppointment as an Independent Director of the Company

Details of Remuneration last drawn: Not Applicable

Details of Remuneration sought to be paid: NIL

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Mr. Eunny Krishnamacharyulu, is concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No.9&10 of the Notice for approval by the Members.

ITEM NO. 11

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties of the Company. As per the provisions of Section 188 (1) of the Companies Act, 2013; "Related Party Transactions" requires prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires prior approval of the Company by an Ordinary Resolution where transactions proposed to be entered into falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in sub-section (1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm’s length basis.

Further, the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires approval of Members by means of an Ordinary Resolution for all material related party transactions, even if such transactions are in the ordinary course of business and on arm’s length basis.

In light of the aforementioned provisions, the Board of Directors of your Company has approved the transactions according to requirements of the Company along with annual limit that your Company may enter into transaction with the Related Parties (as defined under Section 2(76) of the Companies Act, 2013). All transactions entered into by the Company with related entities are at arm’s length basis and in the ordinary course of business.

The resolution passed by the Members at 22nd AGM of the Company held on August 30, 2017for the approval of related party transactions shall be effective till August 29, 2020. Hence, the Company seeks approval of Members for a further period of 3 years after the expiry of the present period i.e., August 29, 2020.

The Members are further informed that no Member(s) of the Company being a Related Party or having any interest in the Resolution as set out at Item No. 11 shall be entitled to vote on this Resolution.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Promoters, Directors and their relatives (to the extent of their Shareholding interest in the Company), is concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No.11 of the Notice for approval by the Members.

For and on behalf of the Board of Directors of Narayani Steels Limited

Place: Vishakhapatnam
Date: August 27, 2019

Arun Kumar Meher
Company Secretary

ANNEXURE FOR E-VOTING PROCEDURE

The instructions for shareholders voting electronically are as under:

(i) The voting period begins at 09.00am on Friday, September 27, 2019and end at 05.00 pm on SundaySeptember 29, 2019.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. September 23, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR**	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.

Date of Birth (DOB)	•	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 directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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 emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(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.

Other Instructions:

i. The voting rights of Members shall be in proportion to the shares held by them on the paid up equity share capital of the Company as on September 23, 2019 and as per the Register of Members of the Company.

ii. Any person who becomes a member of the Company after despatch of the notice of the meeting and holding shares as on the cut-off date i.e. August 30, 2018 shall follow the process as mentioned at sr. no. (ii) to (v) above.

E-voting will start on:-

EVSN reference No.		E-voting start date & time	E-voting end date & time
		September 27, 2019	September 29, 2019
		At 9.00am	At 5.00pm
Cut-off date	September 23, 2019		

DIRECTORS' REPORT

To
The Members
Narayani Steels Limited

Your Company's Directors are pleased to present the **24th Annual Report** of the Company, along with Audited Financial Statement (Standalone & Consolidated), for the Financial Year ended **March 31, 2019**.

FINANCIAL PERFORMANCE

The standalone financial highlights and performance of the Company for the financial year ended March 31, 2019 is given herein below.

(Rs. In Lakhs)

Particulars	FY 2018-19		FY 2017-18	
	Standalone	*Consolidated*	*Standalone*	*Consolidated*
Total revenue including other income	75484.36	75484.36	78256.68	78256.68
Total Expenditure	75141.68	75141.68	77885.90	77885.90
Profit / (Loss) before tax	342.68	342.68	370.78	370.78
Exceptional Item	-	-	76.82	76.82
Tax Expenses	123.70	123.70	116.72	116.72
Profit / (Loss) after tax	218.98	218.98	177.26	177.26
EPS Weighted Average				
-Basic (Rs.)	2.03	2.12	1.64	1.80
-Diluted (Rs.)	2.03	2.12	1.64	1.80

MATERIAL CHANGES AND COMMITMENTS

The Board of Directors of the Company at its meeting held on December 3, 2018 and the shareholders of the Company on January 13, 2019 through postal ballot approved migration of the Company from BSE SME Exchange to BSE Main Board; consequent to which the application was made to BSE for the migration.

The Company received the migration letter from BSE dated March 06, 2019 advising that effective from March 08, 2019 the equity shares of the Company will be migrated from BSE SME Platform to BSE Main board of the Exchange.

The corporate office of the Company shifted from '30-15-138/20, II Floor, Binayaka Complex Dabagardens, Visakhapatnam 530020, Andhra Pradesh' to 'Door No.49-24-66, Plot No 5, 2nd Floor, Sankarmatam Road, Madhuranagar, Allipuram, Visakhapatnam – 530016, Andhra Pradesh. Hence, the statutory registers and books of accounts were also shifted. The Company received the approval of Registrar of Companies on June 14, 2019.

OPERATIONAL REVIEW

During the year under review, the profits of the Company increased from Rs. 177.26 lakhs to Rs. 218.98 lakhs. There was a decline in turnover of the Company. The revenue from operations declined from Rs. 77,996.89 lakhs to Rs. 75,168.43 lakhs and there was a corresponding decrease in the expenditures of the Company.

Report on Performance and Financial Position in Form AOC-1of Hari Equipments (P) Limited, Associate of your Company, forms a part of the consolidated Financial Statements.

LOANS, GUARANTEES & INVESTMENTS

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees or investments by the Company under the aforesaid provisions during the Financial Year2018-19 have been provided in the Notes to the Standalone Financial Statements.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Bivor Bagaria resigned as a Whole-time Director and a Chief Financial Officer of your Company with effect from March 30, 2019 and March 29, 2019 respectively. Also, Mr. Ramesh Prathapa who was appointed on September 10, 2015 as Independent Director of the Company resigned from your Company with effect from August 31, 2019 and Smt. Swarnalath Mandaleeka, who was appointed on March 25, 2019 as Non-executive Director, resigned as the Directors of your Company with effect from March 30, 2019. The Board placed on record its appreciation for the services rendered by Mr. Bivor Bagaria, Mr. Ramesh Prathapa and Smt. Swarnalath Mandaleeka during their tenure.

Mr. Ankit Gupta, a Chartered Accountant by qualification, was appointed as an Additional Executive Director and Chief Financial Officer of the Company with effect from April 6, 2019 and March 30, 2019 respectively. Mr. Ankit Gupta was appointed as an Additional Director of the Company to hold office upto the forthcoming Annual General Meeting. Being eligible, Mr. Ankit Gupta offers himself for appointment as a Director of the Company.

Ms. Jaya Padmavathi Bandi, was appointed as an Additional Non-Exective Non-Independent Director of the Company with effect from August 27, 2019 to hold office upto the forthcoming Annual General Meeting. Being eligible, Ms. Jaya Padmavathi Bandi, offers herself for appointment as a Director of the Company.

In terms of the requirements of the Companies Act, 2013, the Independent Directors of the Company were appointed for a period of five years on September 10, 2015 and accordingly, their tenure will come to an end on September 9, 2020. In view of the same, the Board of Directors have basis the recommendation of the Nomination and Remuneration Committee proposed to re-appoint Mr. Krishnamacharyulu Eunny, Mr. Bhaskararao Puvvala and Mr. Atul Kumar Saxena as the Independent Directors of the Company for another term of five years from September 10, 2020 to September 09, 2025.

A resolution proposing re-appointment of Independent Directors of the Company for the second term of five consecutive years pursuant to Section 149(6) of the Companies Act, 2013, forms part of the Notice of Annual General Meeting.

Mr. Krishnamacharyulu Eunny attains the age of seventy five years on September 11, 2019. The Board at its meeting held on August 27, 2019, on recommendation of the Nomination and Remuneration Committee, recommended the approval of members for continuation of his term as an Independent Director of the Company from the date he attains the age of 75 years. A resolution to his effect forms part of the Notice of Annual General Meeting.

In accordance with the provisions of Companies Act, 2013 (‘the Act’), one-third of the total Directors of the Company, if any, shall retire by rotation at every Annual General Meeting and accordingly, Ms. Bina Choudhary shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

Declaration of Independence

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Familiarisation Programme for Independent Directors

The details of training and familiarisation programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report. The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at www.narayanisteels.com.

Appointment and Remuneration of Directors

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable secretarial standards on Board Meetings and General Meetings, have been duly followed by the Company.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operation, business policies or projects to be undertaken and strategy apart from other Board business. The notice of Board Meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Visakhapatnam. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended March 31, 2019, twenty five meetings of the Board were held during the year on April 5, 2018, April 19, 2018, May 3, 2018, May 11, 2018, May 28, 2018, June 9, 2018, June 11, 2018, June 16, 2018, July 16, 2018, July 30, 2018, August 20, 2018, August 31, 2018, September 10, 2018, November 5, 2018, November 14, 2018, November 21, 2018, December 3, 2018, December 31, 2018, January 21, 2019, February 1, 2019, February 5, 2019, February 15, 2019, February 28, 2019, March 25, 2019 and March 30, 2019. The details of Board Meetings and the attendance record of the Directors are provided in the Report on Corporate Governance section of the Annual Report.

The provisions of Companies Act, 2013, Secretarial Standard 1 and the Listing Regulations were adhered to while considering the time gap between two meetings.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board is informed about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees are authorised to request special invitees to join the meeting, if required.

The Board of Directors of your Company have constituted various Committees as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

The composition and terms of reference of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are provided in the Report on Corporate Governance which forms part of this Annual Report.

COMMITTEE FOR PREVENTION OF SEXUAL HARASSMENT

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, your Company has constituted an Internal Complaints Committee having designated independent member(s) to redress complaints regarding sexual harassment. During the year, no complaint regarding Sexual Harassment has been reported.

The detailed statement of complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been appended in the Corporate Governance Report of the Company forming part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Act, the Company has formulated a robust vigil mechanism to deal with instances of unethical behavior, actual or suspected, fraud or violation of Company's code of conduct or ethics policy. The details of policy is explained in Corporate Governance Report and also uploaded on website of the Company under Corporate Governance section at: http://narayanisteels.com/investors/policies-and-programme/.

NOMINATION AND REMUNERATION POLICY

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is available on the Company's website at http://narayanisteels.com/investors/policies-and-programme/.

RISK MANAGEMENT

Risk Management is embedded in your Company's operating framework. The Company believes that managing risks helps in maximizing returns. The Company has devised and implemented a Risk Management Policy and all the risks are discussed at the Senior Management Level at their Meetings periodically to ensure that the risk mitigation plans are well thought out and implemented and adverse impact of risks is avoided or kept within manageable proportions though the elements of risk threatening the Company's existence are very minimal. The said policy is available on the Company's website at http://narayanisteels.com/investors/policies-and-programme/.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and applied them consistently and made judgements 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 2018-19 and of the loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) of the Listing Regulations is appended as Annexure forming part of this Annual Report.

CORPORATE GOVERNANCE

In compliance with the Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is given as Annexure and forms an integral part of this Annual Report. A Certificate from the Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended to the Corporate Governance Report. A Certificate of the CEO and CFO of the Company in terms of Regulation 17(8) of the Listing Regulations is also annexed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED UNDER CLAUSE (m) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013

The particulars as prescribed under Clause (m) to Sub-section (3) of Section 134 of the Companies Act, 2013 read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo is provided as under:

(a) Conservation of Energy:

i)	*The steps taken or impact on conservation of energy*	*To improve the Power Factor upto 0.99.*
ii)	The steps taken by the company for utilizing alternate sources of energy	125 KVA DG power is used whenever APEPDCL power fails.
iii)	The capital investment on energy conservation equipments	Power Capacitors.

(b) Technology Absorption:

i)	*The efforts made towards technology absorption*	*Spectrometer of Oxford and MK for In-house testing lab*
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Saved expenses on testing from Outside agencies.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-	
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
iv)	The expenditure incurred on Research and Development	-

(b) Foreign Exchange Earnings /Outgo:

(Rs. In Lakhs)

Particulars	***2018-19***	***2017-18***
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
Interest on Buyers' Credit Loan	Nil	Nil
Import of Traded Goods	Nil	Nil
Travel and Miscellaneous Matters	0.14	0.21

ANNUAL RETURN

In compliance with provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return as per Section 92(3) of the Companies Act, 2013 has been hosted on the website of the Company, viz.www.narayanisteels.com.

MANAGERIAL REMUNERATION AND REMUNERATION PARTICULARS OF EMPLOYEES

There were no permanent employees during the year under review, whose particulars are required to be given in the Board’s Report in accordance with the provisions of Section 197 of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.

The remuneration paid to Directors and Key Managerial Personnel of the Company during the Financial Year 2018-19 was in accordance with the Nomination and Remuneration Policy of the Company.

DIVIDEND

The Company intends to invest in future opportunities and therefore your Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVE

The Company has transferred an amount of Rs.221.73 Lakhs to Reserves for the financial year ended March 31, 2019.

DEPOSITS

During the year, your Company did not accept any public deposits under Chapter V of Companies Act, 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal control system to effectively and efficiently manage the business operations. The internal audit department closely monitors the compliance of all operations with prescribed business standards. The audit team supervises all internal processes and recommends necessary changes to ensure any deviation is promptly corrected. Any variance from the budget is flagged off to the senior management which advises modification to ensure strict adherence to compliances. Periodic monitoring and effective implementation of recommendations ensure high business compliance with adequate adherence to rules and regulations that govern the Company. The controls also ascertain the reliability of financial controls and strict adherence to compliance as per applicable laws and regulations. The internal control system ascertains optimal utilisation of all resources and proper documentation of financial transactions. The function also ensures strict adherence to compliance.

RELATED PARTY TRANSACTIONS

In terms of Section 188 of the Act read with rules framed thereunder and Regulation 23 of the Listing Regulations, your Company has in place Related Party Transactions Policy for dealing with related party transactions. The policy may be accessed under the Corporate Governance section on the website of the Company at: http://narayanisteels.com/wp-content/uploads/2019/01/Policy-for-Related-Party-Transanction1.pdf.

All the related party transactions that were entered and executed during the year under review were on arm's length basis and in the ordinary course of business and within permissible framework of Section 188 of the Act and Rules made thereunder read with Regulation 23 of Listing Regulations. Your Company has already taken approval of the shareholder for the period of three years, in the Annual General Meeting dated August 30, 2017, to enter into the materially significant related party transactions i.e., transactions exceeding 10% of annual consolidated turnover as per the last audited financial statement, made by the Company during the year. The resolution passed by the Members at 22nd AGM of the Company held on August 30, 2017 for the approval of related party transactions shall be effective till August 29, 2020. A resolution seeking approval of Members for a further period of 3 years after the expiry of the present period i.e., August 29, 2020 forms part of the Notice of Annual General Meeting of the Company.

No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

SUBSIDIARIES AND ASSOCIATE / JV COMPANIES

The Company does not have any Subsidiaries. The details of its subsidiary i.e. Hari Equipments (P) Limited has been appended in Form MGT-9, forming part of this Annual Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

M/s. A C Bhuteria and Co., Chartered Accountants (ICAI Firm Registration No. 303105E), Kolkata, were appointed as Statutory Auditors of your Company at the Annual General Meeting of the Company held on September 25,2018for a term of four consecutive years from the conclusion of 23rd AGM till the conclusion of 27th AGM of the Company. The Statutory Auditors have confirmed that they are not disqualified from continuing as the auditor of the Company.

The Report given by the Auditors on the financial statement of the Company forms part of this Report. There are no qualifications, reservations or adverse remarks made by the statutory auditors in their audit reports on the financial statements (Standalone and Consolidated) for the year ended March 31, 2019.

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s A Ramachandra Rao & Co., Chartered Accountants,(FRN:02857S) as Internal Auditor of the Company to conduct Internal Audit of records and documents of the Company for the financial year 2019-20.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s ASN Associates, as Secretarial Auditor of the Company to conduct Secretarial Audit of records and documents of the Company for the financial year 2018-19. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. and there were no secretarial audit qualification for the year under review.

The Secretarial Audit Report is annexed as an Annexure to this report as Annexure and forms an integral part of this report.

Cost Auditors

In terms of sub-section (1) of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain the cost records and accordingly such accounts and records are made and maintained. M/s. A.S. Rao & Co., Cost Accountants, (FRN:000326), were appointed as the Cost Auditors of the Company for auditing the cost records of the Company for the financial year 2018-19, subject to ratification of remuneration by the shareholders of the Company in the 24th AGM of the Company. Accordingly, an appropriate resolution seeking ratification of the remuneration for the financial year 2019-20 of M/s A.S. Rao & Co., Cost Accountants, (FRN:000326) is included in the Notice convening the 24th AGM of the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the whole-hearted assistance and co-operation received by the Company from Members, Customers, Dealers, Distributors, Bankers, Financial Institutions, Government & Other Agencies, Local Bodies, other Corporate Bodies and the Public and look forward to their support in coming years. They express their gratitude to all the Shareholders of the Company for the confidence reposed in the Management. Your Directors appreciate the sincere services rendered by the Employees at all levels. Thanks are also extended to our Professionals, Advisors, Well-wishers and Persons dealing with the Company.

For and on behalf of the Board of Directors of
Narayani Steels Limited

Sunil Chaudhary
Chairman & Managing Director
DIN: 00289479

Place: Visakhapatnam
Date: August 27, 2019

ANNEXURE TO THE BOARD REPORT

Statement containing salient features of the financial statement of Subsidiaries / associate companies / joint ventures

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A of the Annexure is not applicable as there is no Subsidiary of the Company as on March 31, 2019.

Part B: Associate Companies/Joint ventures

Sr. no.	**Name of Associate**	Hari Equipments Private Limited (CIN: U51504WB1971PTC080792)
1.	**Latest audited Balance Sheet Date**	31.03.2019
2.	**Shares of Associate/Joint Ventures held by the Company on the year end**	
	No.	4,59,490 Equity Shares of Rs. 10/- each
	Amount of Investment in Associates/Joint Venture	Rs. 45,94,900/-
	Extend of Holding %	37.51%
3.	**Description of how there is significant Influence**	Sunil Choudhary and Bivor Bagaria are the common Directors
4.	**Reason why the Associate/ Joint Venture is not consolidated**	It is consolidated
5.	**Networth attributable to Shareholding as per latest audited Balance Sheet**	-
6.	**Profit / Loss for the year**	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

For and on behalf of the Board of Directors of Narayani Steels Limited

	Sunil Choudhary	Ankit Gupta	Arun Kumar Meher
Place: Visakhapatnam	Managing Director	Director and CFO	Company Secretary
Date: August 27, 2019	DIN : 00289479	DIN : 08415248	M. NO. : A48598

ANNEXURE TO THE BOARD REPORT
Extract of Annual Return

FORM NO. MGT 9
for the Financial Year ended on March 31, 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L27109WB1996PLC082021
ii)	Registration Date	:	November 13, 1996
iii)	Name of the Company	:	Narayani Steels Limited
iv)	Category / Sub-Category of the Company	:	Indian Non-government Company / Company having Share Capital and Limited by Shares
v)	Address of the Registered Office	:	23A, N.S.Road, 7th Floor, Room-31, Kolkata, West Bengal – 700001
vi)	Address of Corporate and Administrative Office	:	Door No.49-24-66, Plot No 5, 2nd Floor, Sankarmatam Road, Madhuranagar, Allipuram, Visakhapatnam, Andhra Pradesh – 530016 Phone: 0891-2501182, Email: info@narayanisteels.com Website: www.narayanisteels.com
vii)	Whether listed company	:	Yes
viii)	Name, Address and contact details of Registrar and Transfer Agent, if any	:	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059, Maharashtra Phone: 022-40430200 Fax: 022-28475207 Email: investor@bigshareonline.com Website: http://www.bigshareonline.com/

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Sr. No.	Name and Description of Products	NIC Code of the Product	% to total turnover of the Company
1.	Basic Iron and Steels Trading Services	46632	82.17%
2.	Basic Iron and Steel Manufacturing Services	24109	17.83%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN	Holding/Subsidiary /Associate	% of shares held
1.	Hari Equipments Private Limited Address: 23A, N.S. Road, 7th Floor, Room No-31 Kolkata -700001, West Bengal, India	U51504WB1971PTC080792	Associate	37.51%

IV. SHARE HOLDING PATTERN (Equity Share of Rs. 10.00 each)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	36,51,000	-	36,51,000	33.47	36,51,000	-	36,51,000	33.47	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21,63,000	-	21,63,000	19.83	21,63,000	-	21,63,000	19.83	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	58,14,000	-	58,14,000	53.30	58,14,000	-	58,14,000	53.30	-
2. Foreign									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	58,14,000		58,14,000	53.30	58,14,000		58,14,000	53.30	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									

2. Non-institutions									
a) Body Corporates									
i) Indian	21,73,000	2,95,000	21,73,000	19.92	18,29,741	2,95,000	21,24,741	19.48	0.44
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	14,32,000	60,000	14,92,000	13.68	13,88,840	60,000	14,48,840	13.28	0.40
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	7,84,000	6,46,000	14,30,000	13.11	8,75,419	6,46,000	15,21,419	13.95	0.84
c) Others (HUF)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	50,95,000	10,01,000	50,95,000	46.70	50,95,000	1001000	5059000	46.70	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	50,95,000	1001000	50,95,000	46.70	50,95,000	1001000	5059000	46.70	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,09,09,000	10,01,000	1,09,09,000	100%	1,09,09,000	10,01,000	1,09,09,000	100%	-

ii) Shareholding of Promoters

Name of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
	No. of Shares	% of total shares	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total shares	% of Shares Pledged / encumbered to total Shares	
Sunil Kumar Chaudhary	12,24,500	11.22	0.00	12,24,500	11.22	0.00	-
Sunil Kumar Chaudhary (HUF)	12,61,000	11.56	0.00	12,61,000	11.56	0.00	-
KishanLal Choudhary	10,03,500	9.20	0.00	10,03,500	9.20	0.00	-
KishanLal Choudhary	66,000	0.61	0.00	66,000	0.61	0.00	-
Bina Choudhary	56,000	0.51	0.00	56,000	0.51	0.00	-
Savitri Devi Choudhary	40,000	0.37	0.00	40,000	0.37	0.00	-
Cooltex Merchandise Pvt Ltd	21,63,000	19.83	0.00	21,63,000	19.83	0.00	-
TOTAL	58,14,000	53.30	0.00	58,14,000	53.30	0.00	-

iii) Change in Promoter's Shareholding

There are no changes in the Promoter's shareholding during the Financial Year 2018-19.

iv) Shareholding of top ten shareholders

Name of Shareholders	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
	No. of shares	% of total shares	No. of Shares	% of total shares
Nita Rajesh Dhami				
At the beginning of the year	4,60,000	4.21		
Bought/Sold during the year				
13.07.2018	-1,52,000	4.22		
11.01.2019	1,52,000	5.61		
11.03.2019	-73,320	4.94		
22.03.2019	54,739	5.44		
At the end of the year			593419	5.44
Rikhav Securities Limited				
At the beginning of the year	3,36,000	3.08		
Bought/Sold during the year				
31.03.2018	3,52,000	3.23		
8.06.2018	2000	3.25		
15.06.2018	6000	3.30		
22.06.2018	238000	5.48		
29.06.2018	-6000	5.43		
30.06.2018	-200032	3.59		
06.07.2018	-27968	3.34		
13.07.2018	16000	3.48		
27.07.2018	-12000	3.37		
03.08.2018	4	3.37		
10.08.2018	12000	3.48		
17.08.2018	8000	3.56		
24.08.2018	8000	3.63		
31.08.2018	4000	3.67		
07.09.2018	-2800	3.64		
18.09.2018	-6158	3.58		
22.09.2018	-31608	3.29		
25.09.2018	8000	3.37		
28.09.2018	4000	3.40		
29.09.2018	-1402	3.39		
5.10.2018	30000	3.67		
12.10.2018	4000	3.70		
26.10.2018	26000	3.94		
2.11.2018	-10000	3.85		
16.11.2018	-15455	3.71		
23.11.2018	-18194	3.54		
30.11.2018	-13724	3.42		
14.12.2018	4000	3.45		
21.12.2018	-12663	3.34		
28.12.2018	16000	3.48		
31.12.2018	16000	3.63		
11.01.2019	-1239	3.62		
1.02.2019	2000	3.64		
8.02.2019	6000	3.69		
1.03.2019	-1792	3.68		

11.03.2019	73320	4.35		
15.03.2019	-70742	3.70		
22.03.2019	16999	3.86		
29.03.2019	-109	3.85		
30.03.2019	-13147	3.73		
At the end of the year			4,07,290	3.73
Gallant Dealers (P) Limited	2,95,000	2.70	2,95,000	2.70
Sree Ramakrishna Alloys Limited	2,50,000	2.29	2,50,000	2.29
Tirupati Veneers (P) Ltd	2,36,000	2.16	2,36,000	2.16
Everest Ply & Veneers (P) Ltd	2,32,000	2.12	2,32,000	2.12
Choice Boards (P) Ltd	2,32,000	2.12	2,32,000	2.12
Plycom (P) Limited	2,28,000	2.09	2,28,000	2.09
Nita Rajesh Dhami	1,52,000	1.39	1,33,419	1.22
Trimudra Credit Limited	1,24,000	1.13	1,24,000	1.13
TOTAL	**25,45,000**	**23.29**	**25,89,877**	**23.37**

v) Shareholding of Directors and Key Managerial Personnel

Name of Director/KMP	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year		% change during the year
	No. of shares	% of total shares	No. of Shares	% of total shares	
Bina Choudhary	56,000	0.51	56,000	0.51	-
Sunil Choudhary	12,24,500	11.22	12,24,500	11.22	-
Ankit Gupta	NA	NA	1,04,000	0.95	0.95
TOTAL	**12,80,500**	**11.73**	**1384500**	**12.86**	**0.95**

None of the Directors or Key Managerial Personnel other than Mr. Sunil Choudhary, Ms. Bina Choudhary and Mr. Ankit Gupta held any shares of the Company during the FY 2018-19.

V. INDEBTEDNESS

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

	Secured Loans excluding Deposits (Amount in Rs.)#	Unsecured Loans (Amount in Rs.)	Deposits (Amount in Rs.)	Total Indebtedness (Amount in Rs.)
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1,05,05,35,433	13,54,40,015	-	1,18,59,75,448
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,30,659	-	-	2,30,659
Total (i+ii+iii)	**1,05,07,66,092**	**13,54,40,015**	**-**	**1,18,62,06,107**

Change in Indebtedness during the Financial Year				
• ***Addition***	2,40,76,095	5,01,42,560	-	7,42,18,655
• ***Reduction***	-	-	-	-
Net Change	**2,40,76,095**	**5,01,42,560**	**-**	**7,42,18,655**
Indebtedness at the end of the Financial Year				
i) Principal Amount	1,07,47,99,538	18,55,82,575	-	1,26,03,82,113
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42,649	-	-	42,649
Total (i+ii+iii)	**1,07,48,42,187**	**18,55,82,575**	**-**	**1,26,04,24,762**

#includes channel finance with banks/financial instituations against fixed deposits & guarantees of Directors and their relatives
*includes amount disclosed in Note 19-deferred fair value gain- On interest free loan to the financial statements forming part of the Report & Accounts.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and Manager:

Sr. No.	**Particulars of Remuneration**	**NAME OF THE MD / WTD / Manager**		**Total**
		Sunil Chaudhary	Bivor Bagaria	
		Chairman and Managing Director	Executive Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	24,00,000	60,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others (Contribution to PF, Superannuation and Consultancy fees)	-	-	-
	Total	**36,00,000**	**24,00,000**	**60,00,000**

B. Remuneration to other Directors

Particulars of Remuneration	**Name of Directors**						**Total**
	Eunny Krishnam acharyulu	Prathapa Ramesh	Puvvala Bhaskara Rao	Atul Kumar Saxena	Bina Choudhary	Swarnalatha Mandaleeka	
	ID	ID	ID	ID	NED	NED	
Fee for attending board & committee Meetings (Amount in Rs.)	7,000	3,600	7,000	7,000	5,000	200	2,89,000
Commission	-	-	-	-	-	-	-

Others, please specify	-	-	-	-	-	-	-
Total (Amount in Rs.)	**7,000**	**3,600**	**7,000**	**7,000**	**5,000**	**200**	**2,89,000**
Total Managerial Remuneration (Amount in Rs.)							**60,29,000**
Ceiling as per the Act	Rs. 84,00,000 being 10% of Net Profits of the Company has calculated as per Section 198 of the Companies Act, 2013)						

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

Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		Total
		CFO	Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,80,000	3,60,000	5,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others (Contribution to PF, Superannuation and Consultancy fees)	-	-	-
	Total	**1,80,000**	**3,60,000**	**5,40,000**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors of
Narayani Steels Limited

Sunil Chaudhary
Chairman & Managing Director
DIN: 00289479

Place: Visakhapatnam
Date: August 27, 2019

Form No-MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Narayani Steels Limited,
23A, N.S. Road, 7th Floor,
Room No-31, Kolkata-700001,
West Bengal, India.

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Narayani Steels Limited** (CIN: L27109WB1996PLC082021) (here-in-after called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period 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 compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minute books, Forms and Returns filed and other records maintained by Narayani Steels Limited for the Financial Year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company;
(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 Takeovers) Regulations, 2011;
   (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 (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges;
(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – *Not applicable as the Company has not issued any ESOP during the financial year under review;*
(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - *Not applicable as the Company has not issued any Debt Securities during the financial year under review;*
(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act; The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - *Not applicable*; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - *Not applicable as the Company did not buy back its Equity Shares during the financial year under review.*

2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:
(a) Factories Act,1948
(b) Industrial Disputes Act, 1947
(c) The Payment of Wages Act, 1936
(d) The Minimum Wages Act, 1948
(e) Employees Provident Funds and Miscellaneous Provisions Act, 1952
(f) The Payment of Gratuity Act,1972
(g) The Contract Labour (Regulation & Abolition) Act, 1970
(h) The Child Labour (Prohibition & Regulation) Act, 1986
(i) The Industrial Employment (Standing Order) Act, 1946
(j) The Employee Compensation Act, 1923
(k) Customs Act, 1962
(l) The Water (Prevention and Control of Pollution) Act, 1974
(m) The Air (Prevention and Control of Pollution) Act, 1981
(n) The Bureau of Indian Standards Act, 1986
(o) The Steel and Steel Products (Quality Control) Order, 2018;

We have also examined compliance with the applicable Clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India.

3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a) Few Forms were filed with additional fees;
b) According to the information provided, the following dues/outstanding of income tax have been continuing:

Nature of Dues	Amount (in Rs)	Forum where dispute is pending
Income Tax (F.Y. 2005-06)	6,04,053	CIT (Appeals),Kolkata
Income Tax (F.Y. 2009-10)	6,46,040	ITAT, Kolkata
Income Tax (F.Y. 2011-12)	2,05,52,000	CIT (Appeals),Kolkata
Income Tax (F.Y. 2012-13)	5,97,640	CIT (Appeals),Kolkata
Income Tax (F.Y. 2013-14)	14,97,770	CIT (Appeals),Kolkata
Income tax (F.Y. 2015-16)	10,73,416	DRP, New Delhi

c) During the Audit period, the Company has made Postal Ballot and E-voting for passing the resolutions successfully relating to "Migration of the Company from BSE SME Platform to Main Board of BSE Limited".

d) During the period under review, the Company has paid penalty of Rs. 5,000/-(excluding Tax) for delay in uploading the Financial Statement on BSE Portal.

4. We further report that-

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Non-Executive & Non-Independent Director. There have been changes in composition of Board of the Directors but that change does not affect the SEBI (LODR) Regulations, 2015 during the Financial Year 2018-19.

b) the Company has to maintain a mechanism to monitor the acknowledgement of Notice and Agenda of Board Meeting(s);

c) The Company conducted few Board Meetings on shorter notice to transact the urgent business and at least One Independent Director present in the said meetings.

d) As per the Minutes of the Meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

e) We report that there is scope to improve the systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for Compliances under other applicable Acts, Laws and Regulations to the Company.

For ASN Associates
Company Secretaries

K.Surendra
(Partner)
ACS:34205
CP No:12732

Place: Visakhapatnam
Date: 30.05.2019

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

'ANNEXURE A'

To
The Members,
Narayani Steels Limited,
23A, N.S. Road, 7th Floor,
Room No-31, Kolkata-700001,
West Bengal, India.

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 for this purpose provided a reasonable basis for our opinion.

3. The Compliance by the Company of applicable financial law like Direct and Indirect Tax Laws and maintaining of financial Records and Books of Accounts have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other designated Professionals.

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.

For ASN Associates
Company Secretaries

K.Surendra
(Partner)
ACS:34205
CP No:12732

Place: Visakhapatnam
Date: 30.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic review - Global Economy

One year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the *World Economic Outlook* (WEO) projects a decline in growth in 2019 for 70 percent of the global economy. Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps. The US Federal Reserve, in response to rising global risks, paused interest rate increases and signaled no increases for the rest of the year. The European Central Bank, the Bank of Japan, and the Bank of England have all shifted to a more accommodative stance. China has ramped up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. Furthermore, the outlook for US–China trade tensions has improved as the prospects of a trade agreement take shape. These policy responses have helped reverse the tightening of financial conditions to varying degrees across countries. Emerging markets have experienced a resumption in portfolio flows, a decline in sovereign borrowing costs, and a strengthening of their currencies relative to the dollar. While the improvement in financial markets has been rapid, those in the real economy have yet to materialize. Measures of industrial production and investment remain weak for most advanced and emerging economies, and global trade has yet to recover.

With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6 percent. This return is predicated on a rebound in Argentina and Turkey and some improvement in a set of other stressed emerging market and developing economies, and therefore subject to considerable uncertainty. Beyond 2020 growth will stabilize at around 3½ percent, bolstered mainly by growth in China and India and their increasing weights in world income. Growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth. Growth in emerging market and developing economies will stabilize at around 5 percent, though with considerable variance between countries as subdued commodity prices and civil strife weaken prospects for some.

While the overall outlook remains benign, there are many downside risks. There is an uneasy truce on trade policy, as tensions could flare up again and play out in other areas (such as the auto industry) with large disruptions to global supply chains. Growth in China may surprise on the downside, and the risks surrounding Brexit remain heightened. In the face of significant financial vulnerabilities associated with large private and public sector debt in several countries, including sovereign-bank doom loop risks (for example, in Italy), there could be a rapid change in financial conditions owing to, for example, a risk-off episode or a no-deal Brexit. With weak expansion projected for important parts of the world, a realization of these downside risks could dramatically worsen the outlook. This would take place at a time when conventional monetary and fiscal space is limited as a policy response.

It is therefore imperative that costly policy mistakes are avoided. Policymakers need to work cooperatively to help ensure that policy uncertainty doesn't weaken investment. Fiscal policy will need to manage trade-offs between supporting demand and ensuring that public debt remains on a sustainable path, and the optimal mix will depend on country-specific circumstances. Financial sector policies must address vulnerabilities proactively by deploying macro prudential tools. Low-income commodity exporters should diversify away from commodities given the subdued outlook for commodity prices. Monetary policy should remain data dependent, be well communicated, and ensure that inflation expectations remain anchored. Across all economies, the imperative is to take actions that boost potential output, improve inclusiveness, and strengthen resilience. A social dialogue across all stakeholders to address in political discontent will benefit economies. There is a need for greater multilateral cooperation to resolve trade conflicts, to address climate change and risks from cyber security, and to improve the effectiveness of international taxation.

This issue of the WEO also tackles three major developments that need to be addressed to enhance long-term growth. The first is rising inequality, the second is weak investment, and the third is rising protectionism in trade. Chapter 2 investigates the evolution of corporate market power (as measured by markups) and its ability to explain several macro phenomena, including weak investment and the declining labor shares that help fuel inequality. The finding is that the aggregate increase in markups since 2000 has been modest and, consequently, the implications for the macro economy relatively modest. There is, however, significant heterogeneity, with the aggregate increase driven mainly by a more substantial increase in markups by a small number of firms that are the more productive and innovative firms. The increase in aggregate market power therefore appears to be, as of now, less a phenomenon of poor competition and more one of winner-takes-most dynamics, where markups compensate in part for investment in intangible assets. However, going forward this market dominance could lead to unfair advantages that weaken market entry and competition and, more significantly, dampen investment and innovation. It is therefore important to cut barriers to market entry and reform and strengthen competition law to better align with the new economy.

Over the past three decades, the relative price of machinery and equipment has fallen in all countries, driven both by higher productivity in the capital-goods-producing sector and increased trade integration. This decline has supported the rise in real investment rates in machinery and equipment, benefiting developing countries. Rising trade tensions could reverse these price declines and damage investment at a time when investment is already weak, which only further emphasizes the need to quickly resolve trade disagreements.

US–China trade frictions have brought a focus on the question of whether bilateral trade imbalances can (or should) be addressed using bilateral trade measures. It demonstrates that the link between the two is precarious. Bilateral trade balances since the mid-1990s have reflected mostly aggregate macroeconomic forces known to determine aggregate trade balances at the country level and have had much less to do with bilateral tariffs. Targeting bilateral trade balances will likely only lead to trade diversion, with limited impact on country-level balances. The findings of this chapter help explain why, despite the tariff measures, the US trade deficit is the largest it has been since 2008. The chapter also establishes that the negative impact of tariffs on output is significantly higher today than in 1995 owing to the bigger role of global supply chains in world trade. This is a delicate year for the global economy. If the downside risks do not materialize and the policy support put in place is effective, then global growth will return to 3.6 percent in 2020. If, however, any of the major risks materialize, then the expected recoveries in stressed economies, export-dependent economies, and highly indebted economies may not occur. In that case, policymakers will need to adjust. Depending on circumstances, this may require synchronized, country-specific policy stimulus across economies, complemented by accommodative monetary policy.

Synchronization can make fiscal stimulus more effective through signaling effects that raise household and business confidence, and through the mitigation of leakages via imports. Finally, adequate resources for multilateral institutions remain essential to retain an effective global safety net, which would help stabilize the global economy.

Indian Economy

India emerged as the world's fastest growing major economy in FY18, despite facing external macro headwinds. The US monetary tightening, trade wars among major global partners, and rising oil prices were more than offset by robust domestic demand, a successful GST rollout, continued reforms, and increased investments in infrastructure. Inflation is contained well within the target, fiscal consolidation is on the right track, and foreign investment flows are growing. Moreover, during the past few years, the government has undertaken various reforms, and streamlined budgetary allocations amplify inclusive growth and sustainable development of the economy

Outlook

India's economy is poised to pick up further from 7.3% in FY18 to 7.5% in FY19 and 7.7% in FY20, driven by GST implementation in the exempted sectors, promotion of businesses at grassroots levels, and improved digital initiatives. The government's continued thrust on infrastructure should enable India to attract more investments while boosting consumption, aided by India's favorable demographics and continued investments in education, public health, and large-scale sanitation programs.

Industry Overview

Global Scenario

- In 2017, the world crude steel production reached 1690 million tonnes (mt) and showed a growth of 4% over 2016.
- China remained world's largest crude steel producer in 2017 (832 mt) followed by Japan (105 mt), India (101.4 mt) and the USA (82 mt).
- World Steel Association has projected Indian steel demand to grow by 7.5% in 2018 and by 7.3% in 2019 while globally, steel demand has been projected to grow by 3.9% in 2018 and by 1.4% in 2019. Chinese steel use is projected to grow by 6% in 2018 and show nil growth in 2019.
- Per capita finished steel consumption in 2017 is placed at 212 kg for world and 523 kg for China by World Steel Association. The same for India was 69 kg in 2017.

Domestic Scenario

- The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during the current year (2018) so far, from its 3rd largest status in 2017. The country is also the largest producer of sponge iron or DRI in the world and the 3rd largest finished steel consumer in the world after China & USA.
- In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31.

- The said Policy is an updated version of National Steel Policy 2005 which was released earlier and provided a long-term growth perspective for the domestic iron and steel industry by 2019-20.
- The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement. This policy seeks to accomplish PM's vision of 'Make in India' with objective of nation building and encourage domestic manufacturing and is applicable on all government tenders where price bid is yet to be opened. Further, the Policy provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

Production

- Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively.
- India is currently the 2nd largest producer of crude steel in the world.
- In 2017-18, production of total finished steel (alloy + non alloy) was 126.85 mt, a growth of 5.6% over last year.
- Production of Pig Iron in 2017-18 was 5.73 mt, a decline of 45% over last year.
- India was the largest producer of sponge iron in the world. The coal based route accounted for 79% of total sponge iron production (30.51 mt) in the country in 2017-18.
- Data on production of pig iron, sponge iron and total finished steel (alloy/stainless + non alloy) are given below for last five years,

Indian Steel Industry Production (in million tonnes)

Category	2013-14	2014-15	2015-16	2016-17	2017-18
Pig Iron	8.35	10.23	10.24	10.34	5.53
Sponge Iron	22.87	24.24	22.43	28.76	30.51
Total Finished Steel	99.38	104.58	106.60	120.14	126.85

Demand - Availability

- Industry dynamics including demand – availability of iron and steel in the country are largely determined by market forces and gaps in demand-availability are met mostly through imports.
- Interface with consumers exists by way of meeting of the Steel Consumers' Council, which is conducted on regular basis.
- Interface helps in redressing availability problems, complaints related to quality.

Steel Prices

- Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- An Inter-Ministerial Group (IMG) is functioning in the Ministry of Steel, under the Chairmanship of Secretary (Steel) to monitor and coordinate major steel investments in the country.
- As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment. Currently, GST of 18% is applicable on steel and there is no export duty on steel items. The government has also imposed export duty of 30% on all forms of iron ore except low grade (below Fe 58%) iron ore lump & fines and iron ore pellets both of which have nil export duty.
- In view of rising imports, the Government had earlier raised import duty on most steel items twice, each time by 2.5% and imposed a gamut of measures including anti-dumping and safeguard duties on a host of applicable

iron and steel items. In a further move to curb steel imports, the Indian government banned the production and sale of steel products that does not meet Bureau of Indian Standard (BIS) approval and to check the sale of defective and sub-standard stainless steel products used for making utensils and various kitchen appliances, it issued the Stainless Steel (Quality Control) Order, 2016 for products used in making utensils and kitchen appliances, that will help filter imports of the metal. Again, in February 2016, the Indian Government had imposed the Minimum Import Price (MIP) condition on 173 steel products. The MIP was extended thrice and ceased to be effective in February 2017. Currently, a mix of anti-dumping /safeguard and other measures are in place on a range of steel items to control the inflow of cheap steel. Further, a Steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyze price fluctuations and advise all concerned regarding any irrational price behavior of steel commodity.

Imports

- Iron & steel are freely importable as per the extant policy.
- Data on import of total finished steel (alloy/stainless + non alloy) is given below for last five years

Indian Steel Industry: Import of Total Finished Steel (in million tonnes)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Quantity	5.45	9.32	11.71	7.23	7.48

Exports

- Iron & steel are freely exportable.
- India emerged as a net exporter of total finished steel in 2016-17 and 2017-18.
- Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years

Indian Steel Industry: Export of Total Finished Steel (in million tonnes)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Quantity	5.99	5.59	4.08	8.24	9.62

Levies on Iron & Steel

SDF levy

- This was a levy started for funding modernisation, expansion and development of steel sector. The Fund, inter-alia, supports :
    1. Capital expenditure for modernisation, rehabilitation, diversification, renewal & replacement of Integrated Steel Plants.
    2. Research & Development
    3. Rebates to SSI Corporations
    4. Expenditure on ERU of JPC
- The SDF levy was abolished on 21.4.94
- Cabinet decided that corpus could be recycled for loans to Main Producers
- Interest on loans to Main Producers is set aside for promotion of R&D on steel etc.
- An Empowered Committee has been set up to guide the R&D effort in this sector.
- EGEAF – Was a levy started for reimbursing the price differential cost of inputs used for engineering exporters. Fund was discontinued on 19.2.96.

Indian Steel Industry – SWOT Analysis

Strengths

India has rich mineral resources. It has abundance of iron ore, coal and many other raw materials required for iron and steel making. It has the fourth largest iron ore reserves (10.3 billion tonnes) after Russia, Brazil, and Australia. Therefore, many raw materials are available at comparatively lower costs. It has the third largest pool of technical manpower, next to United States and the erstwhile USSR, capable of understanding and assimilating new technologies. Considering quality of workforce, Indian steel industry has low unit labour cost, commensurate with skill. This gets reflected in the lower production cost of steel in India compared to many advanced countries. With such strength of resources, along with vast domestic untapped market, Indian steel industry has the potential to face challenges successfully. The major strengths can be summarized as:

- Abundant resources of iron ore
- Low cost and efficient labor force
- Strong managerial capability
- Strongly globalised industry and emerging global competitiveness
- Modern new plants & modernized old plants
- Strong DRI production base
- Regionally dispersed merchant rolling mills

Weaknesses

This are inherent in the quality and availability of some of the essential raw materials available in India, e.g., high ash content of indigenous coking coal adversely affecting the productive efficiency of iron-making and is generally imported. Also, Steel is a capital intensive industry; steel companies in India are charged an interest rate of around 14% on capital as compared to 2.4% in Japan and 6.4% in USA. In India the advantages of cheap labour get offset by low labour productivity; e.g., at comparable capacities labour productivity of SAIL and TISCO is 75 t/man year and 100 t/man years, for POSCO, Korea and NIPPON, Japan the values are 1345 t/man year and 980 t/man year. High administered price of essential inputs like electricity puts Indian steel industry at a disadvantage; about 45% of the input costs can be attributed to the administered costs of coal, fuel and electricity. The major weaknesses can be summarized as:

- High cost of energy Higher duties and taxes
- High cost of capital
- Quality of coking coal
- Labor laws
- Dependence on imports for steel manufacturing equipments & technology
- Slow statutory clearances for development of mines

Opportunities

The biggest opportunity before Indian steel sector is that there is enormous scope for increasing consumption of steel in almost all sectors in India. The Indian rural sector remains fairly unexposed to their Multi-faceted use of steel. The usage of steel in cost Effective manner is possible in the area of housing, fencing, structures and other possible applications where steel can substitute other materials which not only could bring about Advantages to users but is also desirable for conservation of forest resources. Excellent potential exist for enhancing steel consumption in other sectors such as automobiles, packaging, engineering industries, irrigation and water supply in India. The key areas of opportunities can be summarized as:

- Huge Infrastructure demand
- Rapid urbanization
- Increasing demand for consumer durables
- Untapped rural demand
- Increasing interest of foreign steel producers in India

Threats

The linkage between the economic growth of a country and the growth of its steel industry is strong. The growth of the domestic steel industry between 1970 and 1990 was similar to the growth of the economy, which as a whole was sluggish. This strong relation in today's environment where the growth of the industry has become stagnant owing to the overall slowdown has resulted in enhanced rivalry among existing firms. As the industry is not growing the only other way to grow is by increasing one's market share. The Indian steel industry has witnessed spurts of price wars and heavy trade discounts, which has impacted the Indian Steel Industry.

- Slow growth in infrastructure development
- Market fluctuations and China's export possibilities
- Global economic slow down
- Govt. Regulations in Steel Sector

Subsidies

- Interest Subsidy – Huge amount of interest subsidy id provides by Indian govt. to PSUs in this sector. In the budget of 2008-09, a total of 60.72 crores of intersest subsidies were provided for the implementation of VRS scheme. Since VRS was for govt. companies so private sector didn't got affected by the VRS scheme, so in a way this subsidy was justified. The benefactors were Hindustan Steelworks Construction Ltd. and MECON.

- Waiver of guarantee fees – Waiver of guarantee fee was on the guarantee given by Govt. of India for cash credit and Bank guarantee and for loans raised from Banks for implementation of VRS. The benefactors were Hindustan Steelworks Construction Ltd., Bharat Refractories Ltd. and MECON

- Capital Investment Subsidies – Indian Govt. provides capital investment subsidies to PSUs. Govt. controlled Steel Development Fund helps PSUs and in private sector Tata steel by providing subsidized capital for financial Restructuring. However, new entrants, like Essar, Ispat and JVSL, who are negotiating with financial institutions (FIs) for capital restructuring, may feel the pinch.

Also, many state governments provide subsidized large capital investments such as new mill construction. The following states have actively engaged in capital incentive grants: Maharashtra, Karnataka, Jharkhand, Andhra Pradesh, and Chhattisgarh.

Other Regulations

Programs that reduce or eliminate customs duties borne by steel producers, based on their exports. The "Advanced License Program" allow steel producers to import key inputs without paying basic customs fees.

Iron export restraints that result in the sale of iron ore by India's National Mining Development Council (NMDC) for less than cost. The NMDC has sold high-grade iron ore to steel producers at less than market value.

Programs that provide steel producers with subsidized loans, lines of credit, tax exemptions, and loan guarantees. The Reserve Bank of India has developed a program through which steel producers can obtain export financing. The government-owned SAIL has received loan forgiveness under the "Steel Development Fund."

The awarding of "captive mining" rights for iron ore at less than cost. SAIL, Tata, JSW, and Jindal Steel and Power Limited have acquired iron ore from state-owned land at highly preferential rates estimated at one-fourth of market value.

Exemptions from taxes and duties, as well as additional subsidies, for producers operating in "Special Economic Zones." Under the 2005 SEZ Act, the Government of India has provided a variety of duty, tax, and fee exemptions.

Export tariffs on iron ore supply – In June 2008, India enacted export tariffs of 15 percent on all grades of iron ore, pig iron, and ferrous scrap. India revised its exports tariffs again in October and November 2008: the export tariff on pig iron has been revoked, but tariffs on iron ore and ferrous scrap remain in place. In addition, India maintains restrictions on the exports of certain high-grade iron ore. by India's rapidly growing steel industry. Meanwhile, the GOI also announced plans for increased duties on imports of certain steel products in late 2008."

Anti-Dumping Rules – These are the measures to safeguard domestic industry from cheap steel exports of other countries. Recently, the government of India has levied anti-dumping duties on certain types of stainless steel that are shipped in from countries like China and Japan. The anti-dumping duties were imposed after finding that certain types of imported steel are landing at below the normal value in the country's port. The subject countries will pay the duties in Indian currency, notified the board. The Central Board of Customs and Excise imposed the duties by saying that the domestic industry has suffered badly due to the imports from other countries.

Licenses
Iron ore mining licenses – Iron being the basic raw material required such licenses play a major role in defining steel companies supply.

Potential entrants
The threat of potentially new entrants in the steel industry is low due to the high entry barriers that are present.

Capital Requirement – Steel industry requires heavy investment in a plant: blast furnace, basic oxygen converters, rolling mills, transportation and infrastructure to deliver high volume of raw materials and so on. It is estimated that between Rs 25-Rs.30 bn. is required to set up an integrated steel plant of 1 MTPA capacity depending on location of plant and technology used. Very few companies will be able to gather this kind of resources and it reduces the likelihood of new entrants.

Government Policy – Steel industry is a heavily protected industry and the government also has a favourable policy for steel manufacturers. The government can use a variety of strategies like tariffs, subsidies loan and import restrictions to ensure the competitiveness of the domestic market. As a result of government regulations and protections, it has often allowed the domestic steel market to continue operations even when better, cheap quality steel could be imported from another country. Also the steel market face environment regulations and industries are legally bound to develop cleaner and more efficient technologies. Regulation clearances and other issues are some other major concerns of new entrants.

Economies of Scale – Economies of scale are the cost advantages a business has due to expansion. The average cost of production of the firm decreases as the output increases. As far as steel sector is concerned, economies of scale reduce the costs, R&D expenses and industries with economies of scale have better bargaining power while sourcing raw materials.

Power of Buyers
The buyers in the steel industry are usually quite large like some of the major steel consumption sectors like automobiles, oil & gas, consumer durables, power generation which enjoy high bargaining power and obtain better deals for themselves. This tends to strengthen the buyer power somewhat. However steel is widely used in a wide variety of applications and steel companies can rely on relatively large number of customers overall which reduces the buyer power. There is not too much to distinguish between the products of companies in the market although some companies try to differentiate themselves by focussing on added-value speciality products. Lack of product differentiation tends to increase buyer power. However certain companies like TATA Steel enjoy a premium on their products because of its quality and its brand value. The buyers' tend to enjoy a moderate level of power due to the relatively high no. Of players, low product differentiation and easy access to global markets.

Power of Suppliers
The key inputs for the steel industry are iron ore and metallurgical coal. The prices of these commodities are generally determined by large scale market forces which are beyond the control of individual steel making companies. Therefore in order to reduce suppliers' power, some of the steel making companies go for backward

integration. This strategy requires significant capital but it may be advantageous in the long run as the steel company need not depend on third party suppliers and it might offer the company an additional source of revenue if it can sell its raw materials to other companies. Some of the market players also tend to enter into long term contracts with their suppliers in order to fix price and protect against fluctuations.
The bargaining power of suppliers is low for fully integrated steel plants like TATA STEEL which have their own mines of key raw materials like iron ore. However non-integrated or semi integrated steel plants like SAIL which import coking coal has to depend on suppliers. In India, NMDC is a major supplier to standalone and non-integrated steel plants.

Threat of Substitutes
There are potential substitutes for steel available like steel reinforced concrete in building construction and aluminium or less common materials like fibreglass (glass-reinforced plastic).In fact, in the automobile industry where manufacturers are looking to use lighter materials aluminium or fibreglass can be especially advantageous. Automobile industry is one of the biggest markets for steel and steel faces competition from plastic and other composites. An aluminium car may be lighter and so more fuel efficient than a steel car. Furthermore, while metals such as steel can corrode, reinforced plastic is more durable. It is therefore possible for substitutes to fulfil the buyers' needs more effectively than the original commodity. Steel has already been replaced in some large volume applications: railway sleepers (RCC sleepers), large diameter water pipes (RCC pipes), small diameter pipes (PVC pipes), and domestic water tanks (PVC tanks).The ability of consumers to adopt these substitutes means that steelmakers cannot raise their prices indefinitely since at some point the substitute will turn out to be more cost effective.

In spite of these factors, these alternatives are not very good replacements for steel. Aluminium is not preferable as a substitute for steel since the high cost of electricity used for the purification and extraction of aluminium in India outweighs its advantages as a substitute for steel in automobile industry. Using these substitutes would require substantial re-tooling of the assembly line. Certain large building and civil engineering projects which gain their structural strength from steel would become very difficult to construct if they are constructed using materials such as reinforced concrete. Thus although substitutes might be favourable in certain situations, switching costs are likely to be high. Thus the threat from substitutes is low.

Competition
The steel market is represented by several large players offering similar products and services. Steel is a commodity which is difficult to diversify strongly and being a commodity branding is not common and there is little difference between competing products. Although different customers require steel with different specifications(e.g. consistency in physical properties of steel, variations in strength, hardness, and bending properties) and steel producers try to specialize in order to reduce the competition but in doing so they also limit the size of their potential market. Therefore, the relative lack of diversification increases rivalry.
Large companies present in the steel industry can take advantage of scale economies. The exit barriers are also high since many of the major tangible assets are highly specific to steel industry which makes it difficult to divest. As a result the steel makers are motivated to exist in the steel industry even when the market conditions are not good which tends to increase rivalry. The steel industry in India is also affected by macroeconomic conditions which further intensify rivalry.

Conclusion
The Indian steel industry has to factor in higher transaction costs, logistics costs and railway freight costs as compared to countries such as China and South Korea. Even electricity and interest costs in India are quite high, which makes the industry uncompetitive. As for labour costs, the industry suffers a comparative disadvantage vis-

à-vis Russia, China and South Korea, even though wage rates are low in India. This is because the labour cost per tonne in India is much higher than these three countries, and therefore, labour productivity is very low.
Yet, most of the major Indian steel producers have gained some competitive edge over the years. The Indian steel manufacturers also enjoy other advantages like abundant supply of raw materials, skilled technical manpower, low wage rates and locational advantages. These provide about 55-60 per cent advantage in terms of operational costs.
In the final analysis, it is imperative that Indian steel companies become significantly more competitive by improving productivity further and going in for rapid technological upgradation. The companies need to shift focus to competing on superior products and processes, rather than competing on factor endowments. This becomes all the more important since giants like POSCO have realised the competitive advantage that India offers and decided to establish a manufacturing base in India. With international steel giants such as POSCO breathing down the neck of Indian steel makers, it will be even more difficult for the latter to face competition in both domestic as well as international markets.
As for POSCO and ArcellorMittal, who are facing huge roadblocks in setting up their plants in India due to land acquisition and mining licence issues, they can pursue projects with lesser hassle in other developing countries like Mexico and Vietnam. In India, they have the support of the government and hence, gradually they have to appease the tribal people that setting up a steel plant will be to their benefit. The tribal people must be compensated in a commensurate manner and all environmental protocols must be maintained. Then the foreign MNCs can expect to have a smooth road ahead in their Indian ventures.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The highlights of overall performance are as follows

(Amount in Lakhs)

Particulars	2018-19	2017-18
Total revenue including other income	75484.36	78256.68
Total Expenditure	75141.68	77885.90
Profit / (Loss) before tax	342.68	370.78
Exceptional Item	-	76.82
Tax Expenses	123.70	116.72
Profit / (Loss) after tax	218.98	177.26
EPS Weighted Average		
-Basic (Rs.)	2.03	1.64
-Diluted (Rs.)	2.03	1.64

Key Financial Ratios:

Particulars	2018-19
Return on Net Worth (%)	6.32
Return on Capital Employed (%)	13.13
Basic EPS (after exceptional items) (Rs.)	2.03
Debtors Turnover	3.36
Inventory Turnover	6.03
Interest coverage ratio	0.27
Current ratio	0.79

Debt Equity ratio	0.37
Operating profit margin (%)	2.26
Net profit margin (%)	0.3

Detailed explanation of ratios

i. **Return on Net Worth**
Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed during the year.

ii. **Return on Capital Employed**
Return on Capital Employed (ROCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital. It is calculated by dividing profit before exceptional items and tax by average capital employed during the year.

iii. **Basic EPS**
Earnings Per Share (EPS) is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability.
It is calculated by dividing Profit for the year by weighted average number of shares outstanding during the year.

iv. **Debtors Turnover**
The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

v. **Inventory Turnover**
Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.

vi. **Interest Coverage Ratio**
The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

vii. **Current Ratio**
The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

viii. **Debt Equity Ratio**
The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.

ix. **Operating Profit Margin (%)**
Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover.

x. **Net Profit Margin (%)**
The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability and fairness in all transactions in the widest sense. The Company is committed to take the business decisions in the right way, follow ethical practices and comply with all the applicable legislations. The Company views corporate governance more as way of business life than a mere legal obligation. The Company constantly endeavor's to follow the best Corporate Governance practices and also ensures that its Board of Directors are well informed and well equipped to discharge overall responsibilities and provide management with strategic directions.

It forms part of business strategy which includes, inter alia, creating an organization intended to maximize wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards entire community and society.
At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a Code of Corporate Governance but in practicing it. 'Corporate Governance' is not an end, it is just a beginning towards growth of Company for long term prosperity.

THE BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by shareholders for overseeing Company's overall functioning. The Board provides strategic direction to the Company, evaluates management policies and its effectiveness and ensures that long term interests of shareholders are being served.
The Board of Directors of the Company has an appropriate mix of Executive, Non-Executive, Women and Independent Directors to maintain the Board's independence, and separate its governance and management functions. Currently, the Board comprises of two Executive, one Non-Executive and three Independent Non-Executive Directors.

The composition of the Board is in conformity with the Companies Act, 2013 ("the Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") enjoining specified combination of Executive, Non-executive and Independent Directors with one Woman Director.

None of the Directors on the Board of the Company is member of more than ten Committees or Chairman of more than five Committees across all the Indian Public Limited Companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and none of them hold Directorship in more than twenty companies, or more than ten public companies. All Directors except Independent Directors are liable to retire by rotation. The appointment of the Executive Directors including the tenure and terms of remuneration are also approved by the members at the first meeting after the said appointment.
The required information, including information as enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('the Listing Regulations') is made available to the Board of Directors for discussions and consideration at Board Meetings. The Executive Director and the Chief Financial Officer (CFO) have certified to the Board upon inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2019.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company's Business Policies and Strategies apart from other regular business matters. The Meetings are pre-scheduled and a tentative calendar of the Board and Committee Meetings are circulated to all Directors and invitees well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Chairman, CEO/CFO and functional heads of the Company. The agenda is circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the directors to take an informed decision. Usually meetings of the Board are held at the Corporate Office of the Company at Visakhapatnam.

During the year under review, twenty five Board meetings were held on April 5, 2018, April 19, 2018, May 3, 2018, May 11, 2018, May 28, 2018, June 9, 2018, June 11, 2018, June 16, 2018, July 16, 2018, July 30, 2018, August 20, 2018, August 31, 2018, September 10, 2018, November 5, 2018, November 14, 2018, November 21, 2018, December 3, 2018, December 31, 2018, January 21, 2019, February 1, 2019, February 5, 2019, February 15, 2019, February 28, 2019, March 25, 2019 and March 30, 2019. The Company has complied with the terms of section 173(1) of Companies Act, 2013 ('the Act') and the Listing Regulations by conducting minimum 4(four) meetings of Board of Directors during the year and the maximum time-gap between any two meetings did not exceed 120 days.

Attendance of Directors at Board Meetings, Last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees and Shareholdings of each director in the Company is as under:

Sr. No.	Name & Designation	Category	Attendance in Financial Year 2018-19		Number of Directorships in other Companies as on March 31, 2019		Committee Membership and Chairmanship in other Companies as on March 31, 2019	Shareholding in the Company as on March 31, 2019
			Board Meetings (attended/ held)	AGM	Public	Private		
1.	Mr. Sunil Choudhary (DIN: 00289479)	Chairman & Managing Director	25/25	✓	1	2	0	12,24,500
2.	Mr. Bivor Bagaria* (DIN: 6765822)	CFO & Executive Director	24/25	✓	1	2	0	-
3.	Mr. Ankit Gupta** (DIN: 08415248)	CFO & Executive Director	NA	NA	0	0	0	1,04,000
4.	Ms. Bina Choudhury (DIN: 00299534)	Non-Executive Director	25/25	✓	0	0	0	56,000
5.	Mr. Krishnamacharyulu Eunny (DIN: 07281774)	Independent Director	25/25	✓	0	0	0	-
6.	Mr. Bhaskararao Puvvala	Independent Director	25/25	✓	0	0	0	-

Sr. No.	Name & Designation	Category	Attendance in Financial Year 2018-19		Number of Directorships in other Companies as on March 31, 2019		Committee Membership and Chairmanship in other Companies as on March 31, 2019	Shareholding in the Company as on March 31, 2019
			Board Meetings (attended/ held)	AGM	Public	Private		
	(DIN: 07282264)							
7.	Mr. Atul Kumar Saxena (DIN: 07284335)	Independent Director	25/25	✓	0	0	0	-
8.	Ms. Swarnalatha Mandaleeka# (DIN: 08398259)	Non-Executive Director	1/1	NA	NA	NA	0	-
9.	Mr.Prathapa Ramesh## (DIN: 07821821)	Independent Director	12/12	No	0	0	0	-

* Mr. Bivor Bagaria ceased to be CFO w.e.f. 29.03.2019 and Director w.e.f. 30.03.2019

** Mr. Ankit Gupta was appointed as CFO w.e.f. 30.04.2019 and as Executive Director w.e.f 06.04.2019

\# Ms. Swarnalatha Mandaleeka was appointed as director w.e.f. 25.03.2019 and ceased to be director w.e.f. 30.03.2019

\#\# Mr. Prathapa Ramesh ceased to be director w.e.f. 31.08.2018

No Convertible instruments were issued and held by the directors in financial year 2018-19

Inter-se Relationship among Directors

There is no inter-se relationship among the Directors except Mrs. Bina Chaudhary who is the spouse of Mr. Sunil Chaudhary, Chairman of the Company.

Independent Directors

Selection

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee (NRC), for appointment, as Independent Directors on the Board. The NRC, inter alia, considers various metrics and adheres to various processes in accordance with the Company's Policy for selection of Directors and determining their independence.

Number of Independent Directorships

None of the independent directors hold directorship in more than the permissible limits under the Companies Act and listing regulations.

Declaration by Independent Directors

A statement, in connection with fulfilling the criteria of independence as per the requirement of the provisions of the Act and the Regulation 25 of Listing regulations received from each of independent director, is disclosed in the Board's Report. The maximum tenure of the Independent Directors is in compliance with the Act.

Familiarisation Programme for Independent Directors

The Familiarization Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk

management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Act and other statutes.
The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at www.narayanisteels.com

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and Listing Regulations, the Board in consultation with the NRC has formulated a framework containing inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors including independent directors. The framework is monitored, reviewed and updated by the Board in consultation with the NRC, based on need and new compliance requirements.

For evaluation of entire Board and its Committees, a structured questionnaire, covering various aspects of the functioning of the Board and its Committees is in place. Similarly for evaluation of individual Director's performance, the questionnaire covers various parameters like his/her profile, contribution in the Board/Committee meetings, duties, obligations, regulatory compliances etc.

For the performance evaluation of the chairman, executive directors and independent directors, certain additional parameters depending upon their roles and responsibilities, are also considered. Accordingly, the annual performance evaluation of the Board, its committees and each director was carried out for the financial year 2018-19.

The Independent Directors had met separately on February 15, 2019, without the presence of non-independent directors and the members of management and discussed, inter-alia, the performance of non-independent directors and Board as a whole, the performance of the Chairman of the Company after taking into consideration the views of executive and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board of Directors to effectively and reasonably perform their duties. The performance evaluation of all the independent directors have been done by the entire Board, excluding the director being evaluated. On the basis of performance evaluation the Board determines whether to extend or continue their term of appointment, whenever the respective term expires.

MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

The Board has identified the following core skills/expertise/competencies as required in the context of the context of Company's business(es) and sector(s) for it to function effectively and these are actually available with the Board.

Skills/expertise/competence	**Whether available with the Board or not?**
Industry knowledge/experience	
Experience	Yes
Industry knowledge	Yes
Understanding of relevant laws, rules, regulation and policy	Yes
International Experience	Yes
Technical skills/experience	
Accounting and finance	Yes
Business Development	Yes
Information Technology	Yes

Skills/expertise/competence	Whether available with the Board or not?
Talent Management	Yes
Leadership	Yes
Compliance and risk	Yes
Legal	Yes
Business Strategy	Yes
Behavioral Competencies	
Integrity and ethical standards	Yes
Mentoring abilities	Yes
Interpersonal relations	Yes

The Directors expressed their satisfaction with evaluation process.

Committees of the Board

The Board Committees play a vital role in strengthening the Corporate Governance practices focussing effectively on the issues and ensuring expedient resolution of the diverse matters. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of proceedings of meetings of all the Committees are periodically placed before the Board for its review.
The Board has constituted three Committees, namely Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The Board is authorised to constitute additional functional Committee(s), from time to time, depending on business needs.

Procedure at Committee Meetings
The Company's guidelines relating to Board Meetings are applicable to Committee Meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function.

i. Audit Committee

The Audit Committee is constituted in terms of the provisions of Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations. As at March 31, 2019, the Audit Committee comprises the members as stated below:

Name of the Member	Category	Positions	Meetings Attended
Mr. EunnyKrishnamacharyulu	Independent Director	Chairman	2
Mr. Bhaskararao Puvvala	Independent Director	Member	4
Mr. Atul Kumar Saxena	Independent Director	Member	4

During the Financial Year 2018-19, the Committee met four times on May 28, 2018, July 16, 2018, November 14, 2018 and February 15, 2019, May 28, 2018 and July 16, 2018.

Note: For the meeting held on May 28, 2018 and July 16, 2018, Mr. Prathapa Ramesh was Chairman of the Audit Committee. After the resignation of Mr. Pratahapa Ramesh, Mr. Eunny Krishnamacharyulu was appointed as Chairman of the Audit Committee.

All members of the Audit Committee have accounting and financial management expertise. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting, recommendation for appointment of auditors including cost auditors and approval for payments to auditors. The Audit Committee oversees the work carried out in the financial reporting process by the management, internal auditor, statutory auditor cost auditor and secretarial auditor and notes the processes and safeguards employed by each of them and changes, if any, in accounting policies, procedure and reasons for the same.

Terms of Reference:

The broad terms of reference includes the following as is mandated in Part C of Schedule II of the Listing Regulations and Section 177 of the Act:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the company with related parties.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management the annual financial statements and auditors' report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of SEBI (Listing obligations and Disclosure Requirements), Regulations, 2015.
- Reviewing, with the management the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.

- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Examination of the financial statement and the auditors' report thereon
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/or advances from/investment by holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments

M/s. A.C. Bhuteria & Co., Chartered Accountants, registered with the Institute of Chartered Accountants (Firm Registration No. 303105E), the Statutory Auditor of the Company, are responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

Internal Control

The Company has an adequate internal control system to effectively and efficiently manage the business operations. The internal audit department closely monitors the compliance of all operations with prescribed business standards. The audit team supervises all internal processes and recommends necessary changes to ensure any deviation which is promptly addressed. Any variance from the budget is flagged off to the senior management which advises modification to ensure strict adherence to compliances. Periodic monitoring and effective implementation of recommendations ensure high business compliance with adequate adherence to rules and regulations that govern the Company. The controls also ascertain the reliability of financial controls and strict adherence to compliance as per applicable laws and regulations. The internal control system ascertains optimal utilisation of all resources and proper documentation of financial transactions. The function also ensures strict adherence to compliance.

ii. Stakeholders' Relationship Committee

The composition and the terms of reference of Stakeholders' Relationship Committee meets with the requirements of the Listing Regulations and provisions of the Act. During the year under review, four meetings of Stakeholders Relationship Committee were held on May 28, 2018, July 16, 2018, November 14, 2018 and February 15, 2019.

As at March 31, 2019, the Stakeholders' Relationship Committee comprises the members as stated below:

Name of the Member	Category	Positions	Meetings Attended
Mr. Atul Kumar Saxena	Independent Director	Chairman	4
Mr. Bhaskararao Puvvala	Independent Director	Member	2
Mr. Eunny Krishnamacharyulu	Independent Director	Member	4

Note: For the meeting held on May 28, 2018 and July 16, 2018, Mr. Eunny Krishnamacharyulu was Chairman and Mr. Prathapa Ramesh was member of the Committee. After the resignation of Mr. Pratahapa Ramesh, Mr. Bhaskararao Puvvala was appointed as Member and Mr. Atul Kumar Saxena was appointed as Chairman of the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee functions with the objective of looking into the redressal of Shareholder's/Investor's grievances, including complaints relating to transfer and transmission of securities, issuance of duplicate securities, dematerialization /rematerialization of securities, non-receipt of dividends, compliance under the Act and Listing Regulations and such other grievances as may be raised by the security holders from time to time, oversees the performance of company's registrar and transfer agent, monitor the implementation and compliance with company's code of internal procedure and conduct for prevention of insider trading. The Stakeholders Relationship Committee is primarily responsible to:

- Review statutory compliance relating to all securities holders.
- Consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of securities, non-receipt of annual report/declared dividends/ notices/ balance sheet.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Other details pertaining to Stakeholders' Relationship Committee are as follows:

a)	Name of Non-Executive Director heading the Committee	Mr. Atul Kumar Saxena
b)	Name and designation of Compliance Officer	Mr. Arun Kumar Meher Company Secretary & Compliance Officer
c)	No. of shareholders' complaints received so far	NIL
d)	Number not solved to the satisfaction of shareholders	NIL
e)	Number of pending complaints	NIL

iii. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in terms of the provisions of Section 178 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations. As at March 31, 2019, the Nomination and Remuneration Committee comprises the members as stated below.

Name of the Member	Category	Positions	Meetings Attended
Mr. Eunny Krishnamacharyulu	Independent Director	Chairman	4
Mr. Bhaskararao Puvvala	Independent Director	Member	4
Mr. Atul Kumar Saxena	Independent Director	Member	2

During the financial year 2018-19, the Committee met four times on May 28, 2018, July 16, 2018, November 14, 2018 and February 15, 2019.

Note: For the meeting held on May 28, 2018 and July 16, 2018, Mr. Prathapa Ramesh was member of the Committee. After resignation of Mr. Prathapa Ramesh; Mr. Atul Kumar Saxena was appointed as member of the Audit Committee.

The Nomination and Remuneration Committee (NRC) of the Company functions in accordance with the Act and Listing Requirements, which are reviewed from time to time.

The role and responsibility of Nomination and Remuneration Committee are as follows:

- Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and CEO.

- Review and recommend to the Board the criteria for Board membership, including assessment of necessary and desirable competencies of Board members.

- Assist the Board as required to Identify individuals who are qualified to become Board members (including in respect of executive directors).

- Review and recommend to the Board membership of the Board, including recommendations for the appointment and re-election of directors, and where necessary propose candidates for consideration by the Board, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves.

- Assist the Board as required in relation to the performance evaluation of the Board, its Committees and individual directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.

- Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.

- Ensure that an effective induction process is in place for any newly appointed director and regularly review its effectiveness.

- Review the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and key managerial personnel of the quality required to run the company successfully.

- Review relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

- Remuneration to directors, key managerial personnel and senior management involves a balance reflecting short and long term performance objectives appropriate to the working of the company and its goals.

- In addition, it also takes into account the financial position of the Company, the industrial trend, appointee's experience, past performance and past experience etc. and strives to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

Remuneration Policy

a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
   - to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
   - to attract and retain skilled executives;
   - to ensure any termination benefits are justified and appropriate.

b) In the discharge of the Committee's responsibilities, no director or executive should be directly involved in determining their own remuneration.
c) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
d) The Committee chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's Remuneration arrangements.

Remuneration paid to Directors

Details of remuneration paid to Directors of the Company for the financial year ended on March 31, 2019 is as under:

Details of Remuneration to the Executive Directors

Name of the Directors	Salary	Sitting Fees	Retirement benefits/ Bonuses/ Commission payable/ Performance linked incentive/ pension/Stock options granted	Contribution to PF and Perquisites	Total
Mr. Sunil Choudhary	36,00,000	Nil	Nil	Nil	36,00,000
Mr. BivorBagaria	24,00,000	Nil	Nil	Nil	24,00,000
Mr. Ankit Gupta	1,80,000	Nil	Nil	Nil	1,80,000
Ms. Bina Choudhary	Nil	5,000	Nil	Nil	5,000
Mr. Eunny Krishnamacharyulu	Nil	7,000	Nil	Nil	7,000
Mr. Bhaskararao Puvvala	Nil	7,000	Nil	Nil	7,000
Mr.Atul Kumar Saxena	Nil	7,000	Nil	Nil	7,000
Ms.SwarnalathaMandaleeka#	Nil	200	Nil	Nil	200
Mr.Prathapa Ramesh	Nil	3,600	Nil	Nil	3,600

There is no pecuniary relationship or transaction between the Company and any of the Non-Executive Directors. The Company does not have any stock option scheme.
None of our Directors are eligible for any severance fees.

Criteria of making payment to Non-Executive Directors:

Based on the recommendation of the Nomination and Remuneration Committee, the Board decides the remuneration to be paid to the Non – Executive Directors of the Company, in accordance with the provisions of the Articles of Association of the Company, the Companies Act, 2013 read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration to Non- Executive Directors consists of the following:
- Sitting fees for attending meetings of the Board or Committees thereof within the overall limits as provided in the Companies Act 2013 from time to time.

GENERAL BODY MEETINGS

i. Location and time for the last three Annual General Meetings (AGMs):

AGM	Financial year	Date	Location	Time
21st AGM	2015-2016	May 31, 2016	23A, N.S. Road, 7th Floor, Room No-31, Kolkata-700 001, West Bengal, India	10:00 a.m
22nd AGM	2016-2017	August 30, 2017	23A, N.S. Road, 7th Floor, Room No-31, Kolkata-700 001, West Bengal, India	10:00 a.m
23rd AGM	2017-2018	September 25, 2018	23A, N.S. Road, 7th Floor, Room No-31, Kolkata-700 001, West Bengal, India	3:00 p.m.

ii. Special Resolutions:

a) Details of special resolutions passed in the Annual General Meetings during the last three financial years are as follows:

Date of Annual General Meeting	Number of Special resolutions passed	Details of Special Resolutions
May 31, 2016	3	1. To accord consent for keeping, maintaining and preserving the registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92, at the corporate office of the company instead of keeping and maintaining the same at registered office of the company. 2. To approve and ratify the related party transactions entered by the company for the financial year 2015-16. 3. To grant approval for entering into related party transactions by the company for the financial year 2016-17.
August 30, 2017	3	1. Approval for Related Party Transactions under Section 188 of the Companies Act, 2013 2. To delegate the Borrowing Powers to the Board of Directors of the Company 3. To mortgage and/or create charge on the properties of the Company both present and future for availing the Loan/Credit Facilities from the banks and financial institutions from time to time.
September 25, 2018	1	Authorisation to Board Of Directors to extend loan, guarantee or security to the companies in which Directors are interested

b) Details of special resolutions passed in the Extra-Ordinary General Meetings during the last three financial years:

No Extra-Ordinary General Meeting has been held during last three financial years.

iii. **Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern**

During the year, the Company sought the approval of the shareholders through notice of postal ballot dated January 13, 2019 for migration of Company from BSE SME Platform to Main Board

Details of Voting Pattern were as under:

Resolution required (Ordinary/Special)			Special Resolution: Migration from BSE SME Platform to Main Board of BSE Limited					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on Outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes– against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	58,14,000	58,14,000	100.00	58,14,000	-	100.00	0.00
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**58,14,000**	**58,14,000**	**100.00**	**58,14,000**	**-**	**100.00**	**0.00**
Public - Institutions	E-Voting	0	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**0**	**-**	**-**	**-**	**-**	**-**	**-**
Public – Non Institutions	E-Voting	14,16,000	14,16,000	100.00	14,16,000	-	100.00	0.00
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**14,16,000**	**14,16,000**	**100.00**	**14,16,000**	**-**	**100.00**	**0.00**
Total		**72,30,000**	**72,30,000**	**100.00**	**72,30,000**	**-**	**100.00**	**0.00**

MEANS OF COMMUNICATION

i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the format prescribed by Regulation 33 of the Listing Regulations within prescribed time limits. Quarterly results are submitted to the BSE in terms of the requirements of Regulation 33 of the Listing Regulations.

ii. The quarterly/half yearly and annual financial results are regularly submitted to BSE in accordance with the Listing Regulations and published in one English national daily newspaper circulating in the whole or substantially the whole of India i.e. Business Standard and one Bengali daily newspapers i.eAajkaal.

ii. The Company's website www.narayanisteels.comcontains a separate dedicated section "investors" where shareholders information is available. Full Annual Reports are also available on the website in a user- friendly and downloadable format.

iii. The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors / analysts (if any) on its website i.e. www.narayanisteels.com. This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are updated at all times.

PREVENTION OF INSIDER TRADING

The Company has instituted mechanism to avoid Insider Trading. In accordance with the SEBI (Prevention of Insider Trading) Regulations, 2015 as amended, the Company has established systems and procedures to restrict insider trading activities and has framed a Code of Fair Disclosure and Conduct to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The said Code of Fair Disclosure and Conduct is available on the Company's website i.e.www.narayanisteels.com

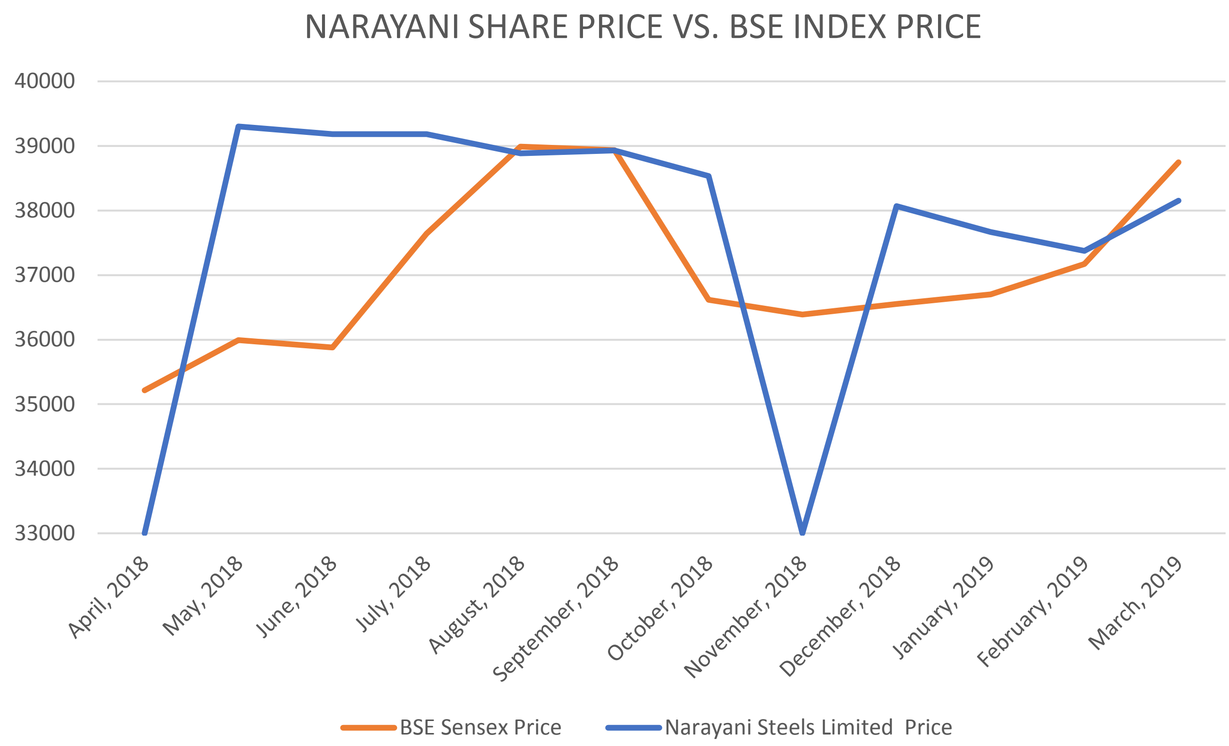
GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting - Date, Time and Venue	Date: September 30, 2019 Time: 03.00 p.m. Venue: 23A. N.S. Road, Room No. 31, 7th Floor, Kolkata – 700001, West Bengal
2.	Financial Year	March 31, 2019
3.	Date of Book Closure	September 24, 2019 to September 30, 2019
4.	Dividend	No Dividend has been declared
5.	Stock Exchanges	The equity shares of your Company are listed on BSE Limited (BSE) Address:- P. J. Towers, Dalal Street, Fort, Mumbai - 400 001
6.	Payment of Listing Fees	The Company has paid annual listing fees for the financial year 2019-20 to the BSE within stipulated time
7.	Stock Code	540080
8.	Registrar to issue & Share Transfer Agents	**Bigshare Services Private Limited** 1st Floor, Bharat tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra
9.	Share Transfer System	The Board of Directors has delegated the authority to transfer the shares to M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company. The Share Transfer Agent attends to share transfer formalities, if any.
10.	Plant Location	Plot No.A1 and A2,Industrial Estate,V.T.Agrahaham,Vizianagaram,Andhra Pradesh – 535004
11.	Address for Correspondence	Mr. Arun Kumar Meher, Company Secretray Door No. 49-24-66,Plot No 5, 2nd Floor, Sankarmatam Road, Madhuranagar, Allipuram Visakhapatnam, Andhra Pradesh – 530016

12.	Dematerialization of Shares and liquidity	As on March 31, 2019, 99,08,000 equity shares of the Company constituting 90.82% of the equity share capital are held in Dematerialized form. The equity shares of the Company are traded only in dematerialized form in the BSE
13.	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company' s Registrar and Share Transfer Agent M/s Bigshare Services Private Limited
14.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Bigshare Services Private Limited at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),Mumbai,Maharashtra,400059 or Mr. Arun Kumar Meher, Company Secretary - Door No.49-24-66, Plot No 5, 2nd Floor, Sankarmatam Road, Madhuranagar, Allipuram Visakhapatnam, Andhara Pradesh – 530016
15.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on March 31, 2019

a. Market Price Data & comparison to BSE Sensex

Month	**Narayani Steels Limited Price at BSE**		**BSE Sensex**	
	High Price	**Low Price**	**High price**	**Low price**
April, 2018	-	-	35213.30	32972.56
May, 2018	54.00	54.00	35993.53	34302.89
June, 2018	53.00	50.00	35877.41	34784.68
July, 2018	53.00	50.25	37644.59	35106.57
August, 2018	50.45	50.00	38989.65	37128.99
September, 2018	50.85	47.00	38934.35	35985.63
October, 2018	47.45	41.00	36616.64	33291.58
November, 2018	-	-	36389.22	34303.38
December, 2018	43.45	41.45	36554.99	34426.29
January, 2019	40.00	40.00	36701.03	35375.51
February, 2019	37.50	35.50	37172.18	35287.16
March, 2019	44.15	25.00	38748.54	35926.94



b. Share Transfer System

Pursuant to SEBI Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and D&CC/FITTC/CIR- 18/2003 dated 12/02/2003, M/s. Bigshare Services Private Limited which is already the DepositoryInterface of the Company for both National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), has been appointed as Registrar and Transfer Agents ("RTA") w.e.f. 31/03/2003 for all the work related to share registryin terms of both physical and electronic holdings.

Share transfers in physical form can be lodged with our RTA. Thetransfers are normally processed within a period of 15 days from thedate of receipt, if the documents are complete in all respects.TheCompany has constituted a Share Transfer Committee to approvematters related to transfer and transmission of securities, issuance ofduplicate share certificate.

In case of shares in electronic form, the transfers are processed byNSDL/CDSL through respective Depository Participants ("DP").

Members may please note that pursuant to the amendment in theListing Regulations vide notification dated June 8, 2018, exceptin case of transmission or transposition of securities, request foreffecting transfer of securities shall not be processed after April 01, 2019 unless the securities are held in dematerialized form with thedepository.

The Company has obtained half-yearly certificate from Practicing Company Secretary to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal etc. as required under Regulation 40(9) of the Listing Regulations and the same were submitted to the Stock Exchanges.

A Company Secretary in Practice carried out an Audit on quarterly basis to reconcile the total admitted capital with NSDL and CDSL and the total issued & listed capital. The Audit confirms that the total issued / listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form. The Reconciliation of Share Capital Audit Report issued by the Company Secretary in Practice in this regard is submitted to the Stock Exchanges on a quarterly basis.

c. Distribution of Shareholding as on March 31, 2019

No. of Shares of Rs. 10/- each	**Shareholders**		**Equity Shares**	
	Number	**% of total shareholders**	**Number**	**% of total shares**
Upto 5,000	318	82.3834	1038301	9.5178
5,001 – 10,000	12	3.1088	99822	0.915
10,001 - 20,000	19	4.9223	319000	2.9242
20,001 - 30,000	5	1.2953	140000	1.2833
30,001 - 40,000	9	2.3316	356000	3.2634
40,001 - 50,000	1	0.2591	44000	0.4033
50,001 - 1,00,000	6	1.5544	446000	4.0884
1,00,001 & Above	16	4.1451	8465877	77.6045
TOTAL	**386**	**100**	**109090000**	**100**

d. Shareholding Pattern as on March 31, 2019

The broad shareholding distribution of the Company as on March 31, 2019 with respect to categories of investors was as follows:

Sr. No.	**Category**	**No. of shareholders**	**No. of Equity Shares**	**Percentage %**
1.	Promoter & Promoter Group	7	58,14,000	53.30
2.	Public	379	50,95,000	46.70
	Total	**386**	**1,09,09,000**	**100.00**

DISCLOSURES

a. Related Party Transactions

Details of the relevant related party transactions entered into by the Company are set out in the Notes to Accounts and also annexed as an Annexure in this report. Suitable disclosures as required by the Accounting Standard (AS 18) have been made in the Annual Report. All transactions with related parties entered into by the Company were on an arm's length basis and were approved by the Audit Committee.

Pursuant to the Regulation 23 of the Listing Regulations, the Board of Directors have adopted the 'Related Party Transaction Policy'. The said policy is available on the Company's website at www.narayanisteels.com

b. Compliances by the Company

The Company has complied with various rules and regulations prescribed by BSE, SEBI or any other statutory authority relating to the capital markets during the last three years. No penalties or structures have been imposed by them on the Company during the last three years.

c. Whistle Blower Policy / Vigil Mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company. Vigil Mechanism Policy to this effect is also uploaded on the website of the Company i.e. www.narayanisteels.com

The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. No complaint has been received as at the Financial Year ended March 31, 2019 and no person was denied access to meet the Chairman of the Audit Committee in this regard.

d. Proceeds from public issues, right issues, preferential issues etc.

The Company has not raised any funds through issue of equity shares on preferential basis.

e. CEO/CFO certification

The Managing Director & CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2019.

f. Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI Listing obligations and Disclosure Requirements), Regulations, 2015. The details of these compliances have been given in the relevant sections of this report.

g. Reconciliation of Share Capital Audit

A Company Secretary in Practice carries out audit of Reconciliation of Share Capital on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This Report is also placed before the Board for its noting.

h. Certificate from Practicing Company Secretary

The Company has obtained a Certificate from Practicing Company Secretary M/s ASN Associates, Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority has been annexed with this Report.

i. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

j. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 5,40,000/-

k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year 2018-19: Nil
b. Number of complaints disposed of during the financial year 2018-19: Nil
c. Number of complaints pending as on end of the financial year 2018-19: Nil

l. Details of Credit Ratings obtained by the Company: CARE Ratingobtained on January 7, 2019 is as follows:

Facilities	**Rating**
Long-term Bank Facilities	CARE BBB-; Stable
Short-term Bank Facilities	CARE A3

m. Commodity price risk or foreign exchange risk and hedging activities : Not Applicable

1. COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS
Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations are as under:

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	NA
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non- Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Minimization and Risk Management Plan	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the AGM	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and review of information by the Committee	Yes
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the AGM	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	Yes
		21(4)	Role of the Committee	Yes
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transactions	23(1),(5),(6), (7) & (8)	Policy for Related Party Transaction	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all related party transactions and review of transactions by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	NA
		24(2),(3),(4), (5) & (6)	Other Corporate Governance requirements with respect to subsidiary including material subsidiary of listed entity	NA
		24A	Secretarial Audit of the Company Secretarial Audit of the material unlisted subsidiaries	NA
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(6)	Filling the vacancy of Independent Director created by resignation or removal	Yes

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
		25(7)	Familiarization of Independent Directors	Yes
		25(10)	D and O insurance for Independent Directors	NA
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct by members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflict of interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of discretionary requirements	Yes
		27(2)	Filing of quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various Committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower Policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive directors	Yes
		46(2)(g)	Policy on dealing with related party transactions	Yes
		46(2)(h)	Policy for determining ‘Material’ Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	NA

Note: *The Company being listed on SME Board till March 7, 2019; the provisions of Regulations 17, [17A], 18, 19, 20, 21,22, 23, 24, [24A], 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V were not applicable to the Company.*

CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is in compliance with the requirements of Listing Regulations. The Code of Conduct is available on the Company's website www.narayanisteels.com. The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code.

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2018 – 2019

For **Narayani Steels Limited**

Sunil Choudhary
Chairman & Managing Director
DIN: 00289479

Date: August 27, 2019
Place: Visakhapatnam

DECLARATION BY MANAGING DIRECTOR WITH RESPECT TO COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2019.

For **Narayani Steels Limited**

Sunil Choudhary
Chairman & Managing Director
DIN: 00289479

Date: August 27, 2019
Place: Visakhapatnam

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH CORPORATE GOVERNANCE

To
The Members of
Narayani Steels Limited
Kolkata

We have examined the compliance of conditions of Corporate Governance by M/s. Narayani Steels Limited ("the Company") for the year ended on 31st March, 2019 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd.

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 Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd.

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

For ASN Associates
Company Secretaries

K.Surendra
Partner
ACS No.: 34205
C P No.: 12732

Place: Visakhapatnam
Date: 30.05.2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members,
Narayani Steels Limited,
23A, N.S. Road, 7th Floor,
Room No-31, Kolkata-700001, West Bengal, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Narayani Steels Limited having CIN - L27109WB1996PLC082021 and having registered office at 23A, N. S. Road, 7th Floor, Room No-31, Kolkata-700001, West Bengal, India and Corporate Office at Door No. 49-24-66, Plot No 5, 2nd Floor, Sankarmatam Road, Madhuranagar, Allipuram, Visakhapatnam, Andhra Pradesh-530016, India (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. no.	Name of the Director	DIN	Date of appointment in the Company
1.	Sunil Choudhary	00289479	September 4, 2015
2.	Bina Choudhary	00299534	September 4, 2015
3.	Ankit Gupta	08415248	March 30, 2019
4.	Atul Kumar Saxena	07284335	September 10, 2015
5.	Krishnamacharulu Eunny	07281774	September 10, 2015
6.	Bhaskararao Puvvala	07282264	September 10, 2015

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

For ASN Associates
Company Secretaries

K. Surendra
Partner
ACS No.: 34205
C P No.: 12732

Place: Visakhapatnam
Date: 30.05.2019

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

To
The Board of Directors
Narayani Steels Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Narayani Steels Limited ('the Company'), have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2019 and that to the best of our knowledge and belief, we hereby certify that:

a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

c. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.

e. We have indicated to the auditors and audit committee that:
   i. There are no significant changes in internal control over financial reporting during the year;
   ii. There are no significant changes in accounting policies during the year; and

There are no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

	Sunil Choudhary	**Ankit Gupta**
Place: Visakhapatnam	Managing Director	CFO
Date: August 27, 2019	DIN:00289479	

INDEPENDENT AUDITOR'S REPORT
To the Members of **Narayani Steels Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Narayani Steels Limited ("the Company")**, which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
1. **Related party transactions** The Company has entered into several transactions with related parties during the year 2018-19. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the financial statements; non-compliance with statutory regulations governing related party relationships such as the Companies Act 2013 and SEBI Regulations and the judgement	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant Indian accounting standard.

involved in assessing whether transactions with related parties are undertaken at arms' length. (Refer Note 35 to the standalone financial statements)	2. We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals/ scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgement to rely on opinions provided by legal practitioners. 3. We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the related party transactions. 4. For transactions with related parties, we inspected relevant ledgers and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the Company statutorily. 5. We have tested on a sample basis, Management's assessment of related party transactions for arm's length pricing.
2. Expected Credit Loss on Trade Receivables As on 31.03.2019, trade receivables stand at Rs. 21,556.00 lakhs after providing Expected Credit Loss amounting to Rs. 81.63 lakhs. Refer Note 3(i), 8 and 36(i) of Standalone Financial Statements.	Our procedures in relation to the Expected Credit Loss on Trade Receivables included: 1. Testing with regard to trade receivable includes testing controls over billing and collections, ageing analysis, etc. 2. Test the completeness and accuracy of the data. 3. Critically assessed and tested the significant judgments used by management based on past experience. 4. Analyzing the key terms of contract with customers to ascertain provision required for expected credit loss.

Information Other than the Standalone 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. The information included in the annual report is expected to be made available to us after the date of the auditor's report.

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, 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 Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 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 1"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss(including Other Comprehensive Income), Statement of changes in equity and the Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

(e) On the basis of the 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;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in **“Annexure 2”** to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act;

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements– Refer Note – 32 to the 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 **A.C. Bhuteria & Co.**
Chartered Accountants
Firm Registration No.303105E

CA. Mohit Bhuteria
Partner
Membership No. 056832

Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

ANNEXURE- 1 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of Independent Auditor's Report of even date to the members of Narayani Steels Limited on the standalone Ind AS financial statements as of and for the year ended 31 March 2019

i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. No material discrepancies were observed on such verification.

   c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

   In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

ii. In our opinion and according to the information and explanations given to us, the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed.

iii. On the basis of examination of records and according to the information and explanations given to us, the Company has during the year not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause iii (a), (b), (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a) The Company has generally been regular in depositing undisputed statutory dues, Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax, goods and service tax and cess on account of any dispute, are as follows:

NAME OF STATUTE	NATURE OF DUES	AMOUNT (Rs. In lakhs)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
Income Tax Act, 1961	Income Tax	6.04	F.Y. 2005-06	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	6.46	F.Y. 2009-10	ITAT, Kolkata
Income Tax Act, 1961	Income Tax	205.52	F.Y. 2011-12	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	5.97	F.Y. 2012-13	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	14.98	F.Y. 2013-14	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	10.73	F.Y. 2015-16	CIT (Appeals),Kolkata

viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government during the year. The Company has no outstanding debentures.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, the Company has applied the term loan for the purpose for which they were obtained.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and the records of the Company examined by us, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details 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 the records of the company examined by us, 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 the records of the company examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

xvi. The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For **A. C. Bhuteria & Co.**
Chartered Accountants
Firm Registration No.303105E

CA. Mohit Bhuteria
Partner
Membership No. 056832

Place of Signature: Visakhapatnam
Date: The 30th day of May, 2019

ANNEXURE- 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Narayani Steels Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

For **A. C. Bhuteria & Co.**
Chartered Accountants
Firm Registration No.303105E

CA. Mohit Bhuteria
Partner
Membership No. 056832

Place of Signature: Visakhapatnam
Date: The 30th day of May, 2019

STANDALONE BALANCE SHEET
as at 31st March, 2019

(All amounts in lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4A	1,938.56	1,702.08	1,227.03
(b) Capital Work In Progress	4B	205.06	75.80	-
(c) Investment Properties	4C	149.72	165.44	182.80
(d) Intangible Assets	5	3.48	2.62	-
(e) Financial assets				
(i) Investments	6	57.70	99.82	92.73
(ii) Other assets	11	79.37	82.62	75.27
Total Non-current assets		2,433.89	2,128.38	1,577.83
2) Current assets				
(a) Inventories	7	1,788.85	1,964.82	5,749.12
(b) Financial assets				
(i) Investments	6	101.83	59.99	30.56
(ii) Trade receivables	8	21,556.00	17,632.45	13,656.94
(iii) Cash and cash equivalents	9	197.88	237.54	376.26
(iv) Other bank balances	10	2,441.73	1,522.88	1,580.94
(v) Other assets	11	54.23	57.42	61.39
(c) Current tax assets (net)	12	123.51	38.55	96.87
(d) Other current assets	13	943.06	1,843.55	1,357.09
Total Current Assets		27,207.09	23,357.20	22,909.17
TOTAL ASSETS		29,640.98	25,485.58	24,487.00
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	1,090.90	1,090.90	1,090.90
(b) Other equity	15	3,127.89	2,906.17	2,726.81
Total Equity		4,218.79	3,997.07	3,817.71
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	1,590.32	995.16	859.89
(b) Other non-current liabilities	19	182.33	230.21	389.91
(c) Deferred tax liabilities (net)	20	113.63	113.54	99.22
(d) Provisions	21	4.40	6.51	40.85
Total Non-current liabilities		1,890.68	1,345.42	1,389.87
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	10,541.97	10,465.18	9,314.87
(ii) Trade payables	17			
Total outstanding dues of micro enterprises and small enterprises		0.62	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,930.78	8,958.64	9,379.57
(iii) Other liabilities	18	119.68	19.03	103.31
(b) Other current liabilities	19	813.28	598.70	377.91
(c) Provisions	21	125.19	101.54	103.76
Total Current liabilities		23,531.52	20,143.09	19,279.42
TOTAL EQUITY AND LIABILITIES		29,640.98	25,485.58	24,487.00
Significant accounting policies	3			

The accompanying notes form an integral part of these financial statements

As per our report of even date attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of Narayani Steels Limited

CA. Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

Sunil Choudhary
Managing Director
DIN: 00289479

Ankit Gupta
Director & CFO
DIN: 08415248

Arun Kumar Meher
Company Secretary
M.NO.: A48598

STANDALONE STATEMENT OF PROFIT & LOSS
as at 31st March, 2019

(All amounts in lakhs, unless otherwise stated)

	Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
I.	Revenue from operations	22	75,168.43	77,996.89
II.	Other income	23	315.93	259.79
III.	Total income (I + II)		75,484.36	78,256.68
IV.	Expenses			
	Cost of Materials Consumed	24	10,787.63	6,864.06
	Purchase of Traded Goods	25	59,460.04	62,849.75
	Changes in inventories of finished goods and stock-in-trade	26	334.33	3,707.29
	Excise Duty		-	247.32
	Employee benefits expense	27	421.29	272.82
	Finance costs	28	1,583.80	1,709.04
	Depreciation and amortisation expense	4A, 4C & 5	91.36	86.98
	Other expenses	29	2,463.23	2,148.64
	Total expenses (IV)		75,141.68	77,885.90
V.	PROFIT BEFORE TAX & EXCEPTIONAL ITEM (III-IV)		342.68	370.78
VI.	Exceptional Item	38	-	76.82
VII.	Profit before tax (V-VI)		342.68	293.96
VIII.	Tax expense:	30		
	Current tax		125.18	101.51
	Earlier year tax		(0.21)	0.05
	Deferred tax		(1.27)	15.16
IX.	Profit for the year (VII-VIII)		218.98	177.26
	Other comprehensive income (net of tax)			
	A. Items that will not be reclassified to profit or loss			
	(a) Re-measurement of defined benefit liability/ (asset)		4.09	1.89
	(b) Equity instruments through other comprehensive income		0.01	(0.62)
	(c) Income taxes relating to items that will not be reclassified to profit or loss		(1.36)	0.83
	Net other comprehensive income not to be reclassified subsequently to profit or loss		2.74	2.10
	B. Items that will be reclassified to profit or loss		-	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
X.	Other comprehensive income		2.74	2.10
XI.	Total comprehensive income for the year (IX + X)		221.72	179.36
XII.	Earnings per equity share			
	[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
	- Basic		2.03	1.64
	- Diluted		2.03	1.64

Significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of Narayani Steels Limited

CA. Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

Sunil Choudhary
Managing Director
DIN: 00289479

Ankit Gupta
Director & CFO
DIN: 08415248

Arun Kumar Meher
Company Secretary
M.NO.: A48598

STANDALONE CASH FLOW STATEMENT

as at 31st March, 2019

(All amounts in lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		342.68		293.96
ADJUSTMENTS FOR :				
Depreciation and amortisation expense	91.36		86.98	
Expected Credit Loss	54.29		19.45	
Net (gain) / loss on investments measured at fair value through profit or loss	(11.77)		(9.75)	
Amortisation of corporate guarantee obligation	1.73		(0.50)	
Finance Costs	1,743.78		1,812.29	
Rental Income	(11.58)		(9.76)	
Profit on sale of investments	-		(2.89)	
Sundry Balance written off (net)	2.12		7.43	
Interest income	(284.51)		(226.46)	
Gratuity	1.95	1,587.36	3.06	1,679.88
Operating profit before working capital changes		1,930.04		1,973.84
ADJUSTMENTS FOR :				
Trade receivables, loans, advances and other assets	(3,073.03)		(4,492.22)	
Inventories	175.97		3,784.30	
Trade payables, other liabilities and other financial liabilities	3,137.57	240.51	(452.27)	(1,160.19)
Cash generated from operations		2,170.55		813.65
Income tax paid		(186.27)		(45.29)
Net Cash from / (used in) Operating Activities before exceptional items		1,984.28		768.36
Employee benefits paid (Gratuity)		-		(35.68)
Net Cash from / (used in) Operating Activities		1,984.28		7 32.68
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(442.24)		(623.08)	
Purchase of investments	(68.79)		(107.40)	
Sale of investments	80.86		82.84	
(Investments) in / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	(918.84)		58.05	
Rent received	11.58		9.76	
Interest received	284.51	(1,052.92)	226.46	(353.33)
Net cash from / (used in) Investing Activities		(1,052.92)		(353.33)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Borrowings	772.76		1,294.23	
Finance Costs	(1,743.78)	(971.02)	(1,812.29)	(518.06)
Net cash from / (used in) financing activities		(971.02)		(518.06)
Net Increase / (Decrease) in Cash & Cash equivalents		(39.66)		(138.72)
Cash & Cash equivalents at beginning of the year^		237.54		376.26
Cash & Cash equivalents at end of the year^		197.88		237.54

^ as disclosed in Note 9

Note : The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.

Significant accounting policies 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of Narayani Steels Limited

CA. Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

Sunil Choudhary
Managing Director
DIN: 00289479

Ankit Gupta
Director & CFO
DIN: 08415248

Arun Kumar Meher
Company Secretary
M.NO.: A48598

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March 2019

(All amounts in lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Number of shares	Amount
As at 1 April 2017	10,909,000	1,090.90
Changes in equity share capital during 2017-18	-	-
As at 31 March 2018	10,909,000	1,090.90
Changes in equity share capital during 2018-19	-	-
As at 31 March 2019	10,909,000	1,090.90

B. Other Equity

Particulars	Reserves and surplus		Other Comprehensive Income	Total Amount
	Securities Premium	Retained Earnings	Investment in Equity shares at fair value	
Balance as at 1 April 2017	1,673.85	1,052.96		2,726.81
Total comprehensive income for the year ended 31 March 2018				
Profit or Loss	-	177.26	-	177.26
Re-measurement of defined benefit liability/ (asset), net of tax		2.52	-	2.52
Net (gain) / loss on investments in equity shares accounted at fair value, net of tax	-	-	(0.42)	(0.42)
Total comprehensive income	-	179.78	(0.42)	179.36
Balance as at 31 March 2018	1,673.85	1,232.74	(0.42)	2,906.17
Total comprehensive income for the year ended 31 March 2019				
Profit or Loss	-	218.98	-	218.98
Re-measurement of defined benefit liability/ (asset), net of tax		2.72	-	2.72
Net (gain) / loss on investments in equity shares accounted at fair value, net of tax	-	-	0.02	0.02
Total comprehensive income	-	221.70	0.02	221.72
Balance as at 31 March 2019	1,673.85	1,454.44	(0.40)	3,127.89
Significant accounting policies	3			

The accompanying notes form an integral part of these financial statements

As per our report of even date attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of
Narayani Steels Limited

CA. Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

Sunil Choudhary	Ankit Gupta	Arun Kumar Meher
Managing Director	Director & CFO	Company Secretary
DIN: 00289479	DIN: 08415248	M.NO.: A48598

1. Company Overview

Narayani Steels Limited ("the Company") is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc. and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Visakhapatnam, Andhra Pradesh, India.

The Company has moved from BSE SME Platform to BSE Main Board on 8th March, 2019.

Narayani Steels Limited is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at 23A, N.S.Road 7th Floor, Kolkata - 700001. (Corporate Office at at Door No.49-24-66, Plot No.5, Sankarmatam Road, Madhuranagar, Allipuram, Visakhapatnam, Andhra Pradesh-530016, India).

2. Basis of preparation

a) Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2013 (‘Act’) (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Company has adopted all the Ind AS standards and adoptions was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP. Reconciliations and descriptions of the effect of transition have been sumarised in Note 44.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

These financial statements are approved for issue by the Board of Directors on 30th May, 2019."

b) Functional and presentation currency

The financial statements are presented in Indian Rupees (‘Rs’) which is Company’s presentation currency. The functional currency of the Company is also Indian Rupees (‘Rs’). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III, unless otherwise stated.

c) Basis of measurement

"The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:
(i) Certain financial assets and financial liabilities measured at fair value;
(ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date."

d) Use of judgments and estimates

"In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively."

Critical accounting judgments and key sources of estimation uncertainty: Key assumptions-

(i) Useful lives of Property, plant and equipment and intangible assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iii) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

e) Measurement of fair values

"A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments."

"Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

- Level 2: Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

- Level 3: Includes those instruments for which one or more significant input are not based on observable market data."

"When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred."

3. Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of business and the time between the acquisition of assets for development and their realisation in cash and cash equivalents.

b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial recognition and measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

"For purposes of subsequent measurement, financial assets are classified in three categories:

• Amortised cost
• Fair value through other comprehensive income (FVOCI)
• Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets."

<u>Financial assets at amortised cost</u>

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss. "

<u>Financial assets at FVOCI</u>

"A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI)."

Financial assets at FVTPL

"A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss."

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

ii. Financial liability

Initial recognition and measurement

"Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss directly, at attributable transaction costs."

Subsequent measurement

"For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost"

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities at amortised cost

"Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments."

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

"The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss."

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Property, Plant and Equipment

i. Recognition and measurement

"Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment."

"A property, plant & equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Cost of the property, plant & equipment that are not yet ready for their intended use at the balance sheet date together with all related expenses are shown under ""capital work in progress"

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iv. Depreciation

"Depreciation for the year is recognised in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram and on written down value method on other property, plant and equipment."

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

"Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes acccompanying these financial statements.

Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued."

e) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably.

i. Amortisation

"Amortisation for the year is recognised in the Statement of Profit and Loss.

Intangible assets are amortised over a period of 5 years."

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

f) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories of finished goods comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

g) Investments and other financial assets

i. Classification

"The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income."

ii. Measurement

"At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss."

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI).

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

"The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net gain/ (losses) in the statement of profit and loss."

h) Investment in associates

The investment in associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

<u>Transition to Ind AS</u>

On transition to Ind AS, the company has elected to continue with the carrying value of all of its Investment in associates recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Investment in associates.

i) Impairment

i. Impairment of financial instruments: financial assets

"Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss."

ii.Impairment of non-financial assets

"The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount."

j) Non-current assets held for sale

"Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised."

k) Employee Benefits

i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii.Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

iii. Defined benefit plans

"The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income."

l) Provisions (other than for employee benefits)

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

"The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincide with the delivery of goods. Sales are inclusive of excise duty and net of trade discounts. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover."

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

"Ind AS 115: Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 “Revenue from Contracts with Customers” which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact."

n) Leases

"Leases of property, plant and equipment that transfer, to the Company, substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Assets held under leases that do not transfer, to the Company, substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company’s Balance Sheet. Payments made under operating leases are recognized in the Statement of Profit or Loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation."

o) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contactual terms of the financial instrument (for example, payment, extension, call and similar options) but does not consider the expected credit losses.

p) Income tax

"Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI."

i. Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of Tax Payable as per provisions of Minimum Alternative Tax (MAT) under section 115 JB of the Income Tax Act 1961, deferred MAT Credit Entitlement is recognised as an Asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.

ii. Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period."

"Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company has evaluated the impact of this amendment on its financial statements."

q) Borrowing costs

"Borrowing costs that are directly attributable to the acquisition & construction of qualifying assets/inventory are capitalised/carried as inventory for the period until the asset/inventory is ready for its intended use/ sale. A qualifying asset/ inventory is an asset that necessarily takes substantial period of time to get ready for its intended use/ sale.

Other Borrowing costs are recognised as expense in the period in which they are incurred."

r) Foreign currency transaction

Initial Recognition - Foreign currency transactions are recorded in the functional currency,by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion - Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of transaction.

Exchange differences - Exchange differences arising on the settlement or conversion of monetary current assets and liabilities are recognized as income or as expense in the year in which they arise.

Forward Exchange Contracts – The company enters into Forward Exchange Contracts which are not intended for trading or speculation purposes. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognised as income or expense for the year. Forward Foreign Exchange Contracts are recognised at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange Differences in the statement of profit and loss.

s) Earnings per share

Basic earnings per share is 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.

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.

t) Segment reporting (Ind AS 108)

1. Business Segment: The Company is mainly engaged in a single business segment of Manufacturing and Trading of Iron & Steel Products, accordingly there is no separate reportable segment.

2. Geographical Segment: This segment has been considered for Secondary Segment Reporting. Since the Company does not have any transaction outside India as sales being in the domestic market only, the disclosure requirement of Ind AS 108, notified under the Companies Act, 2013 is not applicable.

u) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets where it is probable that future economic benefits will flow to the company are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but is recognised as an asset.

v) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and other deposits with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

w) Standards issued but yet not effective

On March 30,2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

"A) ISSUE OF IND AS 116 - LEASES

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17."

"B) AMENDMENT TO EXISTING STANDARDS

The MCA has also carried out amendments of the following accounting standards:-

i. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements."

All amount in Rs. Lakhs, unless otherwise stated

4A

Particulars	Gross Carrying Amount[1]						
	Balance at 1st April 2017	**Additions**	**Disposals/ Adjustments**	**Balance at 31st March 2018**	**Additions**	**Disposals/ Adjustments**	**Balance at 31st March 2019**
Property, plant and equipment							
Land (Freehold)	463.32	425.90	-	**889.22**	5.01	-	**894.22**
Leasehold improvements[4]	-	-	-	-	110.91	-	**110.91**
Buildings	342.57	27.46	-	**370.03**	12.04	-	**382.07**
Plant & Equipment	389.86	30.72	-	**420.58**	42.42	-	**463.01**
Computer	2.03	5.99	-	**8.02**	1.21	-	**9.23**
Office Equipment	-	-	-	-	15.67	-	**15.67**
Electrical Installation & Fittings	-	-	-	-	17.53	-	**17.53**
Furniture & Fixtures	10.96	1.35	-	**12.30**	106.49	-	**118.79**
Vehicles	18.29	52.59	-	**70.88**	-	-	**70.88**
Total	**1,227.03**	**544.01**	-	**1,771.04**	**311.28**	-	**2,082.32**

All amount in Rs. Lakhs, unless otherwise stated

Particulars	Accumulated Depreciation/ amortisation[2]							Net Carrying Value		
	Balance at 1st April 2017	For the year	Disposals/ Adjustments	Balance at 31st March 2018	For the year	Disposals/ Adjustments	Balance at 31st March 2019	At 1st April 2017	At 31st March 2018	At 31st March 2019
Property, plant and equipment										
Land (Freehold)	-	-	-	-	-	-	-	463.32	**889.22**	**894.22**
Leasehold improvements[4]	-	-	-	-	0.89	-	**0.89**	-	-	**110.02**
Buildings	-	7.68	-	**7.68**	8.86	-	**16.54**	342.57	**362.35**	**365.53**
Plant & Equipment	-	39.99	-	**39.99**	41.79	-	**81.78**	389.86	**380.59**	**381.23**
Computer	-	3.40	-	**3.40**	1.81	-	**5.21**	2.03	**4.63**	**4.02**
Office Equipment	-	-	-	-	1.51	-	**1.51**	-	-	**14.17**
Electrical Installation & Fittings	-	-	-	-	0.25	-	**0.25**	-	-	**17.27**
Furniture & Fixtures	-	1.88	-	**1.88**	4.16	-	**6.05**	10.96	**10.42**	**112.75**
Vehicles	-	16.01	-	**16.01**	15.52	-	**31.53**	18.29	**54.87**	**39.35**
Total	-	**68.96**	-	**68.96**	**74.79**	-	**143.76**	**1,227.03**	**1,702.08**	**1,938.56**

(1) The company has elected to measure all its property, plant and equipments at the previous GAAP carrying amount i.e 31st March, 2017 as its deemed cost (Net Block Value) on the date of transition to Ind AS i.e 1st April, 2017.
(2) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss for the respective years.
(3) Property, Plant & Equipment have been pledged as security for borrowings. Refer Note 16 for details.
(4) Leasehold improvements represent expenses incurred by the company on leasehold property.
(5) The original cost of vehicles includes Rs. 52.09 lakhs (31st March 2018: Rs. 52.09 lakhs 1st April 2017: Rs. 20.32 lakhs) acquired from loans taken from banks & financial institutions, of which Rs. 30.95 lakhs (31st March, 2018: Rs. 40.17 lakhs, 1st April, 2017: Rs.0.58 lakhs) were outstanding as at year end.

4C Investment Properties

Particulars	Gross Carrying Amount[1]						
	Balance at 1st April 2017	Additions	Disposals/ Adjustments	Balance at 31st March 2018	Additions	Disposals/ Adjustments	Balance at 31st March 2019
Real Estate Spaces	182.80	-	-	**182.80**	-	-	**182.80**
Total	**182.80**	-	-	**182.80**	-	-	**182.80**

Particulars	Accumulated Depreciation/ amortisation[2]							Net Carrying Value		
	Balance at 1st April 2017	For the year	Disposals/ Adjustments	Balance at 31st March 2018	For the year	Disposals/ Adjustments	Balance at 31st March 2019	At 1st April 2017	At 31st March 2018	At 31st March 2019
Real Estate Spaces	-	17.37	-	**17.37**	15.72	-	**33.08**	182.80	165.44	**149.72**
Total	**-**	**17.37**	**-**	**17.37**	**15.72**	**-**	**33.08**	**182.80**	**165.44**	**149.72**

Disclosures relating to Investment Property:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Rental Income from Investment Properties	**9.00**	**6.75**
Direct Operating Expenses to income generating property	-	-
Less: Reimbursement of expenses	-	-
Total expenses relating to Investment Properties	-	-

Description of valuation techniques used and key inputs to valuation on investment properties:

The fair value of investment property is Rs. 187.86 lakhs (31 March 2018: Rs. 177.76 lakhs, 1 April 2017: Rs. 167.66 lakhs) and the same has been determined by an external independent property valuer having appropriate recognised professional qualifications. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality.

(1) The company has elected to measure all its investment properties at the previous GAAP carrying amount i.e 31st March, 2017 as its deemed cost (Net Block Value) on the date of transition to Ind AS i.e 1st April, 2017.
(2) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss for the respective years.

4 B Capital Work-in-Progress

Particulars	**Gross Carrying Amount[1]**						
	Balance at 1st April 2017	**Additions**	**Disposals/ Adjustments**	**Balance at 31st March 2018**	**Additions**	**Disposals/ Adjustments**	**Balance at 31st March 2019**
Plant & Machinery (Repeater) ^	-	72.62	-	72.62	132.44	-	205.06
Office Premises #	-	0.49	-	0.49	-	0.49	-
Builiding #	-	0.98		0.98	-	0.98	-
Moble Application *	-	1.71	-	1.71	-	1.71	-
Total	**-**	**75.80**	**-**	**75.80**	**132.44**	**3.18**	**205.06**

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All amount in Rs. Lakhs, unless otherwise stated

		As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
6	**Investments**			
	Non-Current investments			
	Investments in equity instruments fully paid up - Unquoted			
	In Associates (at cost)			
	Hari Equipments Private Limited, 4,59,490 (31st March, 2018: 4,59,490; 1st April, 2017: 4,59,490) Equity Shares of Rs. 10 /- each fully paid up	**56.73**	56.73	56.73
	In Others (at fair value through Profit & Loss - FVTPL)			
	Kedarnath Commotrade Private Limited, Nil (31st March, 2018: 2,45,000; 1st April, 2017: 2,45,000) Equity Shares of Rs. 10 /- each fully paid up	-	42.14	34.42
	Investments in equity instruments fully paid up - Quoted			
	In Others (at fair value through Other Comprehensive Income - FVOCI)			
	Union Bank of India, 1,009 (31st March, 2018: 1,009; 1st April, 2017: 1,009) Equity Shares of Rs. 10 /- each fully paid up	**0.96**	0.95	1.57
		57.70	**99.82**	**92.73**
	Current investments			
	Investment in mutual funds (at fair value through Profit & Loss - FVTPL)			
	Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth * 3,00,000 units (On 31st March, 2018: 3,00,000 units , On 1st April, 2017: 3,00,000 units) of Rs. 10 each.	**34.44**	31.77	30.13
	Union Value Discovery Fund Regular Plan - Growth * 2,49,990 units (On 31st March,2018: Nil , On 1st April, 2017: Nil) of Rs. 10 each.	**26.65**	-	-
	Union Equity Savings Fund Regular Plan - Growth * 2,49,990 units (On 31st March, 2018: Nil , On 1st April, 2017: Nil) of Rs. 10 each.	**25.97**	-	-
	Union Arbitrage Fund Regular Plan - Growth * 99,990 units (On 31st March, 2018: Nil , On 1st April, 2017: Nil) of Rs. 10 each.	**10.06**	-	-
	Union Small Cap Fund Regular Plan - Growth* 33,853.279 units (On 31st March, 2018: 18,608.937 units , On 1st April, 2017: 3,111.332 units) of Rs. 10 each.	**4.71**	2.94	0.43
	Union Short term Fund - Growth * Nil (On 31st March,2018: 1,603.204 units , On 1st April, 2017: Nil) of Rs. 10 each.	-	25.28	-
		101.83	**59.99**	**30.56**

*The said Mutual Funds are pledged as margin money to secure credit facilities taken from Union Bank Of India.

Aggregate carrying value of unquoted	**56.73**	**98.87**	**91.16**
investments Aggregate carrying value of quoted	**102.79**	**60.94**	**32.14**
investments Aggregate market value of quoted	**102.79**	**60.94**	**32.14**
investments			
Investments carried at cost	**56.73**	**56.73**	**56.73**
Investments carried at fair value through other comprehensive	**0.96**	**0.95**	**1.57**
income Investments carried at fair value through profit and loss	**101.83**	**102.13**	**64.99**

		As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
7	**Inventories****			
	(As taken, valued and certified by the management)			
	Raw Materials	**327.88**	172.12	246.92
	Traded Goods	**812.63**	1,437.63	5,232.17
	Finished Goods	**593.86**	319.15	222.39
	Scrap & Miss Rolls	**39.69**	23.72	33.22
	Stores & Spares	**6.62**	10.55	9.03
	Furnace oil, coal & Gas	**8.17**	1.65	5.37
		1,788.85	**1,964.82**	**5,749.12**

** Cash credit facility is secured by hypothecation of inventories of the Company, both present and future., refer note 16 for details.

Particulars	**3/31/2019**	**3/31/2018**	**4/1/2017**
Cost of Materials Consumed	**10,787.63**	6,864.06	6,992.11
Purchase of Traded Goods	**59,460.04**	62,849.75	68,669.62
Changes in inventories of finished goods and stock-in-trade	**334.33**	3,707.29	(1,807.29)

		As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
8	**Trade receivables**			
	Unsecured, considered good ^^ Less:	**21,637.63**	17,659.79	13,664.84
	Expected Credit Loss (Refer Note: 36(i))	**(81.63)**	(27.35)	(7.90)
		21,556.00	**17,632.45**	**13,656.94**

^^ Trade Receivables include Rs. 0.04 lakhs (31st March 2018:. 102.44 lakhs, 1st April 2017: Rs. 105.65 lakhs) due from private limited companies in which one of the Director is a Director.

^^ Trade Receivables have been hypothecated as security for borrowings, refer note 16 for details.

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All amount in Rs. Lakhs, unless otherwise stated

9 Cash and cash equivalents	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Cash on hand (as certified)	**4.24**	1.30	8.55
Balances in current accounts	**193.64**	236.24	367.71
	197.88	**237.54**	**376.26**

10 Other Bank Balances	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Fixed Deposit maturity for more than 3 months but less than 12 months	**2,441.73**	1,522.88	1,580.94
	2,441.73	**1,522.88**	**1,580.94**

Fixed Deposits are pledged with banks as margin for bank guarantees / credit facilities.

(a) Fixed Deposit of **Rs. 250.00 lakhs** (31st March 2018: Rs. 250.00 lakhs, 1st April 2017: Rs. 250.00 lakhs) is pledged with Andhra Bank as collateral security for Channel Finance limit of Rs 1000.00 lakhs.
(b) Fixed Deposit of **Rs. 60.00 lakhs** (31st March 2018: Rs. 60.00 lakhs, 1st April 2017: Rs. 60.00 lakhs) is pledged with Yes Bank as collateral security for Channel Finance limit of Rs 300.00 lakhs.
(c) Fixed Deposit of **Rs. 112.50 lakhs** (31st March 2018: Rs. 112.50 lakhs, 1st April 2017: Rs. 112.50 lakhs) is pledged with ICICI Bank as collateral security for Channel Finance limit of Rs 950.00 lakhs.
(d) Other Fixed Deposits of **Rs. 2,019.22 lakhs** (31st March 2018: Rs. 1,046.31 lakhs, 1st April 2017: Rs. 1,132.22 lakhs) are pledged with Union Bank of India as margin/collateral security for sanction of credit facilities.

11 Other financial assets	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Non-current			
Security Deposits	**79.37**	82.62	75.27
	79.37	**82.62**	**75.27**
Current			
Advance to Others	**54.23**	57.42	61.39
	54.23	**57.42**	**61.39**

12 Current tax assets (net)	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Income Tax Payments	**102.98**	22.98	41.23
Tax Deducted/Collected at Source	**20.54**	15.57	55.64
	123.51	**38.55**	**96.87**

13 Other current assets	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Advances other than capital advances			
Advance to Related parties	**67.89**	281.42	147.41
Advance to others	**238.77**	893.45	861.60
Balances with Revenue Authorities	**604.18**	668.68	348.08
Prepaid expenses	**32.22**	-	-
	943.06	**1,843.55**	**1,357.09**

14 Equity share capital	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Authorised			
1,40,00,000 (31st March 2018 - 1,40,00,000, 1 April 2017 - 1,40,00,000) Equity Shares of Rs. 10/- each	**1,400.00**	1,400.00	1,400.00
	1,400.00	**1,400.00**	**1,400.00**
Issued, subscribed and fully paid-up			
1,09,09,000 (31st March 2018 - 1,09,09,000, 1 April 2017 - 1,09,09,000) Equity Shares of Rs. 10/- each	**1,090.90**	1,090.90	1,090.90
	1,090.90	**1,090.90**	**1,090.90**

A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
Balance as at the beginning of the year	10,909,000	1,090.90	10,909,000	1,090.90	10,909,000	1,090.90
Add: Issued during the year	-	-	-	-	-	-
Balance as at the end of the year	**10,909,000**	**1,090.90**	**10,909,000**	**1,090.90**	**10,909,000**	**1,090.90**

B. Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

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C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the Shareholder	As at 31 March 2019 Number of equity shares	As at 31 March 2019 % of total shares in the class	As at 31 March 2018 Number of equity shares	As at 31 March 2018 % of total shares in the class	As at 1 April 2017 Number of equity shares	As at 1 April 2017 % of total shares in the class
Kishanlal Choudhary	**1,003,500**	**9.20%**	1,003,500	9.20%	1,003,500	9.20%
Sunil Choudhary (HUF)	**1,261,000**	**11.56%**	1,261,000	11.56%	1,261,000	11.56%
Sunil Choudhary	**1,224,500**	**11.22%**	1,224,500	11.22%	1,224,500	11.22%
Cooltex Merchandise Private Limited	**2,163,000**	**19.83%**	2,163,000	19.83%	2,163,000	19.83%

15 Other Equity

A. Summary of other equity balance	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Securities Premium	**1,673.85**	1,673.85	1,673.85
Retained Earnings (including other comprehensive income)	**1,454.04**	1,232.32	1,052.96
Other Equity	**3,127.89**	**2,906.17**	**2,726.81**

		1 April 2018	Movement during the year	31 March 2019	1 April 2017	Movement during the year	31 March 2018
Securities Premium	(a)	1,673.85	-	1,673.85	1,673.85	-	1,673.85 1,232.32
Retained Earnings (including other comprehensive income)	(b)	1,232.32	221.72	1,454.04	1,052.96	179.36	
		2,906.17	**221.72**	**3,127.89**	**2,726.81**	**179.36**	**2,906.17**

B. Nature and purpose of reserves:

(i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.

(ii) **Retained earnings:** This Reserve represents the cumulative profits / losses of the Company including Other comprehensive income disclosed in **Statement of Changes in Equity**. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

16 Borrowings	Current portion **			Non-current portion		
	As at 31 March 2019	**As at 31 March 2018**	**As at 1 April 2017**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 1 April 2017**
Non-current Borrowings						
Secured						
Term loans						
Loan Against vehicles	**10.03**	9.22	0.58	**20.92**	30.95	-
	10.03	**9.22**	**0.58**	**20.92**	**30.95**	**-**
Unsecured						
Term Loan from Financial	**100.00**	-	-	**75.07**	-	-
Institutions Loans from Bodies	**-**	-	-	**1,494.33**	964.21	859.89
Corporate^^	**110.03**	**9.22**	**0.58**	**1,590.32**	**995.16**	**859.89**

Note:		**As at**	**As at**	**As at**
16.1	^^ Interest free loan carried at amortised cost (Refer note below)	361.50	390.19	493.16

Ind AS 109 requires the loan to be initially measured at fair value minus transaction costs. As the loan is partly interest free, the fair value of the loan is different from the transaction price. Therefore, the recognition of the difference between the fair value at initial recognition and the transaction price of the interest free loan is recognised as "Deferred fair value gain/loss". The difference is amortised over the period of the loan. The amount of amortisation is equal to the unwinding of discount. The deferred fair value gain/loss is presented as **other non-current liability** and **other current liability**.

Current Borrowings			
Secured			
Working Capital Loans from Bank			
- Cash Credit	**6,496.80**	6,442.93	6,492.08
Unsecured			
Channel Financing from Banks, Financial Institutions & Others	**4,045.18**	4,022.25	2,822.79
	10,541.97	**10,465.18**	**9,314.87**

(A) Terms of Repayment

(i) Loan Against Vehicles :

a) Details of security

Loans against Vehicles is secured by way of hypothecation of the underlying asset financed.

b) Terms of Repayment

Loans against vehicles is repayable by way of Equated Monthly Installments (EMI), the particulars of which are as follows:

Particulars	Amount (in Lakhs) outstanding as on 31-03-2019	Rate of Interest	EMI dues with reference to Balance Sheet date
Loan for a vehicle from Yes Bank	27.14	8.40 % p.a.	**50 installments of Rs. 0.82 lakhs each**
Loan for a vehicle from Yes Bank	3.81	8.40 % p.a.	**32 installments of Rs. 0.21 lakhs each**

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(Continued) **All amount in Rs. Lakhs, unless otherwise stated**

(ii) Working Capital Loans:

Working Capital Loans are primarily secured by way of hypothecation of Stocks and Book Debts. The rate of interest on Cash Credit from Union Bank of India is 11.60% +2% (on additional adhoc limit of Rs. 500.00 lakhs) linked to the MCLR of Union Bank of India.

The loan is also collaterally secured by way of a) charge on Plant & Machinery, Office Premises, flats and plots in the name of the Company, b) charge on certain immovable properties of the Company, Mr. Sunil Kumar Choudhary, Mrs. Savitri Devi Choudhary, Mrs. Bina Choudhary, Mr. Kishan Lal Choudhary and Narayani Ispat Ltd. c) FDR of Rs 29.00 lakhs in the name of the Company. d) Personal guarantees of Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mr. Bivor Bagaria, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and e) Corporate Guarantee from Narayani Ispat Ltd. and Cooltex Merchandise Pvt. Ltd.

(iii) Channel Financing from Banks, Financial Institutions & Others:

1. Channel Financing from Andhra Bank of Rs. 1,000.00 lakhs is collaterally secured by Fixed Deposit of Rs. 250.00 lakhs and guaranteed by Mr. Sunil Kumar Choudhary and Mr. Kishan Lal Choudhary. The rate of interest on Channel Financing is 9.10% p.a. (Base Rate + 0.50)%.

2. Channel Financing from Yes Bank of Rs. 300.00 lakhs is collaterally secured by Fixed Deposit of Rs. 60.00 lakhs and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 11.25% (MCLR + 2.15)%.

3. Channel Financing from Tata Capital Financial Services Limited of Rs. 1,000.00 lakhs and an additional limit of Rs. 300.00 lakhs is guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary & Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 10.75%.

4. Channel Financing from ICICI Bank Limited of Rs. 950.00 lakhs is collaterally secured by Fixed Deposit of Rs 112.50 lakhs and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and Mr. Bivor Bagaria. The rate of interest on Channel Financing is 9.60% (Base rate + 1.35)%.

5. Channel Financing from Axis Bank Limited of Rs. 500.00 lakhs is guaranteed by Mr. Sunil Kumar Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mr. Bivor Bagaria. The rate of interest on Channel Financing is 9.95% (MCLR3 + 1.50)%.

(iv) Term Loan from Financial Instituition (Unsecured)

Term Loan from Tata Capital Financial Services Limited of Rs. 200.00 lakhs is guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mrs. Savitri Devi Choudhary. The rate of interest on the Term Loan is 12.25 % per annum.

Terms of Repayment:

Particulars	**Amount (in lakhs) outstanding as on 31-03-2019**	**Rate of Interest**	**EMI Dues with reference to Balance Sheet date**
Term Loan from Tata Capital Financial Services Limited	**175.07**	12.25% p.a.	20 principal repayments of Rs. 8.33 lakhs each

**** For current maturities of non-current borrowings refer disclosure under the head other financial liabilities - current (Refer note 18)**

17 Trade payables	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Dues to Micro And Small Enterprises (as per the intimation received from vendors)			
a. The principal amount due thereon remaining unpaid to any supplier as at the end of accounting year *	**0.62**	-	-
b. The interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	-	-
c. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
d. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-
e. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-
f. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-
Dues to others			
For goods and services	**1,943.60**	1,462.61	3,511.57
Liability under Letter of Credit	**9,987.18**	7,496.03	5,868.00
	11,931.40	**8,958.64**	**9,379.57**

There are no material dues owed by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Trade Payables (Due to Others) include Nil (31st March, 2018: Rs. 56.40 lakhs, 1st April, 2017: Nil) due from Companies in which Director is a Director.

18 Other financial liabilities	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
A. Current			
Current maturities of long-term debt (Refer Note 16)	**110.03**	9.22	0.58
Interest accrued but not due on borrowings Deferred	**0.43**	2.31	94.74
liability - On corporate guarantee **	**9.23**	7.50	8
	119.68	**19.03**	**103.31**

Note:

18.1 ** Ind AS 109 requires the guarantor to recognise the corporate guarantee contract initially at its fair value. Therefore, the liability is recognised in the financial statements for the fair value of the corporate guarantee as "Deferred liability - on corporate guarantee".
Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the cumulative amount recognised less amount originally recognised as expense on a straight-line basis in accordance with Ind AS 18, Revenue as "Amortisation of financial guarantee obligation".

19 Other liabilities	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Non-Current			
Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)	**182.33**	230.21	389.91
	182.33	**230.21**	**389.91**

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Current			
Advances from customers	**446.66**	296.74	120.54
Liability for expenses	**168.01**	104.25	92.19
Statutory liabilities	**19.44**	37.73	61.93
Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)	**179.17**	159.98	103.25
	813.28	**598.70**	**377.91**

20 Deferred Tax Asset / Liabilities (net)	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Deferred tax liabilities			
Property, Plant & Equipment, Intangible Assets and Investment Properties	**113.30**	111.20	111.95
Net (gain) / loss on investments measured at fair value through profit or loss	**2.23**	6.50	3.49
Capital Gains	**2.65**	0.48	-
Total deferred tax liabilities (A)	**118.18**	118.18	115.43
Deferred tax Assets			
Provision for Gratuity	**1.47**	2.16	13.57
Others	**3.08**	2.48	2.65
Total deferred tax assets (B)	**4.55**	4.64	16.22
Net Deferred Tax (Assets)/Liabilities (A-B)	**113.63**	**113.54**	**99.22**

Movement in deferred tax liabilities/ assets balances

	Deferred tax liabilities/assets in relation to			
	As at 31st March 2018	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2019
Deferred tax liabilities				
Property, Plant & Equipment, Intangible Assets and Investment Properties	111.20	(2.10)		- 113.30 2.23
Net (gain) / loss on investments measured at fair value through profit or loss	6.50	4.27	0.005	
Capital Gains	0.48	(2.17)	-	2.65
Total deferred tax liabilities (A)	**118.18**	**(0.005)**	**0.005**	**118.18**
Deferred tax Assets				
Provision for Gratuity	2.16	(0.67)	1.36	1.47
Others	2.48	(0.60)	-	3.08
Total deferred tax assets (B)	**4.64**	**(1.27)**	**1.36**	**4.55**
Net deferred tax (assets)/liabilities (A-B)	**113.54**	**1.27**	**(1.36)**	**113.63**

	Deferred tax liabilities/assets in relation to			
	As at 1st April 2017	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2018
Deferred tax liabilities				
Property, Plant & Equipment, Intangible Assets and Investment Properties	111.95	0.74		- 111.20 6.50
Net (gain) / loss on investments measured at fair value through profit or loss	3.49	(3.22)	0.21	
Capital Gains	- (0.48)		-	0.48
Total deferred tax liabilities (A)	**115.43**	**(2.96)**	**0.21**	**118.18**
Deferred tax Assets				
Provision for Gratuity	13.57	12.04	(0.63)	2.16
Others	2.65	0.17	-	2.48
Total deferred tax assets (B)	**16.22**	**12.20**	**(0.63)**	**4.64**
Net deferred tax (assets)/liabilities (A-B)	**99.22**	**(15.16)**	**0.83**	**113.54**

21 Provisions	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Non-current			
Provisions for employee benefits	**4.40**	6.51	40.85
- Provision for gratuity	**4.40**	**6.51**	**40.85**
Current			
Provisions for employee benefits - Provision for gratuity	**0.01**	0.04	0.20
Others			
- Provision for Taxation	**125.18**	101.51	103.56
	125.19	**101.54**	**103.76**

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		Year ended 31 March 2019	Year ended 31 March 2018
22	**Revenue from operations**		
(a)	Sale of Products	**75,168.43**	77,946.79
(b)	Other Operating Revenues		
	Interest on Sales	-	50.10
	Total revenue from operations		**77,996.89**

75,168.43 Sale is net of **Rs. 13,647.53 lakhs** (31st March 2018: Rs. 10,983.79 lakhs) for VAT, CST & GST realised on sales.

Revenue from July 1, 2017 is net of Goods and Service Tax (GST). However, revenue till period ended June 30, 2017 is inclusive of excise & net of VAT/ CST

Sale of Products (including Excise Duty & net of GST)	Year ended 31 March 2019	Year ended 31 March 2018
TMT Bars, Rounds, Squares, Angles, Flats and related items	**35,773.61**	42,264.66
Billets, Blooms, Ingots and related items	**29,996.78**	28,112.07
Iron Ore Pillets, Pig Iron, Scrap and related items	**9,398.04**	7,570.06
	75,168.43	**77,946.79**

		Year ended 31 March 2019	Year ended 31 March 2018
23	**Other income**		
A.	Interest income:		
	- On fixed deposits	**97.93**	121.42
	- On other deposits	**26.60**	1.79
	- On financial liabilities measured at FVTPL (Refer note: 16.1 for details)	**159.98**	103.25
	Other non-operating income		
	Rental Income	**11.58**	9.76
	Net (gain) / loss on investments measured at fair value through profit or loss	**11.77**	9.75
	Profit on sale of current investments	**-**	2.89
	Miscellaneous receipts	**0.57**	2.94
	Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	**7.50**	8.00
		315.93	**259.79**

		Year ended 31 March 2019	Year ended 31 March 2018
24	**Cost of Materials Consumed**		
	Iron and Steel Materials		
	Inventory at the beginning of the year	**172.12**	246.92
	Add : Purchases	**10,943.39**	6,789.25
		11,115.51	7,036.17
	Less : Inventory at the end of the year	**327.88**	172.12
	Cost of Materials Consumed	**10,787.63**	**6,864.06**

		Year ended 31 March 2019	Year ended 31 March 2018
25	**Purchase of Traded Goods**		
	TMT Bars, Rounds, Squares, Angles, Flats and related items	**22,067.66**	31,036.80
	Billets, Blooms, Ingots and related items	**28,683.44**	24,608.81
	Iron Ore Pillets, Pig Iron, Scrap and related items	**8,708.94**	7,204.14
		59,460.04	**62,849.75**

		Year ended 31 March 2019	Year ended 31 March 2018
26	**Changes in inventories of finished goods and stock-in-trade**		
	Opening Stock		
	Finished Goods	**319.15**	222.39
	Scrap and Miss Roll	**23.72**	33.22
	Traded Goods	**1,437.63**	5,232.17
		1,780.50	5,487.78
	Closing Stock		
	Finished Goods	**593.86**	319.15
	Scrap and Miss Roll	**39.69**	23.72
	Traded Goods	**812.63**	1,437.63
		1,446.17	1,780.50
		334.33	**3,707.29**

		Year ended 31 March 2019	Year ended 31 March 2018
27	**Employee benefits expense**		
	Salaries, wages, bonus and allowances	**344.80**	205.55
	Contribution to provident and other funds	**3.36**	2.58
	Gratuity expense (Refer note: 33 for details)	**1.95**	3.06
	Directors' Remuneration	**60.00**	48.00
	Staff welfare expenses	**11.18**	13.62
		421.29	**272.82**

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28 Finance costs	**Year ended 31 March 2019**	**Year ended 31 March 2018**
A. Interest expense		
To Banks (including LC	**1,221.34**	1,388.01
Charges) To Others	**139.38**	124.00
On financial liabilities carried at amortised cost (Refer note: 16.1 for details)	**159.98**	103.25
Other borrowing costs	**63.10**	93.78
	1,583.80	**1,709.04**

29 Other expenses	**Year ended 31 March 2019**	**Year ended 31 March 2018**
A. Manufacturing Expenses		
Processing and Moulding Charges	**-**	3.21
Power and Fuel	**710.32**	545.51
Stores and Spares Consumed	**83.38**	43.54
Excise Duty on Variation in Stock [Refer Note (a) below]	**-**	(28.40)
Repairs and Maintenance	**54.89**	[illegible]
	848.59	**607.92**
B. Administrative and Other Expenses		
Rent & Service Charges	**4.65**	2.34
Rates & Taxes	**14.43**	11.92
Insurance	**2.31**	6.41
Freight & Delivery Charges	**1,373.03**	1,333.80
Telephone & Internet Expenses	**2.57**	2.08
Travelling & Conveyance	**9.35**	10.84
Other Repairs and Maintenance	**10.52**	16.30
Safety & Security Charges	**10.66**	8.23
Legal & Professional Fees	**54.34**	48.37
Sales Promotion Expenses	**26.44**	23.26
Auditor's Remuneration [Refer Note (b) below]	**8.56**	5.40
Directors' Sitting Fees	**0.29**	0.35
Miscellaneous Expenses	**16.62**	29.36
Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	**9.23**	7.50
Provision for expected credit loss (Refer note: 36.1 for details)	**54.29**	19.45
Fines & Penalties	**5.45**	-
Commission	**6.53**	4.41
VAT & CST paid on assessment	**2.13**	3.27
Donation	**1.15**	-
Sundry Balances written off (net)	**2.12**	7.43
	1,614.64	**1,540.72**
29 Other expenses (A+B)	**2,463.23**	**2,148.64**

(a) Amount of excise duty on variation in stock represents differential excise duty on stock of finished goods for the year ended 31st March, 2018.

(b) Payment to auditors	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Statutory audit	**3.80**	3.30
Tax audit	**1.27**	1.10
Other Services	**3.50**	1.00
	8.56	**5.40**

30 Income taxes

A. Amount recognised in profit or loss		**As at 31 March 2019**	**As at 31 March 2018**
Current tax			
Current period	A	**125.18**	101.51
Earlier Year tax			
Earlier Year tax	B	**(0.21)**	0.05
Deferred tax			
Deferred Tax for the year	C	**(1.27)**	15.16
Tax expense reported in the statement of profit and loss [(A)+(B)+(C)]		**123.70**	**116.71**

B. Income tax recognised in other comprehensive income	**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	**1.36**	(0.21)
Equity instruments through other comprehensive income	**(0.005)**	(0.63)
Income tax expense reported in the statement of profit and loss	**1.36**	**(0.83)**

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C. Reconciliation of effective tax rate for the year ended 31 March 2019	**As at 31 March 2019**	**As at 31 March 2018**
Profit before tax	**342.68**	**293.96**
Tax using the Indian tax rate @ 33.384% (31st March 2018: 33.063%)	**114.40**	97.19
Tax impact of items on which indexation is done and tax is calculated at special rates	**(12.28)**	-
Tax impact of expenses which will never be allowed	**2.73**	2.74
Tax impact of expected credit loss on trade receivables	**18.12**	6.43
Adjustments recognised in the current year in relation to the current tax of prior years	**(0.21)**	0.05
Change in tax rate and other tax differences	**0.94**	10.30
Effective tax	**123.70**	**116.71**

31 Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

		Year ended 31 March 2019	**Year ended 31 March 2018**
(a)	**Profit attributable to equity shareholders**	**221.72**	**179.36**
(b)	**Adjusted profit for diluted earnings**	**221.72**	179.36
(c)	Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	**10,909,000**	**10,909,000**
(d)	Weighted average number of ordinary shares in computing diluted earnings per share	**10,909,000**	**10,909,000**
	Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
	Basic [(a)/(c)]	**2.03**	**1.64**
(e)	**Diluted [(b)/(d)]**	**2.03**	**1.64**

32 Contingent liability and commitments (Ind AS 37)	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
(to the extent not provided for)			
a) Claim against the Company not acknowledged as debt			
Demand raised by Sales Tax and Income Tax (IT) authorities being disputed by the Company. *	**275.87**	265.13	270.29
b) Guarantee outstanding	**3,000.00**	3,000.00	3,200.00
Corporate guarantee for credit facilities to Hari Equipments Private Limited	**1,525.00**	-	-
Corporate guarantee for credit facilities to Kedarnath Commotrade Private Limited	**4,827.03**	**3,291.29**	**3,496.45**

* Brief description of liabilities under (a) above:

	Particulars	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
1	**Income Tax :**			
	Demand raised by IT authorities on account of various disallowances for assessment year 2006-07	**6.04**	6.04	6.04
	Demand raised by IT authorities on account of various disallowances for assessment year 2008-09	**-**	-	2.76
	Demand raised by IT authorities on account of various disallowances for assessment year 2009-10	**-**	-	2.40
	Demand raised by IT authorities on account of various disallowances for assessment year 2010-11	**6.46**	6.46	6.46
	Demand raised by IT authorities on account of disallowance u/s 14A and additions to share capital for assessment year 2012-13	**205.52**	205.52	205.52
	Demand raised by IT authorities on account of various disallowances for assessment year 2013-14	**5.97**	5.97	5.97
	Demand raised by IT authorities on account of various disallowances for assessment year 2014-15	**14.98**	14.98	14.98
	Demand raised by IT authorities on account of various disallowances for assessment year 2016-17	**10.73**	-	-
2	**Sales Tax :**			
	Demand raised by Sales tax authorities, Andhra Pradesh on levy of differential VAT on hire charges for the year 2010-11 (Amount paid under protest - Rs. 4.69 Lakhs)	**4.69**	4.69	4.69
	Demand for penalty on VAT raised by Asst. Commissioner (CT) (Int. & LTU), Vizianagaram, Andhra Pradesh for the period 04/2011 to 12/2012 (Amount paid under protest - Rs. 21.47 Lakhs)	**21.47**	21.47	21.47

Based on favorable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors, etc. the Company believes that there is fair chance of decisions in its favour in respect of all the items listed in (a) above and hence no provision is considered necessary against the same.

33 Employee Benefits

(a) Defined contribution plans:
Contribution to defined contribution plans, recognised as an expense for the year are as under:

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Employer's contribution to Provident Fund	**1.88**	2.53
Employer's contribution to ESIC	**1.48**	0.06
Total	**1.88**	**2.53**

(b) Defined benefit plans:
Contribution to defined benefit plans, recognised as an expense in profit and loss statement for the year are as under:

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Gratuity - Net defined benefit obligation	**1.95**	3.06
Total	**1.95**	**3.06**

Defined benefit plan
The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(i) **Movement of defined benefit obligation**
The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at 31 March 2019	**As at 31 March 2018**	**As at 1 April 2017**
Defined benefit obligation at beginning of the year	**6.55**	41.05	20.84
Current service cost	**1.45**	0.98	2.48

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Past service cost	**-**	0.30	-
Interest cost	**0.50**	1.79	1.56
Benefits paid	**-**	(35.68)	-
Actuarial (gain)/loss	**(4.09)**	(1.90)	16.16
Defined benefit obligation at end of the year	**4.41**	**6.55**	**41.05**

(ii) **Liability recognised in the balance sheet**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of defined benefit obligation	**4.41**	6.55	41.05
Amount recognised as liability in balance sheet	**4.41**	**6.55**	**41.05**

(iii) **Expenses recognised during the year (Under the head "Employee Benefit expenses" – refer note no. 27)**

Expense recognised in profit and loss statement	As at 31st March 2019	As at 31st March 2018
Current service cost	**1.45**	0.98
Past Service Cost (vested)		-
Net interest cost	**0.50**	0.30 1.79
Total amount recognised in profit and loss (note no. 27)	**1.95**	3.07

Remeasurements recognised in other comprehensive income	As at 31st March 2019	As at 31st March 2018
Actuarial (Gain)/Loss on obligations due to change in demographic assumption	-	-
Actuarial (Gain)/Loss on obligations due to change in financial assumption	**-**	(0.28)
Actuarial (Gain)/Loss on obligations due to unexpected experience	**(4.09)**	(1.61)
Total amount recognised in other comprehensive income	**(4.09)**	(1.90)
Net Cost	**(2.13)**	**1.18**

(iv) **Actuarial assumptions**	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount rate (per annum)	**7.70%**	7.70%	7.50%
Rate of escalation in salary (per annum)	**6.00%**	6.00%	6.00%
Retirement age	**70**	70	70

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Increase by			Decrease by		
Sensitivity analysis	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount Rate (-/+ 0.5%)	**3.83**	5.90	37.17	**5.10**	7.28	45.41
Salary Growth (-/+ 0.5%)	**5.10**	7.29	45.23	**3.82**	5.89	37.30
Attrition Rate (-/+ 0.5%)	**4.41**	6.55	41.05	**4.41**	6.55	41.05
Mortality Rate (-/+ 10%)	**4.43**	6.56	41.15	**4.40**	6.53	40.96

(vii) **Maturity profile**

Yea	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
r 1	**0.01**	0.04	0.21
2	**0.02**	0.05	0.24
3	**0.02**	0.05	0.28
4	**0.02**	0.06	0.32
5	**0.02**	0.07	0.38
6 to 10	**0.18**	0.49	2.91
More than 10 years	**27.54**	30.67	198.59

The above information regarding Ind AS 19 "Employee Benefits" is certified by an actuary.

34 **Segment information**

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Manufacturing and Trading of Iron & Steel and related products, hence does not have segemnt as per **Ind AS 108 "Operating Segments"**. The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations
All revenue from operations of the company are generated within India.

(b) Non-current assets
All Non-current assets of the company are located in India.

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(c) Customer contributing more than 5% of Revenue

Revenue from **two** (31st March 2018: four) external customers contributed to **32.90%** (31st March 2018: 27.88%) Company's total revenue amounting approximately to **Rs. 24,865.15 lakhs** & Rs. 21,721.88 lakhs for the year ended 31st March 2019 & 31st March 2018 respectively. Other than these customers, there is no other customer whose revenue contributed to more than 5% of the Company's revenue.

35 Related Party Disclosures

Key Management Personnel (KMP)	Nature of Relationship
Sunil Choudhary	Managing Director
Bina Choudhary	Director
Bivor Bagaria (upto 29.03.2019) Ankit	Director & Chief Financial Officer
Gupta (w.e.f 30.03.2019)	(CFO) Chief Financial Officer (CFO)
Ankit Gupta (w.e.f 06.04.2019)	Director

Relatives of Key Managerial
Personnel Anjani Choudhary

Associates
Hari Equipments Private Limited

Enterprises owned or significantly influenced by key management personnel or their relatives
Narayani Ispat Limited
Kedarnath Commotrade Private Limited (upto 29.03.2019)
Balajee Roadways
Agrimony Tradex Vyaappar Private Limited
Hemang Steel Traders

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transactions	31 March 2019	31 March 2018
Purchases (Inclusive of Excise but exclusive of VAT/ GST)		
Narayani Ispat Limited	**2,131.22**	1,841.20
Hari Equipments Private Limited	**192.68**	804.68
Kedarnath Commotrade Private Limited	**1,555.43**	1,793.18
Agrimony Tradex Vyaappar Private Limited	**393.96**	22.88
Sales (Inclusive of Excise but exclusive of VAT/ GST)		
Narayani Ispat Limited	**1,158.59**	2,642.02
Hari Equipments Private Limited	**456.17**	487.93
Kedarnath Commotrade Private Limited	**789.68**	444.51
Agrimony Tradex Vyaappar Private Limited	**226.16**	131.11
Rental Income		
Agrimony Tradex Vyaappar Private Limited	**0.36**	-
Balajee Roadways	**0.54**	-
Narayani Ispat Limited	**0.96**	-
Hari Equipments Private Limited	**0.36**	-
Kedarnath Commotrade Private Limited	**0.36**	-
Sale of shares of Kedarnath Commotrade Private Limited	**49.00**	-
Rent Paid		
Sunil Choudhary	**-**	-
Bina Choudhary	**3.60**	1.74
Narayani Ispat Limited	**0.55**	-
Hari Equipments Private Limited	**0.50**	0.60
Freight Expense		
Balajee Roadways	**1,169.40**	1,121.28
Director's Remuneration		
Sunil Choudhary	**36.00**	36.00
Bivor Bagaria	**24.00**	12.00
Salary		
Anjani Choudhary	**-**	1.40
Professional Charges		
Bivor Bagaria	**6.00**	6.00

Outstanding Balances

Particulars	31 March 2019	31 March 2018	1 April 2017
Trade Receivables			
Narayani Ispat Limited	**385.49**	25.35	16.23
Kedarnath Commotrade Private Limited	**-**	4.73	105.65
Agrimony Tradex Vyaappar Private Limited	**0.04**	97.71	-
Trade Payables			
Hari Equipments Private Limited	**-**	56.40	-
Liabilities For Expenses			
Sunil Choudhary	**-**	0.04	9.21
Bina Choudhary	**0.29**	-	-
Bivor Bagaria	**-**	0.35	-
Investments in Shares			

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Kedarnath Commotrade Private Limited	**-**	24.50	24.50
Hari Equipments Private Limited	**56.73**	56.73	56.73
Advances Given			
Balajee Roadways	**67.89**	276.68	147.41
Advances Received			
Hemang Steel Traders	**7.22**	7.22	7.22

36 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. Credit risk arises when a customer or counterparty does 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) and from its financing/ investing activities, including deposits with bank and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institution, dealer or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

Movement in the expected credit loss allowance of trade receivables are as follows:	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Balance at the beginning of the year	**27.35**	7.90	-
Add: Provision during the year (net of reversals)	**54.29**	19.45	7.90
Balance at the end of the year	**81.63**	27.35	7.90
% of Expected Credit Loss:			
More than 1 year	**10.00%**	10.00%	10.00%
More than 2 years	**25.00%**	25.00%	25.00%
More than 3 years	**75.00%**	75.00%	75.00%

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	%	Amount	%	Amount
Revenue from a top customer	**17.71%**	**13,382.49**	8.03%	6,252.37
Revenue from top five customers	**44.42%**	**33,568.83**	31.30%	24,388.96

Other credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever it is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior

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management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars				
As at 31 March 2019	**Less than 1 year**	**1-5 years**	**5 years**	**Total**
Borrowings	10,652.43	1,951.82	-	12,604.25
Trade payables	11,931.40	-	-	11,931.40
Other financial liabilities	9.23	-	-	9.23
	22,593.05	**1,951.82**	**-**	**24,544.87**
As at 31 March 2018	**Less than 1 year**	**1-5 years**	**5 years**	**Total**
Borrowings	10,476.71	1,385.35	-	11,862.06
Trade payables	8,958.64	-	-	8,958.64
Other financial liabilities	7.50	-	-	7.50
	19,442.85	**1,385.35**	**-**	**20,828.20**
As at 1 April 2017	**Less than 1 year**	**1-5 years**	**5 years**	**Total**
Borrowings	9,410.18	1,353.05	-	10,763.23
Trade payables	9,379.57	-	-	9,379.57
Other financial liabilities	8.00	-	-	8.00
	18,797.75	**1,353.05**	**-**	**20,150.80**

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2019	31 March 2018	1 April 2017
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	(1,700.78)	(1,006.69)	(955.20)
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	(10,541.97)	(10,465.18)	(9,314.87)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Profit/ (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
Variable rate instruments	(52.71)	52.71	(35.11)	35.11
Cash flow sensitivity (net)	**(52.71)**	**52.71**	**(35.11)**	**35.11**
31 March 2018				
Variable rate instruments	(52.33)	52.33	(35.03)	35.03
Cash flow sensitivity (net)	**(52.33)**	**52.33**	**(35.03)**	**35.03**

(b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for stratergic rather than trading purposes. The Company does not actively trade these investments.

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(c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

37 Capital management (Ind AS 1)

The Company's management objective are :
- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

Particulars		31 March 2019	31 March 2018	1 April 2017
Total debt (Bank and other borrowings)	A	12,242.75	11,471.87	10,270.07
Equity	B	4,218.79	3,997.07	3,817.71
Liquid investments including bank deposits maturing within 1 year	C	2,639.61	1,760.42	1,957.20
Debt to Equity (A / B)		2.90	2.87	2.69
Debt to Equity (net) [(A-C) / B]		2.28	2.43	2.18

38 Exceptional Item

Exceptional Item represents payments to certain employees in FY 2017-18 of Vizianagaram unit on settlement of their dues on retrenchment.

39 In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

40 Debtors is net off Rs. **18.02 lakhs** (31st March, 2018: Rs 18.43 lakhs; 1st April 2017: Rs. 26.36 lakhs) being certain payments lying under suspense account in absence of information as to the credits in the bank accounts.

41 The Company has taken premises under operating lease. The escalation clause is applicable on renewal. There is no restriction imposed by lease agreements. These lease agreements are normally renewed on expiry.
Expense charged to profit and loss account is **Rs. 4.65 lakhs** (31st March 2018: Rs. 2.34 lakhs).

42 Foreign Exchange Earnings and Outgo

	As at 31st March 2019	As at 31st March 2018
Expenditure in Foreign Currency:		
Travel & Miscellaneous matters	**0.14**	0.21

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43 Financial instruments and related disclosures

43.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2:Basis of Preparation

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

43.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

		As at 31st March 2019			**As at 31st March 2018**			**As at 1st April 2017**		
	Note No.	**Carrying amount**	**Level of Inputs used in Level 3**	**Level 1**	**Carrying amount**	**Level of Inputs used in Level 3**	**Level 1**	**Carrying amount**	**Level of Inputs used in Level 3**	**Level 1**
A. Financial assets:										
a) Measured at amortised cost										
Investments	6	**56.73**	-	-	56.73	-	-	56.73	-	-
Trade receivables	8	**21,556.00**	-	-	17,632.45	-	-	13,656.94	-	-
Cash and Cash equivalents	9	**197.88**	-	-	237.54	-	-	376.26	-	-
	10	**2,441.73**			1,522.88			1,580.94		
	11	**133.61**	-	-	140.04	-	-	136.66	-	-
Other Bank Balances										
b) Other financial assets										
Meaured at fair value through other comprehensive income				-	102.13	102.13	-	64.99	64.99	-
Investments	6	**101.83**	**101.83**							
c) Meaured at fair value through other comprehensive income				**0.96**	0.95	0.95	-	1.57	-	1.57
Investments	6	**0.96**	-							
B. Financial liabilities:										
a) Measured at amortised cost										
Borrowings	16	**12,132.30**	-	-	11,460.34	-	-	10,174.76	-	-
Trade payables	17	**11,931.40**	-	-	8,958.64	-	-	9,379.57	-	-
Other financial liabilities	18	**119.68**	-	-	19.03	-	-	103.31	-	-

There are no transfers between level 1 and level 2 during the year.
Level 1: Quoted prices in active markets for identical assets
Level 3: Inputs other than observable market data, are used for deriving value

The investment included in Level 3 of fair value hierarchy has been valued using the net asset value based approach to arrive at their fair value. There is a wide range of possible fair value measurements. In absence of any specific market data, the net asset value of such investments as per the latest available audited financial statements approximates the fair value.

44 Explanation of transition to Ind AS

As stated in note 2a, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies as set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2018 and the opening Ind AS balance sheet as on the date of transition i.e. 1 April 2017.

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In preparing its Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended 31 March 2018, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its Standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions
In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

A. Optional exemptions availed
(a) Property, plant and equipment
As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. There are no decommissioning liabilities to be incurred by the Company relating to property, plant and equipment.

(b) Fair value measurement of financial assets or liabilities at initial recognition
The Company has applied the requirements of Ind AS 109, *"Financial Instruments: Recognition and Measurement"* , wherever applicable.

B. Mandatory exceptions
(a) Estimates
As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.
However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's es. mates under Ind AS are consistent with the above requirement.

(b) Derecognition of financial assets and liabilities
As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, *Financial Instruments* , prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially

(c) Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the Standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Financial assets have been measured and accounted for at fair value thought profit and loss.

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44 Explanation of transition to Ind AS

(continued) C. Reconciliation of equity

Particulars	Note	As at 31 March 2018 Previous GAAP*	As at 31 March 2018 Adjustment on transition to Ind AS	As at 31 March 2018 Ind AS	As at 1 April 2017 Previous GAAP*	As at 1 April 2017 Adjustment on transition to Ind AS	As at 1 April 2017 Ind AS
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment		1,702.08	-	1,702.08	1,227.03	-	1,227.03
(b) Capital Work In Progress		75.80	-	75.80	-	-	-
(c) Investment Properties	(a)	-	165.44	165.44	-	182.80	182.80
(d) Intangible Assets		2.62	-	2.62	-	-	-
(e) Financial assets					-		
(i) Investments	(b)	82.34	17.48	99.82	82.34	10.39	92.73
(ii) Other financial assets		82.62	-	82.62	75.26	0.01	75.27
Total Non-current assets		**1,945.45**	**182.92**	**2,128.37**	**1,384.64**	**193.20**	**1,577.84**
(2) Current assets							
(a) Inventories		1,964.82	-	1,964.82	5,749.12	-	5,749.12
(b) Financial assets		-			-	-	
(i) Investments	(b)	242.04	(182.05)	59.99	214.64	(184.08)	30.56
(ii) Trade receivables	(c)	17,659.79	(27.35)	17,632.45	13,664.84	(7.89)	13,656.94
(iii) Cash and cash equivalents		1,760.42	(1,522.88)	237.54	1,957.20	(1,580.94)	376.26
(iv) Other Bank Balances		-	1,522.88	1,522.88	-	1,580.94	1,580.94
(v) Other Assets		-	57.42	57.42	-	61.39	61.39
(c) Current tax assets (net)		-	38.55	38.55	-	96.87	96.87
(d) Other current assets		1,939.52	(95.97)	1,843.55	1,515.35	(158.26)	1,357.09
Total Current assets		**23,566.60**	**(209.40)**	**23,357.20**	**23,101.14**	**(191.97)**	**22,909.17**
Total Assets		**25,512.05**	**(26.47)**	**25,485.58**	**24,485.78**	**1.22**	**24,487.00**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		1,090.90	-	1,090.90	1,090.90	-	1,090.90
(b) Other equity	(a) to (h)	3,000.21	(94.04)	2,906.17	2,794.87	(68.06)	2,726.81
Total Equity		**4,091.11**	**(94.04)**	**3,997.07**	**3,885.77**	**(68.06)**	**3,817.71**
Liabilities							
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	(d) &	1,385.35	(390.19)	995.16	1,353.05	(493.16)	859.89
(b) Other non-current liabilities	(e)(e)	-	230.21	230.21	-	389.91	389.91
(c) Deferred tax liabilities (net)	(f)	53.47	60.07	113.54	37.93	61.28	99.22
(d) Provisions	(g)	6.51	-	6.51	40.85	-	40.85
Total Non-current liabilities		**1,445.33**	**(99.92)**	**1,345.42**	**1,431.83**	**(41.97)**	**1,389.87**
(2) Current liabilities							
(a) Financial liabilities		10,465.18	-	10,465.1	9,314.87	-	9,314.87
(i) Borrowings		9,062.89	(104.25)	8,958.64	9,471.76	(92.19)	9,379.57
(ii) Trade Payables	(h)	-	19.03	19.03	-	103.31	103.31
(iii) Other Financial Liabilities	(e)	345.99	252.71	598.70	277.78	100.13	377.91
(b) Other Current Liabilities	(g)	101.54	-	101.54	103.76	-	103.76
(c) Provisions		**19,975.61**	**167.48**	**20,143.09**	**19,168.17**	**111.25**	**19,279.42**
Total Equity & Liabilities		**25,512.05**	**(26.47)**	**25,485.58**	**24,485.78**	**1.22**	**24,487.00**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Significant accounting policies 3

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
Notes to the Standalone financial statements for the year ended 31 March 2019
(Continued) **All amount in Rs. Lakhs, unless otherwise stated**

44 Explanation of transition to Ind AS (continued)

D. Reconciliation of total comprehesive income for the year ended 31 March 2018

	Particulars	Note	Year ended 31 March 2018		
			Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I	Revenue from operations		77,996.89	-	77,996.89
II	Other income	(b),(e), (h)	138.80	121.00	259.79
III	**Total income (I + II)**		**78,135.69**	**121.00**	**78,257**
IV	**Expenses**				
	Cost of Materials Consumed		6,864.06		6,864.06
	Purchase of Traded Goods		62,849.75		62,849.75
	Changes in inventories of finished goods and stock-in-trade		3,707.29		3,707.29
	Excise Duty		247.32		247.32
	Employee benefits expense	(g)	270.92	1.89	272.82
	Finance costs	(e)	1,605.79	103.25	1,709.04
	Depreciation and amortisation expense	(a)	69.62	17.37	86.98
	Other expenses	(c) & (h)	2,121.69	26.95	2,148.64
	Total expenses (IV)		**77,736.44**	**149.45**	**77,885.89**
V	**PROFIT BEFORE TAX & EXCEPTIONAL ITEM (III-IV)**		**399.25**	**(28.46)**	**370.79**
VI	**Exceptional Item**	38	76.82	-	76.82
VII VIII	**Profit/ (loss) before tax (III-IV)**		**322.43**	**(28.46)**	**293.97**
	Tax expense:				
	Current tax		101.51	-	101.51
	Earlier Year Tax		0.05	-	0.05
	Deferred tax	(f)	15.54	(0.39)	15.16
VII	**Profit / (loss) for the year (V-VI)**		**205.33**	**(28.07)**	**177.26**
	Other comprehensive income (net of tax)				
	A. Items that will not be reclassified to profit or loss				
	(a) Remeasurements of defined benefit liability/ (asset)	(g)	-	1.89	1.89
	(b) Equity instruments through other comprehensive income	(b)	-	(0.62)	(0.62)
	(c) Income taxes relating to items that will not be reclassified to profit or loss	(f)	-	0.83	0.83
	Net other comprehensive income not to be reclassified subsequently to profit or loss	(i)	**-**	**2.10**	**2.10**
	B. Items that will be reclassified to profit or loss		-	-	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		**-**	**-**	**-**
VIII	**Other comprehensive income**		**-**	**2.10**	**2.10**
IX	**Total comprehensive income for the year (VII+VIII)**		**205.33**	**(25.97)**	**179.36**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

E. There were no significant reconciliation items between cash flows prepared under previous GAAP & those prepared under Ind AS.

44 Explanation of transition to Ind AS (continued)

F. Notes to the reconciliations of equity as at 1 April 2018 and 31 March 2019 and total comprehensive income for the year ended 31 March 2018

(a) Investment Properties
Investment property consist of Spaces at Shopping Complex, Vizianagaram, Andhra Pradesh. The spaces is obtained to earn rental income and capital appreciation.

(b) Fair valuation of investments
In accordance with Ind AS, financial assets representing investment in equity shares / units of mutual funds of entities other than associates have been fair valued. The Company has designated certain investments classified at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

NARAYANI STEELS LIMITED
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Notes to the Standalone financial statements for the year ended 31 March 2019
(Continued) **All amount in Rs. Lakhs, unless otherwise stated**

44 Explanation of transition to Ind AS (continued)

(c) Trade Receivables

Customer and vendor credit risk is managed by the Company's established policy, procedures and control relating to credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in domestic terrorities.

(d) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Where such borrowing is in connection with a qualifying asset, processing fees to the extent amortised as per the EIR method, is capitalised as part of the cost of the asset till the period of capitalisation permitted under Ind AS 23.

(e) Interest free loans

Ind AS 109 requires the loan to be initially measured at fair value minus transaction costs. As the loan is interest free, the fair value of the loan is different from the transaction price in the case. Therefore, the recognition of the difference between the fair value at initial recognition and the transaction price of the interest free loan is recognised as "Deferred fair value gain/loss". The difference is amortised over the period of the loan. The amount of amortisation is equal to the unwinding of discount. The deferred fair value gain/loss is presented as other non-current liability and other current liability.

(f) Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

(g) Provision for employee benefits (Gratuity)

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

(h) Corporate guarantee contracts

Ind AS 109 requires the guarantor to recognise the corporate guarantee contract initially at its fair value. Therefore, the liability is recognised in the financial statements for the fair value of the corporate guarantee as "Deferred liability - on corporate guarantee". Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less the cumulative amount recognised as income on a straight-line basis in accordance with Ind AS 18, Revenue as "Amortisation of financial guarantee obligation".

(i) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value of equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

As per our report of even date attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of Narayani Steels Limited

Sunil Choudhary
Managing Director
DIN: 00289479

Ankit Gupta
Director & CFO
DIN: 08415248

CA. Mohit Bhuteria
Partner
Membership No: 056832

Arun Kumar Meher
Company Secretary
M.NO.: A48598

Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

INDEPENDENT AUDITOR'S REPORT
To the Members of **Narayani Steels Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Narayani Steels Limited ("the Company")** and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements".

In our opinion and to the best of our information and according to the explanations given to us based on the consideration of reports of other auditors on separate financial statements of the associate as were audited by the other auditors, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate, as at 31st March, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Statements' section of our report. We are independent of the Company and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
1. **Related party transactions**	
The Company and its associate have entered into several transactions with related parties during the year 2018-19. We identified related party transactions as a key audit matter because of risks with	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We carried out an assessment of the key controls to identify and disclose related party relationships and

respect to completeness of disclosures made in the financial statements; non-compliance with statutory regulations governing related party relationships such as the Companies Act 2013 and SEBI Regulations and the judgement involved in assessing whether transactions with related parties are undertaken at arms' length. (Refer Note 35 to the consolidated financial statements)	transactions in accordance with the relevant Indian accounting standard. 2. We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals/ scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgement to rely on opinions provided by legal practitioners. 3. We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the related party transactions. 4. For transactions with related parties, we inspected relevant ledgers and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the Company statutorily. 5. We have tested on a sample basis, Management's assessment of related party transactions for arm's length pricing.
2. Expected Credit Loss on Trade Receivables of the Company As on 31.03.2019, trade receivables stood at Rs. 21,556.00 lakhs after providing expected credit loss amounting to Rs. 81.63 lakhs. Refer Note 3(i), 8 and 36(i) of Consolidated Financial Statements.	Our procedures in relation to the expected credit loss on Trade Receivables included: 1. Testing with regard to trade receivable includes testing controls over billing and collections, ageing analysis, etc. 2. Test the completeness and accuracy of the data. 3. Critically assessed and tested the significant judgments used by management based on past experience. 4. Analyzing the key terms of contract with customers to ascertain provision required for expected credit loss.

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 consolidated financial statements, standalone financial statements and our auditor's report thereon. The information included in the annual report is expected to be made available to us after the date of the auditor's report.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information, compare with the financial statements of the associate audited by the other auditors, to the extent it relates to the entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the associate, is traced from their financial statements audited by the other auditors. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, including consolidated other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 including its associate 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the financial reporting process of the Company including its associate.

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

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

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company including its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Company including its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matter

We did not audit the financial statements of the associate company, **Hari Equipments Private Limited** included in the consolidated financial statements for the year ended 31st March, 2019 which includes Company's share of net profit (including other comprehensive income) of Rs. 9.51 Lakhs. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) and sub section (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of other auditors. Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consolidation of reports of other auditors on separate financial statements of such associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent possible, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the report of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors of the Company and the report of other statutory auditors of its associate company, 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;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 1**" which is based on the audited report of the Company audited by us and the associate audited by other auditors. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control with reference to financial statements of the Company and its associate incorporated in India;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act, where applicable;

(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 and its associate has disclosed the impact of pending litigations on its financial position in its financial statements– Refer Note – 32 to the Consolidated financial statements.

ii. The Company and its associate 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 **A.C. Bhuteria & Co.**
Chartered Accountants
Firm Registration No.303105E

CA. Mohit Bhuteria
Partner
Membership No. 056832

Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

ANNEXURE- 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Narayani Steels Limited** ("the Company") and its associate as of 31st March, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company and its associate, which is incorporated in India, have in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate company which is incorporated in India, 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 Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate company, which is incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

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.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to a associate, which is incorporated in India, is based on the corresponding standalone report of the auditors', as applicable, of such company incorporated in India.

For **A. C. Bhuteria & Co.**
Chartered Accountants
Firm Registration No.303105E

CA. Mohit Bhuteria
Partner
Membership No. 056832

Place of Signature: Visakhapatnam
Date: The 30th day of May, 2019

CONSOLIDATED BALANCE SHEET
as at 31st March, 2019

(All amounts in lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4A	1,938.56	1,702.08	1,227.03
(b) Capital Work In Progress	4B	205.06	75.80	-
(c) Investment Properties	4C	149.72	165.44	182.80
(d) Intangible Assets	5	3.48	2.62	-
(e) Financial assets				
(i) Investments accounted for using Equity Method	6A	124.82	115.31	98.08
(ii) Other Investments	6B & 6C	0.96	43.09	36.00
(ii) Other assets	11	79.37	82.62	75.27
Total Non-current assets		2,501.97	2,186.95	1,619.17
2) Current assets				
(a) Inventories	7	1,788.85	1,964.82	5,749.12
(b) Financial assets				
(i) Investments	6D	101.83	59.99	30.56
(ii) Trade receivables	8	21,556.00	17,632.45	13,656.94
(iii) Cash and cash equivalents	9	197.88	237.54	376.26
(iv) Other bank balances	10	2,441.73	1,522.88	1,580.94
(v) Other assets	11	54.23	57.42	61.39
(c) Current tax assets (net)	12	123.51	38.55	96.87
(d) Other current assets	13	943.06	1,843.55	1,357.09
Total Current Assets		27,207.09	23,357.20	22,909.17
TOTAL ASSETS		29,709.07	25,544.15	24,528.35
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	1,090.90	1,090.90	1,090.90
(b) Other equity	15	3,195.97	2,964.74	2,768.15
Total Equity		4,286.87	4,055.64	3,859.05
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	1,590.32	995.16	859.89
(b) Other non-current liabilities	19	182.33	230.21	389.91
(c) Deferred tax liabilities (net)	20	113.63	113.54	99.22
(d) Provisions	21	4.40	6.51	40.85
Total Non-current liabilities		1,890.68	1,345.42	1,389.87
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	10,541.97	10,465.18	9,314.87
(ii) Trade payables	17			
Total outstanding dues of micro enterprises and small enterprises		0.62	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,930.78	8,958.64	9,379.57
(iii) Other liabilities	18	119.68	19.03	103.31
(b) Other current liabilities	19	813.28	598.70	377.91
(c) Provisions	21	125.19	101.54	103.76
Total Current liabilities		23,531.52	20,143.09	19,279.42
TOTAL EQUITY AND LIABILITIES		29,709.07	25,544.15	24,528.35
Significant accounting policies	3			

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

CA Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

For and on behalf of the Board of Directors of Narayani Steels Limited

Sunil Choudhary	Ankit Gupta	Arun Kumar Meher
Managing Director	Director & CFO	Company Secretary
DIN: 00289479	DIN: 08415248	M.NO.: A48598

CONSOLIDATED STATEMENT OF PROFIT & LOSS
as at 31st March, 2019

(All amounts in lakhs, unless otherwise stated)

	Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
I.	Revenue from operations	22	75,168.43	77,996.89
II.	Other income	23	315.93	259.79
III.	Total income (I + II)		75,484.36	78,256.68
IV.	Expenses			
	Cost of Materials Consumed	24	10,787.63	6,864.06
	Purchase of Traded Goods	25	59,460.04	62,849.75
	Changes in inventories of finished goods and stock-in-trade	26	334.33	3,707.29
	Excise Duty		-	247.32
	Employee benefits expense	27	421.29	272.82
	Finance costs	28	1,583.80	1,709.04
	Depreciation and amortisation expense	4A, 4C & 5	91.36	86.98
	Other expenses	29	2,463.23	2,148.64
	Total expenses (IV)		75,141.68	77,885.90
V.	PROFIT BEFORE TAX & EXCEPTIONAL ITEM (III-IV)		342.68	370.78
VI.	Exceptional Item	38	-	76.82
VII.	Profit before tax (V-VI)		342.68	293.96
VIII.	Tax expense:	30		
	Current tax		125.18	101.51
	Earlier year tax		(0.21)	0.05
	Deferred tax		(1.27)	15.16
IX.	Profit before share of net profits of investments accounted for using equity method for the year (VII-VIII)		218.98	177.26
X.	Share of net profits from Associate accounted for using equity method for the year (net of tax)	6A(i)	9.51	17.23
	Other comprehensive income (net of tax)			
	A. Items that will not be reclassified to profit or loss			
	(a) Re-measurement of defined benefit liability/ (asset)		4.09	1.89
	(b) Equity instruments through other comprehensive income		0.01	(0.62)
	(c) Income taxes relating to items that will not be reclassified to profit or loss		(1.36)	0.83
	Net other comprehensive income not to be reclassified subsequently to profit or loss		2.74	2.10
	B. Items that will be reclassified to profit or loss		-	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
XI.	Other comprehensive income		2.74	2.10
XII.	Total comprehensive income for the year (IX + X + XI)		231.23	196.59
XIII.	Earnings per equity share [Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
	- Basic		2.12	1.80
	- Diluted		2.12	1.80
	Significant accounting policies	3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of Narayani Steels Limited

CA Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

Sunil Choudhary
Managing Director
DIN: 00289479

Ankit Gupta
Director & CFO
DIN: 08415248

Arun Kumar Meher
Company Secretary
M.NO.: A48598

CONSOLIDATED CASH FLOW STATEMENT
as at 31st March, 2019

(All amounts in lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before share of profit of associate and tax		342.68		293.96
ADJUSTMENTS FOR :				
Depreciation and amortisation expense	91.36		86.98	
Expected Credit Loss	54.29		19.45	
Net (gain) / loss on investments measured at fair value through profit or loss	(11.77)		(9.75)	
Amortisation of corporate guarantee obligation	1.73		(0.50)	
Finance Costs	1,743.78		1,812.29	
Rental Income	(11.58)		(9.76)	
Profit on sale of investments	-		(2.89)	
Sundry Balance written off (net)	2.12		7.43	
Interest income	(284.51)		(226.46)	
Gratuity	1.95	1,587.36	3.06	1,679.88
Operating profit before working capital changes		1,930.04		1,973.84
ADJUSTMENTS FOR :				
Trade receivables, loans, advances and other assets	(3,073.03)		(4,492.22)	
Inventories	175.97		3,784.30	
Trade payables, other liabilities and other financial liabilities	3,137.57	240.51	(452.27)	(1,160.19)
Cash generated from operations		2,170.55		813.65
Income tax paid		(186.27)		(45.29)
Net Cash from / (used in) Operating Activities before exceptional items		1,984.28		768.36
Employee benefits paid (Gratuity)		-		(35.68)
Net Cash from / (used in) Operating Activities		1,984.28		7 32.68
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment (including capital work-in-progress)	(442.24)		(623.08)	
Purchase of investments	(68.79)		(107.40)	
Sale of investments	80.86		82.84	
(Investments) in / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	(918.84)		58.05	
Rent received	11.58		9.76	
Interest received	284.51	(1,052.92)	226.46	(353.33)
Net cash from / (used in) Investing Activities		(1,052.92)		(353.33)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Borrowings	772.76		1,294.23	
Finance Costs	(1,743.78)	(971.02)	(1,812.29)	(518.06)
Net cash from / (used in) financing activities		(971.02)		(518.06)
Net Increase / (Decrease) in Cash & Cash equivalents		(39.66)		(138.72)
Cash & Cash equivalents at beginning of the year^		237.54		376.26
Cash & Cash equivalents at end of the year^		197.88		237.54

^ as disclosed in Note 9

Note : The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.

Significant accounting policies 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of Narayani Steels Limited

CA. Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

Sunil Choudhary
Managing Director
DIN: 00289479

Ankit Gupta
Director & CFO
DIN: 08415248

Arun Kumar Meher
Company Secretary
M.NO.: A48598

STATEMENT OF CHANGES IN EQUITY - Consolidated

for the year ended 31st March 2019

(All amounts in lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Number of shares	Amount
As at 1 April 2017	10,909,000	1,090.90
Changes in equity share capital during 2017-18	-	-
As at 31 March 2018	10,909,000	1,090.90
Changes in equity share capital during 2018-19	-	-
As at 31 March 2019	10,909,000	1,090.90

B. Other Equity

Particulars	Reserves and surplus		Other Comprehensive Income	Total Amount
	Securities Premium	Retained Earnings	Investment in Equity shares	
Balance as at 1 April 2017	1,673.85	1,094.30		2,768.15
Total comprehensive income for the year ended 31 March				
Profit or Loss	-	194.49		194.49
Re-measurement of defined benefit liability/ (asset), net of		2.52	-	2.52
Net (gain) / loss on investments in equity shares accounted at fair value, net of tax	-	-	(0.42)	(0.42)
Total comprehensive income	-	197.01	(0.42)	196.59
Balance as at 31 March 2018	1,673.85	1,291.31	(0.42)	2,964.74
Total comprehensive income for the year ended 31 March				
Profit or Loss	-	228.49	-	218.98
Re-measurement of defined benefit liability/ (asset), net of		2.72	-	2.72
Net (gain) / loss on investments in equity shares accounted at fair value, net of tax	-	-	0.02	0.02
Total comprehensive income	-	231.21	0.02	231.23
Balance as at 31 March 2019	1,673.85	1,522.52	(0.40)	3,195.97
Significant accounting policies	3			

The accompanying notes form an integral part of these financial

As per our report of even date attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

For and on behalf of the Board of Directors of
Narayani Steels Limited

CA. Mohit Bhuteria
Partner
Membership No: 056832
Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

Sunil Choudhary	Ankit Gupta	Arun Kumar Meher
Managing Director	Director & CFO	Company Secretary
DIN: 00289479	DIN: 08415248	M.NO.: A48598

1. Company Overview

The consolidated financial statements comprise financial statements of Narayani Steels Limited and its associate; Hari Equipments Private Limited for the year ended 31st March, 2019.

Narayani Steels Limited ("the Company") is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc. and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Visakhapatnam, Andhra Pradesh, India.

The Company has moved from BSE SME Platform to BSE Main Board on 8th March, 2019.

Narayani Steels Limited is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at 23A, N.S.Road 7th Floor, Kolkata - 700001. (Corporate Office at at Door No.49-24-66, Plot No.5, Sankarmatam Road, Madhuranagar, Allipuram, Visakhapatnam, Andhra Pradesh-530016, India).

2. Basis of preparation

a) Statement of Compliance

These consolidtated financial statements are prepared in accordance with the provisions of the Companies Act, 2013 (‘Act’) (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Company has adopted all the Ind AS standards and adoptions was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP. Reconciliations and descriptions of the effect of transition have been sumarised in Note 44.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements are approved for issue by the Board of Directors on 30th May, 2019."

b) Functional and presentation currency

The financial statements are presented in Indian Rupees (‘Rs’) which is Company’s presentation currency. The functional currency of the Company is also Indian Rupees (‘Rs’). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III, unless otherwise stated.

c) Basis of measurement

"The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:
(i) Certain financial assets and financial liabilities measured at fair value;
(ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date."

d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

e) Basis of consolidation

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on “Consolidated Financial Statements” and Ind AS 28 on “Accounting for Investments in Associates and Joint Ventures”.

The Company’s investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company’s share of net assets of the associate since the acquisition date. If the Company’s share of the net fair value of the investee’s identifiable assets and liabilities exceeds the cost of the investment, any excess is recognised directly in Equity as capital reserve in the period in which the investment is acquired. Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Company’s share of the results of operations of the associate. Any change in Other Comprehensive Income of investee is presented as part of the Company’s Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associates, the Company recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Company and the associate is eliminated to the extent of the interest in the associate.

If the Company’s share of losses of associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates. If the associate subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Company’s share of profit of associate is shown on the face of the Consolidated Statement of Profit and Loss.

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date,i.e., year ended on 31st March.

When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each balance sheet date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as ‘Share of profit of associates’ in the Consolidated Statement of Profit and Loss.

Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

(i) Useful lives of Property, plant and equipment and intangible assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iv) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the
extent provided for.

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Company has an established control framework with respect to the measurement of fair values.
The management regularly reviews significant unobservable inputs and valuation adjustments.
Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1 : includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.
- Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.
- Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of business and the time between the acquisition of assets for development and their realisation in cash and cash equivalents.

b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial recognition and measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
• Amortised cost
• Fair value through other comprehensive income (FVOCI)
• Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

<u>Financial assets at amortised cost</u>

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

<u>Financial assets at FVOCI</u>

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

<u>Financial assets at FVTPL</u>

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Derecognition
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

ii. Financial liability
Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss directly, at attributable transaction costs.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in following categories:
• Financial liabilities through profit or loss (FVTPL)
• Financial liabilities at amortised cost

<u>Financial liabilities through FVTPL</u>
A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

<u>Financial liabilities at amortised cost</u>
Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Derecognition
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments
The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss.

Financial guarantee contracts
Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Property, Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment. A property, plant & equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Cost of the property, plant & equipment that are not yet ready for their intended use at the balance sheet date together with all related expenses are shown under **"capital work in progress"**.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iv. Depreciation

Depreciation for the year is recognised in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram and on written down value method on other property, plant and equipment.

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes acccompanying these financial statements. Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably.

i. Amortisation

Amortisation for the year is recognised in the Statement of Profit and Loss.
Intangible assets are amortised over a period of 5 years.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

f) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories of finished goods comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

g) Investments and other financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:
– those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
– those measured at amortised cost.
The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.
Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net gain/ (losses) in the statement of profit and loss

h) Investment in associates

i. The investment in associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

<u>Transition to Ind AS</u>

On transition to Ind AS, the company has elected to continue with the carrying value of all of its Investment in associates recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Investment in associates.

i) Impairment

i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

j) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

k) Employee Benefits

i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

l) Provisions (other than for employee benefits)

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincide with the delivery of goods. Sales are inclusive of excise duty and net of trade discounts. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Ind AS 115: Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 “Revenue from Contracts with Customers” which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact.

n) Leases

Leases of property, plant and equipment that transfer, to the Company, substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Assets held under leases that do not transfer, to the Company, substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company’s Balance Sheet. Payments made under operating leases are recognized in the Statement of Profit or Loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation.

o) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contactual terms of the financial instrument (for example, payment, extension, call and similar options) but does not consider the expected credit losses.

p) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of Tax Payable as per provisions of Minimum Alternative Tax (MAT) under section 115 JB of the Income Tax Act 1961, deferred MAT Credit Entitlement is recognised as an Asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates
The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company has evaluated the impact of this amendment on its financial statements.

q) Borrowing costs
Borrowing costs that are directly attributable to the acquisition & construction of qualifying assets/inventory are capitalised/carried as inventory for the period until the asset/inventory is ready for its intended use/ sale. A qualifying asset/ inventory is an asset that necessarily takes substantial period of time to get ready for its intended use/ sale. Other Borrowing costs are recognised as expense in the period in which they are incurred.

r) Foreign currency transaction

Initial Recognition - Foreign currency transactions are recorded in the functional currency,by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion - Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of transaction.

Exchange differences - Exchange differences arising on the settlement or conversion of monetary current assets and liabilities are recognized as income or as expense in the year in which they arise.

Forward Exchange Contracts – The company enters into Forward Exchange Contracts which are not intended for trading or speculation purposes. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognised as income or expense for the year.

Forward Foreign Exchange Contracts are recognised at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange Differences in the statement of profit and loss.

s) Earnings per share
Basic earnings per share is 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.
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.

t) Segment reporting (Ind AS 108)
1. Business Segment: The Company is mainly engaged in a single business segment of Manufacturing and Trading of Iron & Steel Products, accordingly there is no separate reportable segment.

2. Geographical Segment: This segment has been considered for Secondary Segment Reporting. Since the Company does not have any transaction outside India as sales being in the domestic market only, the disclosure requirement of Ind AS 108, notified under the Companies Act, 2013 is not applicable.

u) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets where it is probable that future economic benefits will flow to the company are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but is recognised as an asset.

v) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and other deposits with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

w) Standards issued but yet not effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS.

These amendments shall be applicable to the Company from April 01, 2019.

A) ISSUE OF IND AS 116 – LEASES

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

B) AMENDMENT TO EXISTING STANDARDS

The MCA has also carried out amendments of the following accounting standards:-

i. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company’s financial statements.

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Notes to the Consolidated financial statements for the year ended 31 March 2019 (Continued)

All amount in Rs. Lakhs, unless otherwise stated

4A

Particulars	Gross Carrying Amount[1]						
	Balance at 1st April 2017	Additions	Disposals/ Adjustments	Balance at 31st March 2018	Additions	Disposals/ Adjustments	Balance at 31st March 2019
Property, plant and equipment							
Land (Freehold)	463.32	425.90	-	**889.22**	5.01	-	**894.22**
Leasehold improvements[4]	-	-	-	-	110.91	-	**110.91**
Buildings	342.57	27.46	-	**370.03**	12.04	-	**382.07**
Plant & Equipment	389.86	30.72	-	**420.58**	42.42	-	**463.01**
Computer	2.03	5.99	-	**8.02**	1.21	-	**9.23**
Office Equipment	-	-	-	-	15.67	-	**15.67**
Electrical Installation & Fittings	-	-	-	-	17.53	-	**17.53**
Furniture & Fixtures	10.96	1.35	-	**12.30**	106.49	-	**118.79**
Vehicles	18.29	52.59	-	**70.88**	-	-	**70.88**
Total	**1,227.03**	**544.01**	-	**1,771.04**	**311.28**	-	**2,082.32**

Particulars	Accumulated Depreciation/ amortisation[2]							Net Carrying Value		
	Balance at 1st April 2017	For the year	Disposals/ Adjustments	Balance at 31st March 2018	For the year	Disposals/ Adjustments	Balance at 31st March 2019	At 1st April 2017	At 31st March 2018	At 31st March 2019
Property, plant and equipment										
Land (Freehold)	-	-	-	-	-	-	**-**	463.32	**889.22**	**894.22**
Leasehold improvements[4]	-	-	-	-	0.89	-	**0.89**	-	-	**110.02**
Buildings	-	7.68	-	**7.68**	8.86	-	**16.54**	342.57	**362.35**	**365.53**
Plant & Equipment	-	39.99	-	**39.99**	41.79	-	**81.78**	389.86	**380.59**	**381.23**
Computer	-	3.40	-	**3.40**	1.81	-	**5.21**	2.03	**4.63**	**4.02**
Office Equipment	-	-	-	-	1.51	-	**1.51**	-	-	**14.17**
Electrical Installation & Fittings	-	-	-	-	0.25	-	**0.25**	-	-	**17.27**
Furniture & Fixtures	-	1.88	-	**1.88**	4.16	-	**6.05**	10.96	**10.42**	**112.75**
Vehicles	-	16.01	-	**16.01**	15.52	-	**31.53**	18.29	**54.87**	**39.35**
Total	-	**68.96**	-	**68.96**	**74.79**	-	**143.76**	**1,227.03**	**1,702.08**	**1,938.56**

(1) The company has elected to measure all its property, plant and equipments at the previous GAAP carrying amount i.e 31st March, 2017 as its deemed cost (Net Block Value) on the date of transition to Ind AS i.e 1st April, 2017.
(2) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss for the respective years.
(3) Property, Plant & Equipment have been pledged as security for borrowings. Refer Note 16 for details.
(4) Leasehold improvements represent expenses incurred by the company on leasehold property.
(5) The original cost of vehicles includes Rs. 52.09 lakhs (31st March 2018: Rs. 52.09 lakhs 1st April 2017: Rs. 20.32 lakhs) acquired from loans taken from banks & financial institutions, of which Rs. 30.95 lakhs (31st March, 2018: Rs. 40.17 lakhs, 1st April, 2017: Rs.0.58 lakhs) were outstanding as at year end.

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(Continued)

All amount in Rs. Lakhs, unless otherwise stated

4C Investment Properties

Particulars	Gross Carrying Amount[1]						
	Balance at 1st April 2017	Additions	Disposals/ Adjustments	Balance at 31st March 2018	Additions	Disposals/ Adjustments	Balance at 31st March 2019
Real Estate Spaces	182.80	-	-	**182.80**	-	-	**182.80**
Total	**182.80**	**-**	**-**	**182.80**	**-**	**-**	**182.80**

Particulars	Accumulated Depreciation/ amortisation[2]							Net Carrying Value		
	Balance at 1st April 2017	For the year	Disposals/ Adjustments	Balance at 31st March 2018	For the year	Disposals/ Adjustments	Balance at 31st March 2019	At 1st April 2017	At 31st March 2018	At 31st March 2019
Real Estate Spaces	-	17.37	-	**17.37**	15.72	-	**33.08**	182.80	165.44	**149.72**
Total	**-**	**17.37**	**-**	**17.37**	**15.72**	**-**	**33.08**	**182.80**	**165.44**	**149.72**

Disclosures relating to Investment

Property: Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Rental Income from Investment Properties	**9.00**	**6.75**
Direct Operating Expenses to income generating property	-	-
Less: Reimbursement of expenses	-	-
Total expenses relating to Investment Properties	-	-

Description of valuation techniques used and key inputs to valuation on investment properties:
The fair value of investment property is Rs. 187.86 lakhs (31 March 2018: Rs. 177.76 lakhs, 1 April 2017: Rs. 167.66 lakhs) and the same has been determined by an external independent property valuer having appropriate recognised professional qualifications. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality.

(1) The company has elected to measure all its investment properties at the previous GAAP carrying amount i.e 31st March, 2017 as its deemed cost (Net Block Value) on the date of transition to Ind AS i.e 1st April, 2017.
(2) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss for the respective years.

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All amount in Rs. Lakhs, unless otherwise stated

4B Capital Work-in-Progress

Particulars	Gross Carrying Amount[1]						
	Balance at 1st April 2017	Additions	Disposals/ Adjustments	Balance at 31st March 2018	Additions	Disposals/ Adjustments	Balance at 31st March 2019
Plant & Machinery (Repeater) ^	-	72.62	-	72.62	132.44	-	205.06
Office Premises #	-	0.49	-	0.49	-	0.49	-
Builiding #	-	0.98		0.98	-	0.98	-
Moble Application	-	1.71	-	1.71	-		-
*Total		75.80	-	75.80	132.44	3.18	205.06

1.7
1

^ **Rs. 205.06 lakhs** (31st March 2018: Rs. 72.62 lakhs, 1st April 2017: Nil) represents expenses incurred on Plant & Equipments for increase in efficiency of the Manufacturing Unit, pending completion thereof.
# represents expenses incurred in construction of Corporate Office at Sankarmatam, Visakhapatnam, capitalised in the year ended 31st March 2019.
* represents expenses incurred on Mobile based Application Software, capitalised in the year ended 31st March 2019.

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Particulars	Gross Carrying Amount[1]						
	Balance at 1st April 2017	Additions	Disposals/ Adjustments	Balance at 31st March 2018	Additions	Disposals/ Adjustments	Balance at 31st March 2019
Intangible Assets							
Computer Software	- 3.27 - -			**- 3.27 - -**	-	-	**3.27**
Mobile Application					1.71		**1.71**
Total	**- 3.27**			**- 3.27**	**1.71**	**- 4.98**	

Particulars	Accumulated Depreciation/ amortisation[2]							Net Carrying Value		
	Balance at 1st April 2017	For the year	Disposals/ Adjustments	Balance at 31st March 2018	For the year	Disposals/ Adjustments	Balance at 31st March 2019	At 1st April 2017	At 31st March 2018	At 31st March 2019
Intangible Assets										
Computer Software	-	0.65	-	**0.65**	0.65	-	**1.31**	-	**2.62**	**1.96**
Mobile Application	-	-	-	-	0.19		**0.19**	-	-	**1.52**
Total	**-**	**0.65**	**-**	**0.65**	**0.84**	**-**	**1.50**	**-**	**2.62**	**3.48**

(1) The company has elected to measure all its intangible assets at the previous GAAP carrying amount i.e 31st March, 2017 as its deemed cost (Net Block Value) on the date of transition to Ind AS i.e 1st April, 2017.
(2) The aggregate amortization has been included under depreciation and amortisation expense in the statement of profit and loss for the year.

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All amount in Rs. Lakhs, unless otherwise stated

6 Investments	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Non-Current investments			
Investments in equity instruments fully paid up - Unquoted			
6A Investments accounted for using The Equity Method - In Associates (at cost) (Refer note 6A(i) below)			
Hari Equipments Private Limited, 4,59,490 (31st March, 2018: 4,59,490; 1st April, 2017: 4,59,490) Equity Shares of Rs. 10 /- each fully paid up	**56.73**	56.73	56.73
Add: Accumulated share of post acquisition profits (net of tax)	**68.08**	58.58	41.35
	124.82	**115.31**	**98.08**
Investments in equity instruments fully paid up - Unquoted			
6B In Others (at fair value through Profit & Loss - FVTPL)			
Kedarnath Commotrade Private Limited, Nil (31st March, 2018: 2,45,000; 1st April, 2017: 2,45,000) Equity Shares of Rs. 10 /- each fully paid up	**-**	42.14	34.42
Investments in equity instruments fully paid up - Quoted			
6C In Others (at fair value through Other Comprehensive Income - FVOCI)			
Union Bank of India, 1,009 (31st March, 2018: 1,009; 1st April, 2017: 1,009) Equity Shares of Rs. 10 /- each fully paid up	**0.96**	0.95	1.57
	0.96	**43.09**	**36.00**
Current investments			
6D Investment in mutual funds (at fair value through Profit & Loss - FVTPL)			
Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth * 3,00,000 units (On 31st March, 2018: 3,00,000 units , On 1st April, 2017: 3,00,000 units) of Rs. 10 each.	**34.44**	31.77	30.13
Union Value Discovery Fund Regular Plan - Growth * 2,49,990 units (On 31st March,2018: Nil , On 1st April, 2017: Nil) of Rs. 10 each.	**26.65**	-	-
Union Equity Savings Fund Regular Plan - Growth * 2,49,990 units (On 31st March, 2018: Nil , On 1st April, 2017: Nil) of Rs. 10 each.	**25.97**	-	-
Union Arbitrage Fund Regular Plan - Growth * 99,990 units (On 31st March, 2018: Nil , On 1st April, 2017: Nil) of Rs. 10 each.	**10.06**	-	-
Union Small Cap Fund Regular Plan - Growth* 33,853.279 units (On 31st March, 2018: 18,608.937 units , On 1st April, 2017: 3,111.332 units) of Rs. 10 each.	**4.71**	2.94	0.43
Union Short term Fund - Growth * Nil (On 31st March,2018: 1,603.204 units , On 1st April, 2017: Nil) of Rs. 10 each.	**-**	25.28	-
	101.83	**59.99**	**30.56**

*The said Mutual Funds are pledged as margin money to secure credit facilities taken from Union Bank Of India.

Aggregate carrying value of unquoted investments	**124.82**	**157.45**	**132.50**
Aggregate carrying value of quoted investments	**102.79**	**60.94**	**32.14**
Aggregate market value of quoted investments	**102.79**	**60.94**	**32.14**
Investments carried at cost	**124.82**	**115.31**	**98.08**
Investments carried at fair value through other comprehensive income	**0.96**	**0.95**	**1.57**
Investments carried at fair value through profit and loss	**101.83**	**102.13**	**64.99**

6A(i) Details of Associate

The Company's interest in associate is accounted for using the equity method in the consolidated financial statements.

Name of Associate	Principal Activity	Place of Incorporation	Proportion of ownership interest / voting rights held by Company		
			3/31/2019	3/31/2018	4/1/2017
Hari Equipments Private Limited	Trading of Iron & Steel Products and Coal	Kolkata, West Bengal, India	**37.51%**	**37.51%**	**37.51%**

The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in Ind AS 110 "Consolidated Financial Statements" and and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures".notified by Ministry of Corporate Affairs and combined as per Equity Method under Ind AS. The consolidated financial statements are prepared applying uniform accounting policies on all material items.

The following table summarizes the financial information of the Balance Sheet of the associate prepared in accordance with Ind AS:

Particulars	**Hari Equipments Private Limited**		
	As at 31st March 2019	**As at 31st March 2018**	**As at 1st April 2017**
Non - current assets	**1,371.88**	1,377.20	836.55
Current assets	**3,792.20**	3,918.87	4,442.68
Non - current liabilities	**1,103.64**	536.69	1,207.38
Current liabilties	**3,178.43**	3,912.86	3,876.21
Equity	**882.01**	846.52	195.64

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The following table summarizes the financial information of the Statement of Profit and Loss of the associate prepared in accordance with Ind AS:

	Particulars	Hari Equipments Private Limited Year ended 31 March 2019	Hari Equipments Private Limited Year ended 31 March 2018
	Revenue from operations	**18,715.72**	16,714.61
	Other income	**54.53**	50.85
(a)	**Total Income**	**18,770.24**	**16,765.46**
	Purchase of Traded Goods	**17,726.49**	14,454.65
	Changes in Inventories	**462.84**	1,569.18
	Employee benefits expense	**53.79**	46.70
	Finance costs	**401.41**	435.03
	Depreciation and amortisation expense	**8.11**	4.95
	Other expenses	**84.31**	191.88
(b)	**Total Expenses**	**18,736.95**	**16,702.39**
(c)	Profit before tax (a - b)	**33.29**	63.07
(d)	Tax expense	**(8.55)**	(17.25)
(e)	Other comprehensive income (net of tax)	**0.61**	0.11
(f)	**Total comprehensive income for the year (c + d + e)**	**25.35**	**45.93**
	Group's share of net profit (net of tax)	**9.51**	**17.23**

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Particulars	Hari Equipments Private Limited As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Net assets of associate	**882.01**	846.52	195.64
Proportion of the Group's ownership	**37.51%**	37.51%	37.51%
interest Group's share of net assets	**330.84**	317.53	73.38

7 Inventories**

(As taken, valued and certified by the management)

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Raw Materials	**327.88**	172.12	246.92
Traded Goods	**812.63**	1,437.63	5,232.17
Finished Goods	**593.86**	319.15	222.39
Scrap & Miss Rolls	**39.69**	23.72	33.22
Stores & Spares	**6.62**	10.55	9.03
Furnace oil, coal & Gas	**8.17**	1.65	5.37
	1,788.85	**1,964.82**	**5,749.12**

** Cash credit facility is secured by hypothecation of inventories of the Company, both present and future., refer note 16 for details.

Particulars	**3/31/2019**	**3/31/2018**	**4/1/2017**
Cost of Materials Consumed	**10,787.63**	6,864.06	6,992.11
Purchase of Traded Goods	**59,460.04**	62,849.75	68,669.62
Changes in inventories of finished goods and stock-in-trade	**334.33**	3,707.29	(1,807.29)

8 Trade receivables

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Unsecured, considered good ^^ Less:	**21,637.63**	17,659.79	13,664.84
Expected Credit Loss (Refer Note: 36(i))	**(81.63)**	(27.35)	(7.90)
	21,556.00	**17,632.45**	**13,656.94**

^^ Trade Receivables include Rs. 0.04 lakhs (31st March 2018:. 102.44 lakhs, 1st April 2017: Rs. 105.65 lakhs) due from private limited companies in which one of the Director is a Director.

^^ Trade Receivables have been hypothecated as security for borrowings, refer note 16 for details.

9 Cash and cash equivalents

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Cash on hand (as certified)	**4.24**	1.30	8.55
Balances in current accounts	**193.64**	236.24	367.71
	197.88	**237.54**	**376.26**

10 Other Bank Balances

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Fixed Deposit maturity for more than 3 months but less than 12 months	**2,441.73**	1,522.88	1,580.94
	2,441.73	**1,522.88**	**1,580.94**

Fixed Deposits are pledged with banks as margin for bank guarantees / credit facilities.

(a) Fixed Deposit of **Rs. 250.00 lakhs** (31st March 2018: Rs. 250.00 lakhs, 1st April 2017: Rs. 250.00 lakhs) is pledged with Andhra Bank as collateral security for Channel Finance limit of Rs 1000.00 lakhs.

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(b) Fixed Deposit of **Rs. 60.00 lakhs** (31st March 2018: Rs. 60.00 lakhs, 1st April 2017: Rs. 60.00 lakhs) is pledged with Yes Bank as collateral security for Channel Finance limit of Rs 300.00 lakhs.
(c) Fixed Deposit of **Rs. 112.50 lakhs** (31st March 2018: Rs. 112.50 lakhs, 1st April 2017: Rs. 112.50 lakhs) is pledged with ICICI Bank as collateral security for Channel Finance limit of Rs 950.00 lakhs.
(d) Other Fixed Deposits of **Rs. 2,019.22 lakhs** (31st March 2018: Rs. 1,046.31 lakhs, 1st April 2017: Rs. 1,132.22 lakhs) are pledged with Union Bank of India as margin/collateral security for sanction of credit facilities.

11 **Other financial assets**	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Non-current			
Security Deposits	**79.37**	82.62	75.27
	79.37	**82.62**	**75.27**
Current			
Advance to Others	**54.23**	57.42	61.39
	54.23	**57.42**	**61.39**

12 **Current tax assets (net)**	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Income Tax Payments	**102.98**	22.98	41.23
Tax Deducted/Collected at Source	**20.54**	15.57	55.64
	123.51	**38.55**	**96.87**

13 **Other current assets**	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Advances other than capital advances			
- Advance to Related parties	**67.89**	281.42	147.41
- Advance to others	**238.77**	893.45	861.60
Balances with Revenue Authorities	**604.18**	668.68	348.08
Prepaid expenses	**32.22**	-	-
	943.06	**1,843.55**	**1,357.09**

14 **Equity share capital**	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Authorised			
1,40,00,000 (31st March 2018 - 1,40,00,000, 1 April 2017 - 1,40,00,000) Equity Shares of Rs. 10/- each	**1,400.00**	1,400.00	1,400.00
	1,400.00	**1,400.00**	**1,400.00**
Issued, subscribed and fully paid-up			
1,09,09,000 (31st March 2018 - 1,09,09,000, 1 April 2017 - 1,09,09,000) Equity Shares of Rs. 10/- each	**1,090.90**	1,090.90	1,090.90
	1,090.90	**1,090.90**	**1,090.90**

A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
Balance as at the beginning of the year	10,909,000	1,090.90	10,909,000	1,090.90	10,909,000	1,090.90
Add: Issued during the year	-	-	-	-	-	-
Balance as at the end of the year	**10,909,000**	**1,090.90**	**10,909,000**	**1,090.90**	**10,909,000**	**1,090.90**

B. Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
Name of the Shareholder	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Kishanlal Choudhary	**1,003,500**	**9.20%**	1,003,500	9.20%	1,003,500	9.20%
Sunil Choudhary (HUF)	**1,261,000**	**11.56%**	1,261,000	11.56%	1,261,000	11.56%
Sunil Choudhary	**1,224,500**	**11.22%**	1,224,500	11.22%	1,224,500	11.22%
Cooltex Merchandise Private Limited	**2,163,000**	**19.83%**	2,163,000	19.83%	2,163,000	19.83%

15 Other Equity

A. **Summary of other equity balance**	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Securities Premium	**1,673.85**	1,673.85	1,673.85
Retained Earnings (including other comprehensive income)	**1,522.12**	1,290.89	1,094.30
Other Equity	**3,195.97**	**2,964.74**	**2,768.15**

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		1 April 2018	Movement during the year	31 March 2019	1 April 2017	Movement during the year	31 March 2018
Securities Premium	(a)	1,673.85		-	1,673.85		-
Retained Earnings (including other comprehensive income)	(b)	1,290.89	231.23	1,673.85 1,522.12	1,094.30	196.59	1,673.85 1,290.89
		2,964.74	**231.23**	**3,195.97**	**2,768.15**	**196.59**	**2,964.74**

B. **Nature and purpose of reserves:**

(i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.

(ii) **Retained earnings:** This Reserve represents the cumulative profits / losses of the Company including Other comprehensive income disclosed in **Statement of Changes in Equity**. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

16 Borrowings	Current portion **			Non-current portion		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Non-current Borrowings						
Secured						
Term loans						
Loan Against vehicles	**10.03**	9.22	0.58	**20.92**	30.95	-
	10.03	**9.22**	**0.58**	**20.92**	**30.95**	**-**
Unsecured						
Term Loan from Financial	**100.00**	-	-	**75.07**	-	-
Institutions Loans from Bodies	**-**	-	-	**1,494.33**	964.21	859.89
Corporate^^	**110.03**	**9.22**	**0.58**	**1,590.32**	**995.16**	**859.89**

Note:	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
16.1 ^^ Interest free loan carried at amortised cost (Refer note below)	**361.50**	390.19	493.16

Ind AS 109 requires the loan to be initially measured at fair value minus transaction costs. As the loan is partly interest free, the fair value of the loan is different from the transaction price. Therefore, the recognition of the difference between the fair value at initial recognition and the transaction price of the interest free loan is recognised as "Deferred fair value gain/loss". The difference is amortised over the period of the loan. The amount of amortisation is equal to the unwinding of discount. The deferred fair value gain/loss is presented as **other non-current liability** and **other current liability**.

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current Borrowings			
Secured			
Working Capital Loans from Bank			
- Cash Credit	**6,496.80**	6,442.93	6,492.08
Unsecured			
Channel Financing from Banks, Financial Institutions & Others	**4,045.18**	4,022.25	2,822.79
	10,541.97	**10,465.18**	**9,314.87**

(A) **Terms of Repayment**

(i) **Loan Against Vehicles :**

a) **Details of security**
Loans against Vehicles is secured by way of hypothecation of the underlying asset financed.

b) **Terms of Repayment**
Loans against vehicles is repayable by way of Equated Monthly Installments (EMI), the particulars of which are as follows:

Particulars	Amount (in Lakhs) outstanding as on 31-03-2019	Rate of Interest	EMI dues with reference to Balance Sheet date
Loan for a vehicle from Yes Bank	**27.14**	8.40 % p.a.	**50 installments of Rs. 0.82 lakhs each**
Loan for a vehicle from Yes Bank	**3.81**	8.40 % p.a.	**32 installments of Rs. 0.21 lakhs each**

(ii) **Working Capital Loans:**
Working Capital Loans are primarily secured by way of hypothecation of Stocks and Book Debts. The rate of interest on Cash Credit from Union Bank of India is 11.60% +2% (on additional adhoc limit of Rs. 500.00 lakhs) linked to the MCLR of Union Bank of India.

The loan is also collaterally secured by way of a) charge on Plant & Machinery, Office Premises, flats and plots in the name of the Company, b) charge on certain immovable properties of the Company, Mr. Sunil Kumar Choudhary, Mrs. Savitri Devi Choudhary, Mrs. Bina Choudhary, Mr. Kishan Lal Choudhary and Narayani Ispat Ltd. c) FDR of Rs 29.00 lakhs in the name of the Company. d) Personal guarantees of Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mr. Bivor Bagaria, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and e) Corporate Guarantee from Narayani Ispat Ltd. and Cooltex Merchandise Pvt. Ltd.

(iii) **Channel Financing from Banks, Financial Institutions & Others:**
1. Channel Financing from Andhra Bank of Rs. 1,000.00 lakhs is collaterally secured by Fixed Deposit of Rs. 250.00 lakhs and guaranteed by Mr. Sunil Kumar Choudhary and Mr. Kishan Lal Choudhary. The rate of interest on Channel Financing is 9.10% p.a. (Base Rate + 0.50)%.

2. Channel Financing from Yes Bank of Rs. 300.00 lakhs is collaterally secured by Fixed Deposit of Rs. 60.00 lakhs and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 11.25% (MCLR + 2.15)%.

3. Channel Financing from Tata Capital Financial Services Limited of Rs. 1,000.00 lakhs and an additional limit of Rs. 300.00 lakhs is guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary & Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 10.75%.

4. Channel Financing from ICICI Bank Limited of Rs. 950.00 lakhs is collaterally secured by Fixed Deposit of Rs 112.50 lakhs and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and Mr. Bivor Bagaria. The rate of interest on Channel Financing is 9.60% (Base rate + 1.35)%.

5. Channel Financing from Axis Bank Limited of Rs. 500.00 lakhs is guaranteed by Mr. Sunil Kumar Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mr. Bivor

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5. Channel Financing from Axis Bank Limited of Rs. 500.00 lakhs is guaranteed by Mr. Sunil Kumar Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mr. Bivor Bagaria. The rate of interest on Channel Financing is 9.95% (MCLR3 + 1.50)%.

(iv) Term Loan from Financial Instituition (Unsecured)
Term Loan from Tata Capital Financial Services Limited of Rs. 200.00 lakhs is guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mrs. Savitri Devi Choudhary. The rate of interest on the Term Loan is 12.25 % per annum.

Terms of Repayment:

Particulars	Amount (in lakhs) outstanding as on 31-03-2019	Rate of Interest	EMI Dues with reference to Balance Sheet date
Term Loan from Tata Capital Financial Services Limited	175.07	12.25% p.a.	20 principal repayments of Rs. 8.33 lakhs each

**** For current maturities of non-current borrowings refer disclosure under the head other financial liabilities - current (Refer note 18)**

17 Trade payables

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Dues to Micro And Small Enterprises (as per the intimation received from vendors)			
a. The principal amount due thereon remaining unpaid to any supplier as at the end of accounting year *	**0.62**	-	-
b. The interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	-	-
c. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
d. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-
e. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-
f. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-
Dues to others			
- For goods and services	**1,943.60**	1,462.61	3,511.57
- Liability under Letter of Credit	**9,987.18**	7,496.03	5,868.00
	11,931.40	**8,958.64**	**9,379.57**

There are no material dues owed by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Trade Payables (Due to Others) include Nil (31st March, 2018: Rs. 56.40 lakhs, 1st April, 2017: Nil) due from Companies in which Director is a Director.

18 Other financial liabilities

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
A. Current			
Current maturities of long-term debt (Refer Note 16)	**110.03**	9.22	0.58
Interest accrued but not due on borrowings Deferred	**0.43**	2.31	94.74
liability - On corporate guarantee **	**9.23**	7.50	8.00
	119.68	**19.03**	**103.31**

Note:

18.1 ** Ind AS 109 requires the guarantor to recognise the corporate guarantee contract initially at its fair value. Therefore, the liability is recognised in the financial statements for the fair value of the corporate guarantee as "Deferred liability - on corporate guarantee".
Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the cumulative amount recognised less amount originally recognised as expense on a straight-line basis in accordance with Ind AS 18, Revenue as "Amortisation of financial guarantee obligation".

19 Other liabilities

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Non-Current			
Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)	**182.33**	230.21	389.91
	182.33	**230.21**	**389.91**
Current			
Advances from customers	**446.66**	296.74	120.54
Liability for expenses	**168.01**	104.25	92.19
Statutory liabilities	**19.44**	37.73	61.93
Deferred fair value gain - On interest free loan (Refer note: 16.1 for details)	**179.17**	159.98	103.25
	813.28	**598.70**	**377.91**

20 Deferred Tax Asset / Liabilities (net)

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Deferred tax liabilities			
Property, Plant & Equipment, Intangible Assets and Investment Properties	**113.30**	111.20	111.95
Net (gain) / loss on investments measured at fair value through profit or loss	**2.23**	6.50	3.49
Capital Gains	**2.65**	0.48	-
Total deferred tax liabilities (A)	**118.18**	118.18	115.43
Deferred tax Assets			
Provision for Gratuity	**1.47**	2.16	13.57

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Others	**3.08**	2.48	2.65
Total deferred tax assets (B)	**4.55**	4.64	16.22
Net Deferred Tax (Assets)/Liabilities (A-B)	**113.63**	**113.54**	**99.22**

Movement in deferred tax liabilities/ assets balances

	Deferred tax liabilities/assets in relation to			
	As at 31st March 2018	**Recognised in Profit or Loss**	**Recognised in OCI**	**As at 31st March 2019**
Deferred tax liabilities				
Property, Plant & Equipment, Intangible Assets and Investment Properties	111.20	(2.10)		-
Net (gain) / loss on investments measured at fair value through profit or loss	6.50	4.27	0.005	113.30 2.23
Capital Gains	0.48	(2.17)	-	2.65
Total deferred tax liabilities (A)	**118.18**	**(0.005)**	**0.005**	**118.18**
Deferred tax Assets				
Provision for Gratuity	2.16	(0.67)	1.36	1.47
Others	2.48	(0.60)	-	3.08
Total deferred tax assets (B)	**4.64**	**(1.27)**	**1.36**	**4.55**
Net deferred tax (assets)/liabilities (A-B)	**113.54**	**1.27**	**(1.36)**	**113.63**

	Deferred tax liabilities/assets in relation to			
	As at 1st April 2017	**Recognised in Profit or Loss**	**Recognised in OCI**	**As at 31st March 2018**
Deferred tax liabilities				
Property, Plant & Equipment, Intangible Assets and Investment Properties	111.95	0.74		-
Net (gain) / loss on investments measured at fair value through profit or loss	3.49	(3.22)	0.21	111.20 6.50
Capital Gains	-	(0.48)	-	0.48
Total deferred tax liabilities (A)	**115.43**	**(2.96)**	**0.21**	**118.18**
Deferred tax Assets				
Provision for Gratuity	13.57	12.04	(0.63)	2.16
Others	2.65	0.17	-	2.48
Total deferred tax assets (B)	**16.22**	**12.20**	**(0.63)**	**4.64**
Net deferred tax (assets)/liabilities (A-B)	**99.22**	**(15.16)**	**0.83**	**113.54**

21 Provisions

	As at 31st March 2019	**As at 31st March 2018**	**As at 1st April 2017**
Non-current			
Provisions for employee benefits	**4.40**	6.51	40.85
- Provision for gratuity	**4.40**	**6.51**	**40.85**
Current			
Provisions for employee benefits - Provision for gratuity	**0.01**	0.04	0.20
Others			
- Provision for Taxation	**125.18**	101.51	103.56
	125.19	**101.54**	**103.76**

22 Revenue from operations

		Year ended 31 March 2019	**Year ended 31 March 2018**
(a)	Sale of Products	**75,168.43**	77,946.79
(b)	Other Operating Revenues		
	Interest on Sales	-	50.10
	Total revenue from operations		**77,996.89**

75,168.43 Sale is net of **Rs. 13,647.53 lakhs** (31st March 2018: Rs. 10,983.79 lakhs) for VAT, CST & GST realised on sales.

Revenue from July 1, 2017 is net of Goods and Service Tax (GST). However, revenue till period ended June 30, 2017 is inclusive of excise & net of VAT/ CST.

Sale of Products (including Excise Duty & net of GST)	**Year ended 31 March 2019**	**Year ended 31 March 2018**
TMT Bars, Rounds, Squares, Angles, Flats and related	**35,773.61**	42,264.66
items Billets, Blooms, Ingots and related items	**29,996.78**	28,112.07
Iron Ore Pillets, Pig Iron, Scrap and related items	**9,398.04**	7,570.06
	75,168.43	**77,946.79**

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23 Other income	**Year ended 31 March 2019**	**Year ended 31 March 2018**
A. Interest income:		
- On fixed deposits	**97.93**	121.42
- On other deposits	**26.60**	1.79
- On financial liabilities measured at FVTPL (Refer note: 16.1 for details)	**159.98**	103.25
Other non-operating income		
Rental Income	**11.58**	9.76
Net (gain) / loss on investments measured at fair value through profit or loss	**11.77**	9.75
Profit on sale of current investments	**-**	2.89
Miscellaneous receipts	**0.57**	2.94
Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	**7.50**	8.00
	315.93	**259.79**

24 Cost of Materials Consumed	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Iron and Steel Materials		
Inventory at the beginning of the year	**172.12**	246.92
Add : Purchases	**10,943.39**	6,789.25
	11,115.51	7,036.17
Less : Inventory at the end of the year	**327.88**	172.12
Cost of Materials Consumed	**10,787.63**	**6,864.06**

25 Purchase of Traded Goods	**Year ended 31 March 2019**	**Year ended 31 March 2018**
TMT Bars, Rounds, Squares, Angles, Flats and related	**22,067.66**	31,036.80
items Billets, Blooms, Ingots and related items	**28,683.44**	24,608.81
Iron Ore Pillets, Pig Iron, Scrap and related items	**8,708.94**	7,204.14
	59,460.04	**62,849.75**

26 Changes in inventories of finished goods and stock-in-trade	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Opening Stock		
Finished Goods	**319.15**	222.39
Scrap and Miss Roll	**23.72**	33.22
Traded Goods	**1,437.63**	5,232.17
	1,780.50	5,487.78
Closing Stock		
Finished Goods	**593.86**	319.15
Scrap and Miss Roll	**39.69**	23.72
Traded Goods	**812.63**	1,437.63
	1,446.17	1,780.50
	334.33	**3,707.29**

27 Employee benefits expense	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Salaries, wages, bonus and allowances	**344.80**	205.55
Contribution to provident and other funds	**3.36**	2.58
Gratuity expense (Refer note: 33 for details)	**1.95**	3.06
Directors' Remuneration	**60.00**	48.00
Staff welfare expenses	**11.18**	13.62
	421.29	**272.82**

28 Finance costs	**Year ended 31 March 2019**	**Year ended 31 March 2018**
A. Interest expense		
To Banks (including LC	**1,221.34**	1,388.01
Charges) To Others	**139.38**	124.00
On financial liabilities carried at amortised cost (Refer note: 16.1 for details)	**159.98**	103.25
Other borrowing costs	**63.10**	93.78
	1,583.80	**1,709.04**

29 Other expenses	**Year ended 31 March 2019**	**Year ended 31 March 2018**
A. **Manufacturing Expenses**		
Processing and Moulding Charges	**-**	3.21
Power and Fuel	**710.32**	545.51
Stores and Spares Consumed	**83.38**	43.54
Excise Duty on Variation in Stock [Refer Note (a)	**-**	(28.40
below] Repairs and Maintenance	**54.89**	)
	848.59	**607.92**

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B. Administrative and Other Expenses		
Rent & Service Charges	**4.65**	2.34
Rates & Taxes	**14.43**	11.92
Insurance	**2.31**	6.41
Freight & Delivery Charges	**1,373.03**	1,333.80
Telephone & Internet Expenses	**2.57**	2.08
Travelling & Conveyance	**9.35**	10.84
Other Repairs and Maintenance	**10.52**	16.30
Safety & Security Charges	**10.66**	8.23
Legal & Professional Fees	**54.34**	48.37
Sales Promotion Expenses	**26.44**	23.26
Auditor's Remuneration [Refer Note (b) below]	**8.56**	5.40
Directors' Sitting Fees	**0.29**	0.35
Miscellaneous Expenses	**16.62**	29.36
Amortisation of corporate guarantee obligation (Refer note: 18.1 for details)	**9.23**	7.50
Provision for expected credit loss (Refer note: 36.1 for details)	**54.29**	19.45
Fines & Penalties	**5.45**	-
Commission	**6.53**	4.41
VAT & CST paid on assessment	**2.13**	3.27
Donation	**1.15**	-
Sundry Balances written off (net)	**2.12**	7.43
	1,614.64	**1,540.72**
29 Other expenses (A+B)	**2,463.23**	**2,148.64**

(a) Amount of excise duty on variation in stock represents differential excise duty on stock of finished goods for the year ended 31st March, 2018.

(b) Payment to auditors	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Statutory audit	**3.80**	3.30
Tax audit	**1.27**	1.10
Other Services	**3.50**	1.00
	8.56	**5.40**

30 Income taxes

A. Amount recognised in profit or loss		**As at 31 March 2019**	**As at 31 March 2018**
Current tax			
Current period	A	**125.18**	101.51
Earlier Year tax			
Earlier Year tax	B	**(0.21)**	0.05
Deferred tax			
Deferred Tax for the year	C	**(1.27)**	15.16
Tax expense reported in the statement of profit and loss [(A)+(B)+(C)]		**123.70**	**116.71**

B. Income tax recognised in other comprehensive income	**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	**1.36**	(0.21)
Equity instruments through other comprehensive income **Income**	**(0.005)**	(0.63)
tax expense reported in the statement of profit and loss	**1.36**	**(0.83)**

C. Reconciliation of effective tax rate for the year ended 31 March 2019	**As at 31 March 2019**	**As at 31 March 2018**
Profit before tax	**342.68**	**293.96**
Tax using the Indian tax rate @ 33.384% (31st March 2018: 33.063%)	**114.40**	97.19
Tax impact of items on which indexation is done and tax is calculated at special rates	**(12.28)**	-
Tax impact of expenses which will never be allowed	**2.73**	2.74
Tax impact of expected credit loss on trade receivables	**18.12**	6.43
Adjustments recognised in the current year in relation to the current tax of prior years	**(0.21)**	0.05
Change in tax rate and other tax differences	**0.94**	10.30
Effective tax	**123.70**	**116.71**

31 Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

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		Year ended 31 March 2019	Year ended 31 March 2018
(a)	**Profit attributable to equity shareholders**	**231.23**	**196.59**
(b)	Adjusted profit for dilutive earnings	**231.23**	196.59
(c)	Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	**10,909,000**	**10,909,000**
(d)	Weighted average number of ordinary shares in computing diluted earnings per share	**10,909,000**	**10,909,000**
(e)	**Earnings per share on profit for the year (Face Value Rs. 10/- per share)**		
	Basic [(a)/(c)]	**2.12**	**1.80**
	Diluted [(b)/(d)]	**2.12**	**1.80**

32 Contingent liability and commitments (Ind AS 37)

(to the extent not provided for)

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
a) Claim against the Company not acknowledged as debt			
Demand raised by Sales Tax and Income Tax (IT) authorities being disputed by the Company. *	**275.87**	265.13	270.29
b) Guarantee outstanding			
Corporate guarantee for credit facilities to Hari Equipments Private Limited	**3,000.00**	3,000.00	3,200.00
Corporate guarantee for credit facilities to Kedarnath Commotrade Private Limited	**1,525.00**	-	-
	4,827.03	**3,291.29**	**3,496.45**

* Brief description of liabilities under (a) above:

	Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
1	**Income Tax :**			
	Demand raised by IT authorities on account of various disallowances for assessment year 2006-07	**6.04**	6.04	6.04
	Demand raised by IT authorities on account of various disallowances for assessment year 2008-09	**-**	-	2.76
	Demand raised by IT authorities on account of various disallowances for assessment year 2009-10	**-**	-	2.40
	Demand raised by IT authorities on account of various disallowances for assessment year 2010-11	**6.46**	6.46	6.46
	Demand raised by IT authorities on account of disallowance u/s 14A and additions to share capital for assessment year 2012-13	**205.52**	205.52	205.52
	Demand raised by IT authorities on account of various disallowances for assessment year 2013-14	**5.97**	5.97	5.97
	Demand raised by IT authorities on account of various disallowances for assessment year 2014-15	**14.98**	14.98	14.98
	Demand raised by IT authorities on account of various disallowances for assessment year 2016-17	**10.73**	-	-
2	**Sales Tax :**			
	Demand raised by Sales tax authorities, Andhra Pradesh on levy of differential VAT on hire charges for the year 2010-11 (Amount paid under protest - Rs. 4.69 Lakhs)	**4.69**	4.69	4.69
	Demand for penalty on VAT raised by Asst. Commissioner (CT) (Int. & LTU), Vizianagaram, Andhra Pradesh for the period 04/2011 to 12/2012 (Amount paid under protest - Rs. 21.47 Lakhs)	**21.47**	21.47	21.47

Based on favorable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors, etc. the Company believes that there is fair chance of decisions in its favour in respect of all the items listed in (a) above and hence no provision is considered necessary against the same.

33 Employee Benefits

(a) Defined contribution plans:
Contribution to defined contribution plans, recognised as an expense for the year are as under:

Particulars	As at 31st March 2019	As at 31st March 2018
Employer's contribution to Provident Fund	**1.88**	2.53
Employer's contribution to ESIC	**1.48**	0.06
Total	**1.88**	**2.53**

(b) Defined benefit plans:
Contribution to defined benefit plans, recognised as an expense in profit and loss statement for the year are as under:

Particulars	As at 31st March 2019	As at 31st March 2018
Gratuity - Net defined benefit obligation	**1.95**	3.06
Total	**1.95**	**3.06**

Defined benefit plan
The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(i) **Movement of defined benefit obligation**
The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

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	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Defined benefit obligation at beginning of the year	**6.55**	41.05	20.84
Current service cost	**1.45**	0.98	2.48
Past service cost	**-**	0.30	-
Interest cost	**0.50**	1.79	1.56
Benefits paid	**-**	(35.68)	-
Actuarial (gain)/loss	**(4.09)**	(1.90)	16.16
Defined benefit obligation at end of the year	**4.41**	**6.55**	**41.05**

(ii) **Liability recognised in the balance sheet**

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of defined benefit obligation	**4.41**	6.55	41.05
Amount recognised as liability in balance sheet	**4.41**	**6.55**	**41.05**

(iii) **Expenses recognised during the year (Under the head "Employee Benefit expenses" – refer note no. 27)**

Expense recognised in profit and loss statement	As at 31st March 2019	As at 31st March 2018
Current service cost	**1.45**	0.98
Past Service Cost (vested)		**-**
Net interest cost	**0.50**	0.30 1.79
Total amount recognised in profit and loss (note no. 27)	**1.95**	3.07

Remeasurements recognised in other comprehensive income	As at 31st March 2019	As at 31st March 2018
Actuarial (Gain)/Loss on obligations due to change in demographic assumption	**-**	-
Actuarial (Gain)/Loss on obligations due to change in financial assumption		-
Actuarial (Gain)/Loss on obligations due to unexpected experience	**(4.09)**	(0.28)(1.61)
Total amount recognised in other comprehensive income	**(4.09)**	(1.90)
Net Cost	**(2.13)**	**1.18**

(iv) **Actuarial assumptions**	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount rate (per annum)	**7.70%**	7.70%	7.50%
Rate of escalation in salary (per annum)	**6.00%**	6.00%	6.00%
Retirement age	**70**	70	70

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(v) **Sensitivity analysis**
The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Sensitivity analysis	Increase by			Decrease by		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount Rate (-/+ 0.5%)	**3.83**	5.90	37.17	**5.10**	7.28	45.41
Salary Growth (-/+ 0.5%)	**5.10**	7.29	45.23	**3.82**	5.89	37.30
Attrition Rate (-/+ 0.5%)	**4.41**	6.55	41.05	**4.41**	6.55	41.05
Mortality Rate (-/+ 10%)	**4.43**	6.56	41.15	**4.40**	6.53	40.96

(vii) **Maturity profile**

Year 1	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
2	**0.01**	0.04	0.21
3	**0.02**	0.05	0.24
4	**0.02**	0.05	0.28
5	**0.02**	0.06	0.32
	0.02	0.07	0.38
6 to 10	**0.18**	0.49	2.91
More than 10 years	**27.54**	30.67	198.59

The above information regarding Ind AS 19 "Employee Benefits" is certified by an actuary.

34 Segment information

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Manufacturing and Trading of Iron & Steel and related products, hence does not have segemnt as per **Ind AS 108 "Operating Segments"**. The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations
All revenue from operations of the company are generated within India.

(b) Non-current assets
All Non-current assets of the company are located in India.

(c) Customer contributing more than 5% of Revenue
Revenue from **two** (31st March 2018: four) external customers contributed to **32.90%** (31st March 2018: 27.88%) Company's total revenue amounting approximately to **Rs.**

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24,865.15 lakhs & Rs. 21,721.88 lakhs for the year ended 31st March 2019 & 31st March 2018 respectively. Other than these customers, there is no other customer whose revenue contributed to more than 5% of the Company's revenue.

35 Related Party Disclosures

Key Management Personnel (KMP)	**Nature of Relationship**
Sunil Choudhary	Managing Director
Bina Choudhary	Director
Bivor Bagaria (upto 29.03.2019)	Director & Chief Financial Officer (CFO)
Ankit Gupta (w.e.f 30.03.2019)	Chief Financial Officer (CFO)
Ankit Gupta (w.e.f 06.04.2019)	Director

Relatives of Key Managerial Personnel
Anjani Choudhary

Associates
Hari Equipments Private Limited

Enterprises owned or significantly influencedby key management personnel or their relatives
Narayani Ispat Limited
Kedarnath Commotrade Private Limited (upto 29.03.2019)
Balajee Roadways
Agrimony Tradex Vyaappar Private Limited
Hemang Steel Traders

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transactions	31 March 2019	31 March 2018
Purchases (Inclusive of Excise but exclusive of VAT/GST)		
Narayani Ispat Limited	**2,131.22**	1,841.20
Hari Equipments Private Limited	**192.68**	804.68
Kedarnath Commotrade Private Limited	**1,555.43**	1,793.18
Agrimony Tradex Vyaappar Private Limited	**393.96**	22.88
Sales (Inclusive of Excise but exclusive of VAT/GST)		
Narayani Ispat Limited	**1,158.59**	2,642.02
Hari Equipments Private Limited	**456.17**	487.93
Kedarnath Commotrade Private Limited	**789.68**	444.51
Agrimony Tradex Vyaappar Private Limited	**226.16**	131.11
Rental Income		
Agrimony Tradex Vyaappar Private Limited	**0.36**	-
Balajee Roadways	**0.54**	-
Narayani Ispat Limited	**0.96**	-
Hari Equipments Private Limited	**0.36**	-
Kedarnath Commotrade Private Limited	**0.36**	-
Sale of shares of Kedarnath Commotrade Private Limited	**49.00**	-
Rent Paid		
Sunil Choudhary	**-**	-
Bina Choudhary	**3.60**	1.74
Narayani Ispat Limited	**0.55**	-
Hari Equipments Private Limited	**0.50**	0.60
Freight Expense		
Balajee Roadways	**1,169.40**	1,121.28
Director's Remuneration		
Sunil Choudhary	**36.00**	36.00
Bivor Bagaria	**24.00**	12.00
Salary		
Anjani Choudhary	**-**	1.40
Professional Charges		
Bivor Bagaria	**6.00**	6.00

Outstanding Balances

Particulars	31 March 2019	31 March 2018	1 April 2017
Trade Receivables			
Narayani Ispat Limited	**385.49**	25.35	16.23
Kedarnath Commotrade Private Limited	**-**	4.73	105.65
Agrimony Tradex Vyaappar Private Limited	**0.04**	97.71	-
Trade Payables			
Hari Equipments Private Limited	**-**	56.40	-

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Liabilities For Expenses			
Sunil Choudhary	**-**	0.04	9.21
Bina Choudhary	**0.29**	-	-
Bivor Bagaria	**-**	0.35	-
Investments in Shares			
Kedarnath Commotrade Private Limited	**-**	24.50	24.50
Hari Equipments Private Limited	**56.73**	56.73	56.73
Advances Given			
Balajee Roadways	**67.89**	276.68	147.41
Advances Received			
Hemang Steel Traders	**7.22**	7.22	7.22

36 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. Credit risk arises when a customer or counterparty does 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) and from its financing/ investing activities, including deposits with bank and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institution, dealer or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

Movement in the expected credit loss allowance of trade receivables are as follows:	**As at 31st March 2019**	**As at 31st March 2018**	**As at 1st April 2017**
Balance at the beginning of the year	**27.35**	7.90	-
Add: Provision during the year (net of	**54.29**	19.45	7.90
reversals) Balance at the end of the year	**81.63**	27.35	7.90
% of Expected Credit Loss:			
More than 1 year	**10.00%**	10.00%	10.00%
More than 2 years	**25.00%**	25.00%	25.00%
More than 3 years	**75.00%**	75.00%	75.00%

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	**Year ended 31st March 2019**		**Year ended 31st March 2018**	
	%	**Amount**	**%**	**Amount**
Revenue from a top customer	**17.71%**	**13,382.49**	8.03%	6,252.37
Revenue from top five customers	**44.42%**	**33,568.83**	31.30%	24,388.96

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Other credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever it is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars				
As at 31 March 2019	**Less than 1 year**	**1-5 years**	**> 5 years**	**Total**
Borrowings	10,652.43	1,951.82	-	12,604.25
Trade payables	11,931.40	-	-	11,931.40
Other financial liabilities	9.23	-	-	9.23
	22,593.05	**1,951.82**	**-**	**24,544.87**
As at 31 March 2018	**Less than 1 year**	**1-5 years**	**> 5 years**	**Total**
Borrowings	10,476.71	1,385.35	-	11,862.06
Trade payables	8,958.64	-	-	8,958.64
Other financial liabilities	7.50	-	-	7.50
	19,442.85	**1,385.35**	**-**	**20,828.20**
As at 1 April 2017	**Less than 1 year**	**1-5 years**	**> 5 years**	**Total**
Borrowings	9,410.18	1,353.05	-	10,763.23
Trade payables	9,379.57	-	-	9,379.57
Other financial liabilities	8.00	-	-	8.00
	18,797.75	**1,353.05**	**-**	**20,150.80**

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost .

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2019	31 March 2018	1 April 2017
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	(1,700.78)	(1,006.69)	(955.20)
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	(10,541.97)	(10,465.18)	(9,314.87)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Profit/ (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
Variable rate instruments	(52.71)	52.71	(35.11)	35.11
Cash flow sensitivity (net)	**(52.71)**	**52.71**	**(35.11)**	**35.11**
31 March 2018				
Variable rate instruments	(52.33)	52.33	(35.03)	35.03
Cash flow sensitivity (net)	**(52.33)**	**52.33**	**(35.03)**	**35.03**

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(b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for stratergic rather than trading purposes. The Company does not actively trade these investments.

(c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

37 Capital management (Ind AS 1)

The Company's management objective are :
- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

Particulars		31 March 2019	31 March 2018	1 April 2017
Total debt (Bank and other borrowings)	A	12,242.75	11,471.87	10,270.07
Equity	B	4,286.87	4,055.64	3,859.05
Liquid investments including bank deposits maturing within 1 year	C	2,639.61	1,760.42	1,957.20
Debt to Equity (A / B)		2.86	2.83	2.66
Debt to Equity (net) [(A-C) / B]		2.24	2.39	2.15

38 Exceptional Item

Exceptional Item represents payments to certain employees in FY 2017-18 of Vizianagaram unit on settlement of their dues on retrenchment.

39 In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

40 Debtors is net off Rs. **18.02 lakhs** (31st March, 2018: Rs 18.43 lakhs; 1st April 2017: Rs. 26.36 lakhs) being certain payments lying under suspense account in absence of information as to the credits in the bank accounts.

41 The Company has taken premises under operating lease. The escalation clause is applicable on renewal. There is no restriction imposed by lease agreements. These lease agreements are normally renewed on expiry.
Expense charged to profit and loss account is **Rs. 4.65 lakhs** (31st March 2018: Rs. 2.34 lakhs).

42 Foreign Exchange Earnings and Outgo	**As at 31st March 2019**	**As at 31st March 2018**
Expenditure in Foreign Currency:		
Travel & Miscellaneous matters	**0.14**	0.21

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
Notes to the Consolidated financial statements for the year ended 31 March 2019 (Continued)

All amount in Rs. Lakhs, unless otherwise stated

43 Financial instruments and related disclosures

43.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2:Basis of Preparation

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

43.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

		As at 31st March 2019			As at 31st March 2018			As at 1st April 2017		
	Note	Carrying	Level of Inputs used in		Carrying	Level of Inputs used in		Carrying	Level of Inputs used in	
	No.	amount	Level 3	Level 1	amount	Level 3	Level 1	amount	Level 3	Level 1
A. Financial assets:										
a) Measured at amortised cost										
Investments	6A	**124.82**	**-**	**-**	115.31	-	-	98.08	-	-
Trade receivables	8	**21,556.00**	**-**	**-**	17,632.45	-	-	13,656.94	-	-
Cash and Cash equivalents	9	**197.88**	**-**	**-**	237.54	-	-	376.26	-	-
Other Bank Balances	10	**2,441.73**			1,522.88			1,580.94		
Other financial assets	11	**133.61**	**-**	**-**	140.04	-	-	136.66	-	-
b) Meaured at fair value through profit and loss										
Investments	6B & 6D	**101.83**	**101.83**	**-**	102.13	102.13	-	64.99	64.99	-
c) Meaured at fair value through other comprehensive income										
Investments	6C	**0.96**	**-**	**0.96**	0.95	-	0.95	1.57	-	1.57
B. Financial liabilities:										
a) Measured at amortised cost										
Borrowings	16	**12,132.30**	**-**	**-**	11,460.34	-	-	10,174.76	-	-
Trade payables	17	**11,931.40**	**-**	**-**	8,958.64	-	-	9,379.57	-	-
Other financial liabilities	18	**119.68**	**-**	**-**	19.03	-	-	103.31	-	-

There are no transfers between level 1 and level 2 during the year.
Level 1: Quoted prices in active markets for identical assets
Level 3: Inputs other than observable market data, are used for deriving value

The investment included in Level 3 of fair value hierarchy has been valued using the net asset value based approach to arrive at their fair value. There is a wide range of possible fair value measurements. In absence of any specific market data, the net asset value of such investments as per the latest available audited financial statements approximates the fair value.

44 Explanation of transition to Ind AS

As stated in note 2a, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies as set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2018 and the opening Ind AS balance sheet as on the date of transition i.e. 1 April 2017.

NARAYANI STEELS LIMITED
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Notes to the Consolidated financial statements for the year ended 31 March 2019 (Continued)
All amount in Rs. Lakhs, unless otherwise stated

In preparing its Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended 31 March 2018, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its Standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions
In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

A. Optional exemptions availed
(a) Property, plant and equipment
As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. There are no decommissioning liabilities to be incurred by the Company relating to property, plant and equipment.

(b) Fair value measurement of financial assets or liabilities at initial recognition
The Company has applied the requirements of Ind AS 109, *"Financial Instruments: Recognition and Measurement"* , wherever applicable.

(c) Investments in associate
Ind AS 101 permits a first-time adopter to measure its investments in associate at deemed cost, which should be either:
(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
(ii) previous GAAP carrying amount at that date
The company has elected to measure in its separate financial statements all of its investments in associate at their previous GAAP carrying amount on the date of transition.

(d) Business Combination
Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application of Ind AS 103, which would require restatement of all business combinations occurred prior to the transition date. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations and also applies the Ind AS 110, Consolidated Financial Statements from the same date.
The Group has decided to apply this exemption at the transition date. Accordingly, business combination occurred prior to the transition date has not been restated by the Group.

B. Mandatory exceptions
(a) Estimates
As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.This exemption is also used for intangible assets covered by Ind AS 38 Intangible

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's es. mates under Ind AS are consistent with the above requirement.

(b) Derecognition of financial assets and liabilities
As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, *Financial Instruments* , prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially

(c) Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the Standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Financial assets have been measured and accounted for at fair value thought profit and loss.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
Notes to the Consolidated financial statements for the year ended 31 March 2019 (Continued)

All amount in Rs. Lakhs, unless otherwise stated

44 Explanation of transition to Ind AS (continued)

C. Reconciliation of equity

Particulars	Note	As at 31 March 2018 Previous GAAP*	As at 31 March 2018 Adjustment on transition to Ind AS	As at 31 March 2018 Ind AS	As at 1 April 2017 Previous GAAP*	As at 1 April 2017 Adjustment on transition to Ind AS	As at 1 April 2017 Ind AS
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment		1,702.08	-	1,702.08	1,227.03	-	1,227.03
(b) Capital Work In Progress		75.80	-	75.80	-	-	-
(c) Investment Properties	(a)	-	165.44	165.44	-	182.80	182.80
(d) Intangible Assets		2.62	-	2.62	-	-	-
(e) Financial assets					-		
(i) Investments accounted for using Equity Method	(j)	130.06	(14.75)	115.31	109.62	(11.54)	98.08
(ii) Other Investments	(b)	25.61	17.48	43.09	25.61	10.39	36.00
(ii) Other financial assets		82.62	-	82.62	75.27	-	75.27
Total Non-current assets		**2,018.78**	**168.17**	**2,186.94**	**1,437.53**	**181.65**	**1,619.18**
(2) Current assets							
(a) Inventories		1,964.82	-	1,964.82	5,749.12	-	5,749.12
(b) Financial assets		-			-	-	
(i) Investments	(b)	242.04	(182.05)	59.99	214.64	(184.08)	30.56
(ii) Trade receivables	(c)	17,659.79	(27.35)	17,632.45	13,664.84	(7.89)	13,656.94
(iii) Cash and cash equivalents		1,760.42	(1,522.88)	237.54	1,957.20	(1,580.94)	376.26
(iv) Other Bank Balances		-	1,522.88	1,522.88	-	1,580.94	1,580.94
(v) Other Assets		-	57.42	57.42	-	61.39	61.39
(c) Current tax assets (net)		-	38.55	38.55	-	96.87	96.87
(d) Other current assets		1,939.52	(95.97)	1,843.55	1,515.35	(158.26)	1,357.09
Total Current assets		**23,566.60**	**(209.40)**	**23,357.20**	**23,101.14**	**(191.97)**	**22,909.17**
Total Assets		**25,585.37**	**(41.22)**	**25,544.15**	**24,538.66**	**(10.33)**	**24,528.35**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		1,090.90	-	1,090.90	1,090.90	-	1,090.90
(b) Other equity	(a) to (h), (j)	3,073.53	(108.79)	2,964.74	2,847.76	(79.61)	2,768.15
Total Equity		**4,164.43**	**(108.79)**	**4,055.64**	**3,938.66**	**(79.61)**	**3,859.05**
Liabilities							
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	(d) & (e)	1,385.35	(390.19)	995.16	1,353.05	(493.16)	859.89
(b) Other non-current liabilities	(e)	-	230.21	230.21	-	389.91	389.91
(c) Deferred tax liabilities (net)	(f)	53.47	60.07	113.54	37.93	61.28	99.22
(d) Provisions	(g)	6.51	-	6.51	40.85	-	40.85
Total Non-current liabilities		**1,445.33**	**(99.92)**	**1,345.42**	**1,431.83**	**(41.97)**	**1,389.87**
(2) Current liabilities							
(a) Financial liabilities							
(i) Borrowings		10,465.18	-	10,465.18	9,314.87	-	9,314.87
(il) Trade payables		9,062.89	(104.25)	8,958.64	9,471.76	(92.19)	9,379.57
(iii) Other financial liabilities	(h)	-	19.03	19.03	-	103.31	103.31
(b) Other current liabilities	(e)	345.99	252.71	598.70	277.78	100.13	377.91
(c) Provisions	(g)	101.54	-	101.54	103.76	-	103.76
		19,975.61	**167.48**	**20,143.09**	**19,168.17**	**111.25**	**19,279.42**
Total Equity & Liabilities		**25,585.37**	**(41.22)**	**25,544.15**	**24,538.66**	**(10.32)**	**24,528.35**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Significant accounting policies 3

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Notes to the Consolidated financial statements for the year ended 31 March 2019 (Continued)
All amount in Rs. Lakhs, unless otherwise stated

44 Explanation of transition to Ind AS (continued)

D. Reconciliation of total comprehesive income for the year ended 31 March 2018

	Particulars	Note	Year ended 31 March 2018 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I	Revenue from operations		77,996.89	-	77,996.89
II	Other income	(b),(e), (h)	138.80	121.00	259.79
III	**Total income (I + II)**		**78,135.69**	**121.00**	**78,257**
IV	**Expenses**				
	Cost of Materials Consumed		6,864.06	-	6,864.06
	Purchase of Traded Goods		62,849.75	-	62,849.75
	Changes in inventories of finished goods and stock-in-trade		3,707.29	-	3,707.29
	Excise Duty		247.32	-	247.32
	Employee benefits expense	(g)	270.92	1.89	272.82
	Finance costs	(e)	1,605.79	103.25	1,709.04
	Depreciation and amortisation expense	(a)	69.62	17.37	86.98
	Other expenses	(c) & (h)	2,121.69	26.95	2,148.64
	Total expenses (IV)		**77,736.44**	**149.45**	**77,885.89**
V	**PROFIT BEFORE TAX & EXCEPTIONAL ITEM (III-IV)**		**399.25**	(28.46)	**370.79**
VI	**Exceptional Item**	38	76.82	-	76.82
VII	**Profit/ (loss) before tax (III-IV)**		**322.43**	**(28.46)**	**293.97**
VIII	**Tax expense:**				
	Current tax		101.51	-	101.51
	Earlier Year Tax		0.05	-	0.05
	Deferred tax	(f)	15.54	(0.39)	15.16
VII	**Profit / (loss) for the year (V-VI)**		**205.33**	**(28.07)**	**177.26**
VIII	Share of net profits from Associate accounted for using equity method for the year (net of tax)	(j)	20.43	(3.20)	17.23
	Other comprehensive income (net of tax)				
	A. Items that will not be reclassified to profit or loss				
	(a) Remeasurements of defined benefit liability/ (asset)	(g)	-	1.89	1.89
	(b) Equity instruments through other comprehensive income	(b)	-	(0.62)	(0.62)
	(c) Income taxes relating to items that will not be reclassified to profit or loss	(f)	-	0.83	0.83
	Net other comprehensive income not to be reclassified subsequently to profit or loss	(i)	**-**	**2.10**	**2.10**
	B. Items that will be reclassified to profit or loss		**-**	-	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		**-**	-	-
IX	**Other comprehensive income**		**-**	**2.10**	**2.10**
X	**Total comprehensive income for the year (VII+VIII+IX)**		**225.77**	**(29.18)**	**196.59**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

E. There were no significant reconciliation items between cash flows prepared under previous GAAP & those prepared under Ind AS.

44 Explanation of transition to Ind AS (continued)

F. Notes to the reconciliations of equity as at 1 April 2018 and 31 March 2019 and total comprehensive income for the year ended 31 March 2018

(a) Investment Properties
Investment property consist of Spaces at Shopping Complex, Vizianagaram, Andhra Pradesh. The spaces is obtained to earn rental income and capital appreciation.

(b) Fair valuation of investments
In accordance with Ind AS, financial assets representing investment in equity shares / units of mutual funds of entities other than associates have been fair valued. The Company has designated certain investments classified at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

NARAYANI STEELS LIMITED
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Notes to the Consolidated financial statements for the year ended 31 March 2019
(Continued) **All amount in Rs. Lakhs, unless otherwise stated**

44 Explanation of transition to Ind AS (continued)

(c) Trade Receivables

Customer and vendor credit risk is managed by the Company's established policy, procedures and control relating to credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in domestic terrorities.

(d)

Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Where such borrowing is in connection with a qualifying asset, processing fees to the extent amortised as per the EIR method, is capitalised as part of the cost of the asset till the period of capitalisation permitted under Ind AS 23.

(e)

Interest free loans

Ind AS 109 requires the loan to be initially measured at fair value minus transaction costs. As the loan is interest free, the fair value of the loan is different from the transaction price in the case. Therefore, the recognition of the difference between the fair value at initial recognition and the transaction price of the interest free loan is recognised as "Deferred fair value gain/loss". The difference is amortised over the period of the loan. The amount of amortisation is equal to the unwinding of discount. The deferred fair value gain/loss is presented as other non-current liability and other current liability.

(f)

Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

(g) Provision for employee benefits (Gratuity)

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

(h) Corporate guarantee contracts

Ind AS 109 requires the guarantor to recognise the corporate guarantee contract initially at its fair value. Therefore, the liability is recognised in the financial statements for the fair value of the corporate guarantee as "Deferred liability - on corporate guarantee". Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less the cumulative amount recognised as income on a straight-line basis in accordance with Ind AS 18, Revenue as "Amortisation of financial guarantee obligation".

(i) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value of equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

(j) Investment in associate under Equity Method

The initial investment in Associate has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Company had previously proportionately consolidated. Under Ind AS, Associate have been consolidated under "Equity method".

As per our report of even date
attached For A.C. Bhuteria & Co.
Chartered Accountants
Firm Registration Number: 303105E

CA. Mohit Bhuteria
Partner
Membership No: 056832

Place of Signature: Visakhapatnam
Dated: The 30th day of May, 2019

For and on behalf of the Board of Directors of Narayani Steels Limited

Sunil Choudhary
Managing Director
DIN: 00289479

Ankit Gupta
Director & CFO
DIN: 08415248

Arun Kumar Meher
Company Secretary
M.NO.: A48598

PROXY FORM - Form No. MGT – 11

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

Name of the Member	
Registered address	
Folio No./ DP ID / Client No.	
Email Id	

I / We, being the member(s) of _________________ shares of the above company, hereby appoint below at

Sr.	Name of proxy	Address & email Id	Signature
1			

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Fourth Annual General Meeting** of the Company, to be held on Monday, September 30, 2019 at 03.00 pm at the registered office of the Company situated at 23A, N.S. Road, 7th floor, Room - 31, Kolkata– 700 001, West Bengal or at any adjournment thereof in respect of such resolutions as are indicated below (Mentioned in detail in AGM Notice):

Resln No.	**Description**	**For***	**Against***
1.	Adoption of Financial Statements (Standalone and Consolidated) together with the Reports of Board of Directors' and Auditors' thereon for the financial year ended March 31, 2019		
2.	Re-appointment of Ms. Bina Chaudhary as Director		
3.	Ratification of and payment to A.S. Rao as Cost Auditor of the Company		
4.	Appointment of Ms. Jaya Padmavathi Bandi as Non-Executive and Non-Independent Director of the Company		
5.	Appointment of Mr. Ankit Gupta as an Executive Director of the Company		
6.	Re-appointment of Mr. Sunil Choudhary as the Managing Director of the Company		
7.	Re-appointment of Mr. Bhaskararao Puvvala as Independent Director of the Company for a second term		
8.	Re-appointment of Mr. Atul Kumar Saxena as Independent Director of the Company for a second term		
9.	Continuation of term of Mr. Krishnamacharyulu Eunny as Independent Director on attaining age of 75 years		
10.	Re-appointment of Mr. Krishnamacharyulu Eunny as Independent Director of the Company for a second term (75 Years)		
11.	Approval for Related Party Transactions under Section 188 of the Companies Act, 2013		

Signed this ________ day of _________________ 2019

Affix revenue stamp

Signature of Proxy holder(s) **Signature of Shareholder**

Notes:

1. Please put 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 23A, N.S. Road, 7th Floor, Room - 31, Kolkata– 700 001, West Bengal

Attendance Slip for Annual General Meeting

Name of the Member Name of the Proxy *(To be filled in, if the Proxy attends instead of the member)* Address of the Member

I hereby record my presence at the **Twenty Fourth Annual General Meeting** of the Company, to be held on Monday, September 30, 2019 at 03.00 pm at the registered office of the Company situated at 3A, N.S. Road, 7th floor, Room - 31, Kolkata– 700 001, West Bengal.

_____________________________ _________________________

Signature of Proxy **Signature of Member**

Notes:

1. A Member / Proxy attending the meeting must complete this Attendance slip in legible writing and hand it over at the entrance. **Sign at appropriate place as applicable to you.**

2. Body Corporate / Company, who are a member, may attend through its representative. Original copy of authorization / resolution should be deposited with the Company.

3. Please read the instructions printed under the Notes to the Notice of this Annual General Meeting.

Route Map for 24th Annual General Meeting