

# STEEL EXCHANGE INDIA LIMITED

CIN : L74100TG1999PLC031191



## 24th ANNUAL REPORT 2022 - 2023



**Simhadri TMT**   
WORLD CLASS STEEL BARS



60 MW Captive Power Plant



Material Handling



Rolling Mill



132KVA Sub Station



**Simhadri TMT**  
WORLD CLASS STEEL BARS

**STEEL EXCHANGE INDIA LTD**  
Strengthening Our Planet



Simhadri TMT

Simhadri TMT

## Manufacturing Facilities and Products

S. No.	Facility	Location	Capacity
1.	<b>Integrated Steel Plant</b>		
	<i>Sponge Iron Unit (Acquired from GSAL)</i>	<i>Sreerampuram, L. Kota Mandal, Vizianagaram District, Andhra Pradesh</i>	<i>220000 TPA</i>
	<i>Billet / Steel Melting Shop (SMS)</i>		<i>250000 TPA</i>
	<i>Rolling Mill</i>		<i>225000 TPA</i>
	<i>Captive Thermal Power Plant</i>		<i>60 MW</i>
2.	<b>Ingot Division</b>	<i>Kothapeta, East Godavari District, Andhra Pradesh</i>	<i>90000 TPA</i>
3.	<i>Captive Natural Gas Power Plant</i>		<i>11.64 MW</i>



**Sponge Iron**



**Billets**



**Rebars**



**Thermal Power  
Plant**

## **BOARD OF DIRECTORS**

B. SATISH KUMAR	Chairman & Managing Director
B. RAMESH KUMAR	Joint Managing Director
B. SURESH KUMAR	Joint Managing Director
V. V. KRISHNA RAO	Director
B. SURESH	Director
R. RAMACHANDRA RAO	Independent Director
C. SIVA PRASAD	Independent Director
Y. SIVA SAGAR RAO	Independent Director (w.e.f 24.06.2022)
K. KRISHNA RAO	Independent Director
VEERA BRAHMA RAO AREKAPUDI	Independent Director (w.e.f 12.05.2023)
SUJATA CHATTOPADHYAY	Independent Director
SHYAM JAGETIYA	Nominee Director
EMANDI SHANKAR RAO	Independent Director (upto 14.02.2023)

**CHIEF FINANCIAL OFFICER**  
A SURESH BABU (w.e.f 01.05.2022)

**COMPANY SECRETARY**  
RAVEENDRA BABU M

**STATUTORY AUDITORS**  
M/s. Bhavani & Co.,  
Chartered Accountants,  
Plot No-48, Flat No-201, 2nd Floor,  
Micasa, Phase-1, Kavuri Hills, Hyderabad-500033

**SECRETARIAL AUDITORS**  
M/s. B S S & Associates Company Secretaries,  
Hyderabad

**COST AUDITORS**  
D Zitendra Rao,  
Cost and Management Accountants, Hyderabad.

**BANKERS & FINANCIAL INSTITUTIONS**  
Edelweiss Alternative Asset Advisors Limited  
Kotak Mahindra Bank

**REGISTRARS & SHARE TRANSFER AGENTS**  
Venture Capital and Corporate Investments Private Limited, 5th Floor, 2, Plot No.57, Aurum, Jayabheri  
Enclave, Gachibowli, Hyderabad, Telangana 500032 Telephone: +91 - 40 - 23818475 / 76  
Fax: +91 - 40 - 23868024, Email: info@vccipl.com and investor.relations@vccipl.com

**REGISTERED OFFICE**  
# Door No: 1-65/k/60, Abhis Hiranya, 1st Floor, Kavuri Hills, Hyderabad-500081. Telephone No: +91-40-23403725  
Fax No: +91- 40- 23413267, www.seil.co.in email: cs@seil.co.in CIN: L74100TG1999PLC031191

**CORPORATE OFFICE:**  
Block A, 4th Floor, Green City Towers, Green City, Vadlapudi, Visakhapatnam - 530 046.  
Telephone: +91-891-2587175, 2587573 Fax: +91-891-2749215

**PLANT LOCATIONS :**  
Integrated Steel Plant (ISP) -Sponge Iron Division, Rolling Division, SMS Billet Unit and 60 MW Power Plant:  
Malliveedu, L. Kota Mandal, Vizianagaram District-533301, Power Plant & Steel Ingot Division: Opp: Mandapalli New  
Bridge, Kothapeta (V & M) - 533 223 East Godavari (Dt).

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## 24<sup>th</sup> ANNUAL GENERAL MEETING

Date	: 29 <sup>th</sup> September, 2023
Day	: Friday
Time	: 11.30 A.M.
Mode of meeting	: Through Video Conferencing (VC) / other Audio Visual Means (OAVM)

## **NOTICE**

Notice is hereby given that the 24th Annual General Meeting ("**AGM**") of the Members of Steel Exchange India Limited ("**the Company**") will be held on Friday, the 29th Day of September, 2023 at 11.30 A.M. (IST) through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**") without the physical presence of the Members at a common venue, to transact the businesses mentioned below:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 and Reports of Board and Auditors thereon and in this regard, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023, the Report of the Auditors thereon and the Report of the Board of Directors for the financial year ended March 31, 2023 be and are hereby received, considered and adopted."

2. To appoint a director in the place of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

3. To appoint a director in the place of Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884), who retires by rotation in accordance with Section 152 of the Companies Act, 2013, be and is hereby re-appointed as a director liable to retire by rotation."

### **SPECIAL BUSINESS:**

4. **Ratification of remuneration of the Cost Auditors for the Financial Year ending 31st March, 2024**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs.8.00 lakh plus applicable taxes payable to Dendukuri & Co., Cost Accountants (Proprietor Mr. D Zitendra Rao Cost Accountant with Membership Number: 10087), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company, for the Financial Year ending March 31, 2024."

5. **To Consider and approve the Increase in the Salary of Mr. Mohit Sai Kumar Bandi, Vice President Commercial, holding an office or place of profit in the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time), and pursuant to recommendation of Nomination & Remuneration Committee, the Audit Committee and the Board of Directors the approval of the Members be and is hereby accorded to the Increase in the Salary of Mr. Mohit Sai Kumar Bandi, Vice-President Commercial, (son of Mr. Ramesh Kumar Bandi, (DIN: 00206293), Joint Managing Director cum Whole Time Director of the Company), holding an office or place of profit of the Company, w.e.f 1st October 2023 as detailed below:

- Gross Salary of 5,00,000 per month (Proposed Increase from Rs 2,40,000/- per month to Rs. 5,00,000/- per month)
- Telephone: Mobile/Telephone facility as per the Company's rules.

- Leave encashment as per the Company's rules.
- Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per the Company's rules.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee has the liberty to alter and vary such Salary in accordance with the provisions of the Companies Act, 2013 to effect change in designation and responsibilities of the persons holding office or place of profit within the maximum limit approved by the members.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing Resolution, Mr. Raveendra Babu M, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

**6. To appoint Mrs. Bhagyam Ramani (DIN: 00107097) Non-Executive Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors through resolution by circulation held on July 11, 2023, and pursuant to the provisions of Sections 149, 150, 152, 160 and 161 read with Schedule IV, any other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as "**the Act**") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "**SEBI Listing Regulations**") (including any statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association for the Company, the approval of the Members of the Company be and is hereby accorded for appointment of Mrs. Bhagyam Ramani (DIN: 00107097), who was appointed as an Additional Director, designated as Non-Executive Independent Director, of the Company by the Board of Directors through resolution by circulation with effect from July 12, 2023 and who has submitted a declaration under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of SEBI Listing Regulations, as amended from time to time, to the effect that she meets the criteria of independence, and who is eligible for appointment under the provisions of the Act and Rules made thereunder and SEBI Listing Regulations, and confirming that she do not have any interest in any member and fiduciary relationship with any of the shareholders of the Company and do not have any interested positions in commercial contracts and financial affairs of the Company and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Act, as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (Five) consecutive years on the Board of the Company w.e.f. July 12 2023 upto July 11, 2028 (both days inclusive).

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) or the Company Secretary of the Company be and are hereby severally authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

**7. To consider and approve Alteration in the Articles of Association of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), and any other law as may be applicable, approval of the members of the Company be and is hereby accorded for the insertion of the following clause 63(i) in the Articles of Association of the Company:

(i) Notwithstanding anything contained in these Articles, on occurrence of the events mentioned below, the Debenture Trustee(s) shall have a right but not an obligation, to nominate 1 (one) person as their nominee on the Board of the Company, in accordance with the applicable laws and subject to the agreement in that regard between Debenture Trustee(s) and the Company:

- i. two consecutive defaults in payment of interest to the debenture holders; or
  - ii. default in creation of security for debentures; or
  - iii. default in redemption of the debentures; or
  - iv. any other event as may be prescribed by Securities and Exchange Board of India.
- (ii) The Board shall appoint such persons as directors of the Company as nominated by the Debenture Trustee(s), as nominee directors in accordance with the provisions of these articles. The Nominee Director appointed under this clause shall not be liable to retire by rotation.
- (iii) Debenture Trustee(s) as mentioned above may remove Nominee Director so appointed at any time and in case of cessation of office of such Nominee Director, by reasons of death or resignation or any other reasons whatsoever, nominate any other person to fill up the vacancy. Such nomination for appointment or withdrawal of nomination shall be made in writing to the Company.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."



By Order of the Board of Directors  
**For Steel Exchange India Limited**

Sd/-

**Raveendra Babu M**  
Company Secretary  
M.No: A34409

Place: Hyderabad  
Date: 14.08.2023

Notes:

1. As you are aware, In view of the ongoing COVID-19 pandemic and pursuant to General Circulars No. 14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No. 20/2020 dated May 05, 2020, No. 02/2021 dated January 13, 2021, No.21/2021 dated December 14, 2021 and No.2/2022 dated May 05, 2022, No 10/2022 and 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars' in relation to "Clarification on holding of AGM & EGM through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM & EGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM & EGM of the Company is being held through VC/OAVM. Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, issued by SEBI ("SEBI Circular") and pursuant to applicable provisions of the Companies Act and Rules made thereunder.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. Voting during the AGM: Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by CDSL in the Video Conferencing platform during the e-AGM. Kindly refer below for instruction for e-voting during the AGM.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.seil.co.in](http://www.seil.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/) i.e., [www.evotingindia.com](http://www.evotingindia.com).
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to the Special Business under Item Nos. 4, 5, 6 and 7 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-2, of the persons seeking appointment/re-appointment as Directors / Independent Directors, are also annexed.
9. Brief profile of Mr. V V Krishna Rao, Mr. B Suresh and Mrs. Bhagyam Ramani, Directors proposed to be appointed / reappointed along with the names of the Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard on General Meetings and Regulation 36(3) of the SEBI Listing Regulations are also annexed to this notice.
10. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
11. The registers i.e., Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which directors are interested maintained under Section 170 and Section 189 of the Act respectively will be available electronically for inspection by members during the AGM. All documents referred to in this Notice and the Explanatory Statement annexed hereto will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e., September 29, 2023. Members seeking to inspect such documents can send an email to [cs@seil.co.in](mailto:cs@seil.co.in).
12. As per Regulation 40 of the Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, M/s. Venture Capital & Corporate Investments Private Limited, Hyderabad for assistance in this regard.
13. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with their Depository participants (DPs), in case the shares are held by them in electronic form/Demat form and with Venture Capital & Corporate Investments Private Limited, in case the shares are held by them in physical form for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically. Alternatively, members holding shares in physical form are requested to send their email address and mobile number to the company mail id [cs@seil.co.in](mailto:cs@seil.co.in).



14. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.e.f. April 01,2019. Further, in compliance with SEBI vide its circular SEBI/HO/ MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only: -

Issue of duplicate share certificate

- Claim from unclaimed suspense account
- Renewal/Exchange of securities certificate
- Endorsement
- Sub-division / splitting of securities certificate
- Consolidation of securities certificates/folios
- Transmission
- Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of Venture Capital & Corporate Investments Private Limited, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

15. Pursuant to Securities & Exchange Board of India vide its circulars SEBI/HO/MIRSDMIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14th December, 2021 and SEBI/HO/MIRSD/MIRSD\_POD-1/P/CIR/2023/37 dated 16th March, 2023 it is mandatory for holders of physical securities to furnish valid PAN (where the PAN is linked with Aadhaar), full KYC details (address proof, email address, mobile number, bank account details) and nomination (for all the eligible folios).

**Freezing of Folios without valid PAN, KYC details, Nomination.**

- a. In case, any of the aforesaid documents/details are not available in a Folio, on or after 01st October, 2023, the same shall be frozen by RTA.
- b. Similarly, in case the PAN(s) in a folio is/are not valid as on the cut-off date specified by The Central Board of Direct Taxes (CBDT) then also the folio shall be Frozen as above.
- c. A member/claimant will be eligible to lodge grievance or avail service request from the RTA or eligible for any payment including dividend only after furnishing the complete documents or details as aforesaid.

In case the folio continues to remain frozen as on 31st December, 2025, the RTA / Company shall refer such frozen folios to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

We would further like to draw your attention to SEBI Notification dated 24th January, 2022 and SEBI Circular SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022. Accordingly, while processing service requests in relation to; 1) Issue of duplicate securities certificate; 2) Claim from Unclaimed Suspense Account; 3) Renewal/ Exchange of securities certificate; 4) Endorsement; 5) Sub-division / Splitting of securities certificate; 6) Consolidation of securities certificates/folios; 7) Transmission and 8) Transposition, the Company shall issue securities only in dematerialised form. For processing any of the aforesaid service requests the securities holder/claimant shall submit duly filled up Form ISR-4.

We hereby request to holders of physical securities to furnish the documents/details, as per the table below for respective service request, to the Registrars & Transfer Agents i.e., M/s Venture Capital & Corporate Investments Private Limited. A member needs to submit Form ISR-1 for updating PAN and other KYC details to the RTA of the Company. Member may submit Form SH-13 to file Nomination. However, in case a Member do not wish to file nomination 'declaration to Opt-out' in Form ISR-3 shall be submitted.

Sr. No.	Particulars	Please furnish details in
1	PAN	Form No.: ISR-1
2	Address with PIN Code	
3	Email address	
4	Mobile Number	
5	Bank account details (Bank name and Branch, Bank account number, IFS Code)	
6	Demat Account Number	
7	Specimen Signature	Form No.: ISR-2
8	Nomination details	Form No.: SH-13
9	Declaration to opt out nomination	Form No.: ISR-3
10	Cancellation or Variation of Nomination	Form No.: SH-14
11	Request for issue of Securities in dematerialized form in case of below:	Form No.: ISR-4
i.	Issue of duplicate securities certificate	
ii.	Claim from Unclaimed Suspense Account	
iii.	Renewal / Exchange of securities certificate	
iv.	Endorsement	
v.	Sub-division / Splitting of securities certificate	
vi.	Consolidation of securities certificates/folios	
vii.	Transmission	
viii.	Transposition	

In case of major mismatch in the signature of the members(s) as available in the folio with the RTA and the present signature or if the signature is not available with the RTA, then the member(s) shall be required to furnish Banker's attestation of the signature as per Form ISR2 along-with the documents specified therein. Hence, it is advisable that the members send the Form ISR-2 along with the Form ISR-1 for updating of the KYC Details or Nomination. All the aforesaid forms can be downloaded from the website of the Company at <http://seil.co.in/> and from the website of the RTA at <https://www.vccipl.com/>

16. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc to their Depository Participants with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to Venture Capital & Corporate Investments Private Limited in case the shares are held by them in physical form.
17. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 23rd day of September, 2023 to Friday, the 29th day of September, 2023 (both days inclusive).
18. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s. with Central Depository Services (India) Limited (CDSL) Only those Members, whose names appear in Register of Members / List of beneficial owners as on Friday, September 22, 2023 ("Cut-off Date") shall be entitled to vote (through remote e-voting and during AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a member as on the Cut-off Date should treat this Notice for information only.

19. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at cs@bssandassociates.com with a copy marked to helpdesk.evoting@cdslindia.com and company's email id at cs@seil.co.in.
20. The Board of Directors has appointed M/s B S S & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
21. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within two working days from the conclusion of the AGM at the Registered Office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e., September 29, 2023.
22. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility
23. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to M/s. Venture Capital and Corporate Investments Private Limited/ Investor Service Department of the Company immediately.
24. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
25. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
26. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be convened through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The remote e-voting period begins on Tuesday the 26th September, 2023 at 9:00 am and ends on Thursday the 28th September, 2023 at 5:00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through

their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/Evoting_Login">https://evoting.cdslindia.com/Evoting/Evoting_Login</a>The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Steel Exchange India Limited> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance
  - User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@seil.co.in](mailto:cs@seil.co.in) or [csravindra.seil@gmail.com](mailto:csravindra.seil@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

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



**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, AS AMENDED ('ACT')**

**Item No 4**

As per Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company have to maintain cost records and have to audit its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in Practice. Based on the documents available and the discussions held at the meeting of the Audit Committee, it considered and recommended the appointment and remuneration of the Cost Auditor to the Board of Directors ('Board'). The Board has, on the recommendation of the Audit Committee, approved the appointment and remuneration to Dendukuri & Co., Cost Accountants (proprietor Mr. D Zitendra Rao, Cost and Management Accountants) as the Cost Auditor of the Company for the FY 2023-24.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. The Board of Directors has fixed the remuneration payable to the Cost Auditors for FY2023-24 at Rs.8.00 lakh plus applicable taxes. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2024.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at the Notice.

**Item No. 5**

Pursuant to recommendation of the Nomination and Remuneration Committee, Audit Committee, provisions of Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force). The board of directors of the company at its Meeting held on February 14, 2023 have accorded its approval, subject to the approval of the members, increase the salary of Mr. Mohit Sai Kumar Bandi, Vice-President Commercial, (son of Mr. Ramesh Kumar Bandi, (DIN: 00206293), Joint Managing Director cum Whole Time Director of the Company), holding an office or place of profit, w.e.f 1st October 2023 as detailed below:

- Gross Salary of 5,00,000 per month (Proposed Increase from Rs 2,40,000/- per month to Rs. 5,00,000/- per month)
- Telephone: Mobile/Telephone facility as per the Company's rules.
- Leave encashment as per the Company's rules.
- Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per the Company's rules.
- Reimbursement of actual traveling, boarding, and lodging expenses and other amenities as may be incurred by them from time to time, in connection with the Company's business.

As per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, explanatory statement annexed to the notice shall contain the following disclosures, namely:

(a) name of the related party	Mr. Mohit Sai Kumar Bandi
(b) name of the director or key managerial personnel who is related, if any	Mr. Ramesh Kumar Bandi, (DIN: 00206293), Joint Managing Director cum Whole Time Director of the Company
(c) nature of relationship	son
(d) nature, material terms, monetary value and particulars of the contract or arrangements	As detailed in the resolution no. 5
(e) any other information relevant or important for the members to take a decision on the proposed resolution	His present role is crucial in expansion of the business in the emerging market in the industry in which the Company operates and he is focusing more on tapping the potential markets. Considering his qualification, experience and performance the Board recommends increase in salary.

Except Mr. Mohit Sai Kumar Bandi, Mr. Ramesh Kumar Bandi, Mr. Satish Kumar Bandi, Mr. Suresh Kumar Bandi and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 5, except to the extent of their shareholding in the Company.

#### **Item No. 6**

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors through resolution by circulation held on July 11, 2023 appointed Mrs. Bhagyam Ramani (DIN: 00107097), who was appointed as an Additional Director, designated as Non-Executive Independent Director.

In terms of the provisions of Section 161 of the Act, Mrs. Bhagyam Ramani (DIN: 00107097) holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

The Company has received from her all statutory disclosures/declarations including, (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the aforesaid Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations. Notices under the provisions of Section 160 of the Act have been received from a member signifying his / her intention to propose the candidature of Mrs. Bhagyam Ramani (DIN: 00107097) as Director of the Company.

In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company. In view of the above provisions, the proposal for appointment of Mrs. Bhagyam Ramani (DIN: 00107097) as an Independent Director not liable to retire by rotation for a period of five consecutive years with effect from July 12, 2023.

Mrs. Bhagyam Ramani (DIN: 00107097) is not related to any other Director and Key Managerial Personnel of the Company.

#### **A brief profile of the Independent Director to be appointed is given below:**

Mrs. Bhagyam Ramani is an Independent Director with immense experience in the General Insurance sector. She is the Ex-Director and GM of General Insurance Corporation of India (GIC Re). She started off as a Direct Recruit Officer in 1976 and has worked and excelled in various departments. She became the General Manager in 2005, and thereafter Director on the Board of GIC Re in 2009. She retired in January 2012.

During her tenure, she has served on various committees like being a Trustee on the PF committee of the Tariff Advisory Board; Member on Education Board of Insurance Institute of India; Working Group on Investment Committee of IRDA; Investment Committee of Agricultural Insurance Company Ltd and GIC Re and Audit Committee of L&T, NSE, IDBI trusteeship Ltd, and Agricultural Insurance Company Ltd. She represented GIC Re on the boards of Larsen & Toubro Ltd., National Stock Exchange of India, IDBI trusteeship Services Ltd., Milestone Capital Advisors Ltd. and Agricultural Insurance Company Ltd.

She is at present on the boards of the following companies as an Independent Director: Capri Global Capital Ltd, Capri Global Housing Finance Pvt Ltd, Choice International Ltd, Saurashtra Cement Ltd, Lloyd Metal and Energy Ltd. She is also on the CSR committee of Capri Global Capital Ltd.

Mrs Ramani is a Post Graduate in Economics (Honours) from Bombay University with specialization in Industrial and Monetary Economics and, a visiting faculty at the National Insurance Academy, Pune.

The other disclosures as required under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standards-2 are provided in Annexure to this.

In the opinion of the Board, Mrs. Bhagyam Ramani (DIN: 00107097) meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Independent Director.

None of the Directors, Key Managerial Personnel and their relatives, except, Mrs. Bhagyam Ramani (DIN: 00107097) is in any way, concerned or interested in the said resolution.

The Board of Directors, therefore, recommend the resolution as set out in item No. 6 of this Notice for approval of the shareholders by way of a special resolution.

**Additional information as required under SS -2 notified under Section 118 (10) of the Companies Act, 2013**

<b>Name of the Director</b>	<b>Bavineni Suresh</b>	<b>V.V. Krishna Rao</b>	<b>Bhagyam Ramani</b>
<b>Category</b>	Non-Executive and Non Independent	Non-Executive and Non Independent	Non-Executive and Independent Director
<b>DIN</b>	00181832	00206884	00107097
<b>Date of Birth</b>	30.08.1968	10.06.1948	09.01.1952
<b>Age</b>	55 Years	75 Years	71 Years
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of first appointment on the Board</b>	28.02.2000	24.01.2000	12.07.2023
<b>Qualifications</b>	B. Tech. M.B. A	M.A.	Post Graduate in Economics (Honours)
<b>Occupation</b>	Business	Business	Professional
<b>Nature of expertise in specific functional areas</b>	Having more than 25 years of Experience in Finance and Steel Industries	Having More than 43 years of Experience in Steel industry.	Mrs. Bhagyam Ramani has immense experience in the General Insurance sector. She is the Ex -Director and GM of General Insurance Corporation of India (GIC Re). She started off as a Direct Recruit Officer in 1976 and has worked and excelled in various departments.
<b>Terms and conditions</b>	Appointment is subject to retirement by rotation and being eligible, offers himself for re-appointment	Appointment is subject to retirement by rotation and being eligible, offers himself for re-appointment	Appointment as a Non - Executive Independent Director of the company subject to approval of members.
<b>Remuneration sought to be paid</b>	Nil	Nil	Nil
<b>Remuneration last drawn by such person</b>	Nil	Nil	Nil
<b>Relationship with Directors</b>	None	None	None
<b>Directorships in other companies as on</b>	1.Vizag Profiles Pvt Ltd 2.Umashiv Garments Pvt. Ltd 3.Simhadri Wires Pvt. Ltd 4.Satyatej Vyapaar Pvt. Ltd	1.Vizag Profiles Pvt Ltd	1.Saurashtra Cement Limited 2.Lloyds Metals and Energy Limited 3.Capri Global Capital Limited 4.Capri Global Housing Finance Limited
<b>Chairman/Member of the committee of the Board of Directors</b>	Nil	Nil	1. Saurashtra Cement Limited 2. Lloyds Metals and Energy Limited 3. Capri Global Capital Limited 4.Capri Global Housing Finance Limited
<b>Shareholding including shareholding as a beneficial owner</b>	2,42,04,010	64,37,360	Nil
<b>Number of Meetings of the Board attended during the year</b>	5	5	NA

<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	Nil	Nil	1.Saurashtra Cement Limited 2.Lloyds Metals and Energy Limited 3.Capri Global Capital Limited
<b>Names of listed entities from which the person has resigned in the past three years</b>	Nil	Nil	Nil
<b>In case of Independent Director, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b>	NA	NA	YES
<b>Inter-se relationship with other Directors and KMP of the Company Information as required pursuant to BSE Circular no. LIST/COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/24 dated June 20, 2021.</b>	Not related to any Director and KMP of the Company	Not related to any Director and KMP of the Company	Not related to any Director and KMP of the Company

#### Item No 7

Securities and Exchange Board of India vide its notification number SEBI/LAD-NRO/GN/2023/119 dated February 2, 2023 ("SEBI Notification"), amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI NCS Regulation"). Pursuant to the amendment(s), "If an issuer is a company, it shall ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors."

Further, in case Articles of Association (AOA) of a issuer company whose debt securities are already listed on the date of SEBI Notification does not contain a provision for appointing a Nominee Director by Debenture Trustee then such issuer company should amend their AOA on or before September 30, 2023, to comply with the provisions of the SEBI NCS Regulations.

The Company has issued the debt securities under SEBI NCS Regulations and accordingly, the AOA of the Company should be amended to incorporate the said provisions with respect to appointment of Nominee Director by the Debenture Trustee in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

Pursuant to Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, It shall be the duty of every debenture trustee to appoint a nominee director on the Board of the company in the event of:

- (i) two consecutive defaults in payment of interest to the debenture holders; or
- (ii) default in creation of security for debentures; or
- (iii) default in redemption of debentures.

Pursuant to section 14 of the Companies Act, 2013 alteration of Articles of Association of the Company requires approval of the members of the Company.



Accordingly, the Board of Directors of the Company vide its resolution dated August 14, 2023, had inter alia, approved the insertion of a new clause 63(i) in the Articles of Association of the Company, subject to the approval of the members of the Company by way of special resolution.

The draft of the amended AOA of the Company is available for inspection by the members in accordance with the applicable provisions of the Companies Act, 2013.

Your Directors recommend the resolutions set out at Item no.7 for approval of the Members by way of Special Resolution

None of the Directors, Manager, Key Managerial Personnel, Promoter of the Company and their relatives thereof is in anyway concerned or interested financially or otherwise in the proposed resolution.

**Important Communication to Members:**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless Compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form, may register the same with:

Registrars and Share Transfer Agents: Venture Capital and Corporate Investments Private Limited, 5th Floor, 2, Plot No.57, Aurum, Jayabheri Enclave, Gachibowli, Hyderabad, Telangana 500032 Telephone: +91 - 40 - 23818475 / 76 Fax: +91 - 40 - 23868024, Email: info@vccipl.com and investor.relations@vccipl.com

**Company:** The Company Secretary, Steel Exchange India Limited, D.NO:1-65/K/60, Plot No:60 Abhis Hiranya, 1ST Floor, Kavuri Hills, Hyderabad TG 500081, Telephone: +91 - 40 - 23403725 or 040-40033501 Email: cs@seil.co.in, or csravindra.seil@gmail.com or seilsecretarial@gmail.com.

Simhadri TMT

## BOARD'S REPORT

To

**The Members,**

Your Directors have pleasure in presenting the 24th Annual Report on the business & operations of the Company together with the Audited Financial Statement for the year ended 31st March 2023.

### 1. FINANCIAL HIGHLIGHTS :

The performance of the Company for the Financial Year ended March 31, 2023 is as under: (₹ in Lakhs)

PARTICULARS	31-Mar-23	31-Mar-22
Total Revenue	139336.31	112087.78
Profit/ (Loss) before finance cost, depreciation and tax expense	10168.80	12635.39
Finance cost	10563.68	8811.83
Profit / (Loss) before depreciation and tax expense	(394.88)	3823.56
Depreciation	2437.47	2375.23
Profit/(Loss) before tax expense	(2832.35)	1448.33
Tax expense		
i. Tax expense of prior years	0.00	0.00
ii. Deferred Tax	(3052.75)	10199.67
<b>Profit/(Loss) for the year</b>	<b>(5885.11)</b>	<b>11648.01</b>
Add: Other Comprehensive Income	1.93	(11.45)
<b>Total Comprehensive Income/ (Loss) for the year</b>	<b>(5883.17)</b>	<b>11636.55</b>

### 2. REVIEW OF PERFORMANCE :

During the year under review, the total Revenue of the company stood at Rs 1393.36 Crores as against the Rs.1120.87 Crores in FY 22. Net Profit/Loss recorded at Rs. (58.85) Crores as against Net Profit of Rs.116.48 Crores in the Previous Year.

The Manufacturing Sales including power sales were Rs.1094.76 Crores in the current year compared to Rs.960.93 Crores in the previous year. The trading sales during the year amounted to Rs.293.57 Crores compared to Rs.139.65 Crores in the previous year.

### 3. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Members are informed that, during the year 2022-23, the management of the Company evaluated a few options for increasing the production in the manufacturing units of the company as well as improving the margins. To give effect to this, the company is seeking additional funding at a lower cost to the company. In this regard, the company has appointed a few reputed agencies, to assist the company in the fund raising.

In line with the long term plans of the management to improve the value of the company for all stake holders, the company is continuing its plans to re-align the business verticals by way of Synergies / Strategic Value Unlocking / Investments in the identified Organic & Inorganic Assets of the Company for value creation to all stakeholders of the Company under Corporate Restructuring Strategy. During the current financial year 2023-24 the management plans to look for agencies with proven track record and competent to make a feasibility report with various options of the business model which would be in synergy to the existing operations of the company.

### 4. DIVIDEND

The Board of Directors of the Company has not recommended Dividend for the financial year ended March 31, 2023.

Pursuant to Regulation 43A of the Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the Company's website at [https://seil.co.in/uploads/5479-SEIL\\_Dividend\\_Distribution\\_Policy.pdf](https://seil.co.in/uploads/5479-SEIL_Dividend_Distribution_Policy.pdf)

## 5. SHARE CAPITAL AND LISTING OF SHARES

During the year under review, the Equity Shares of the Company were sub-divided such that each Fully Paid-up Equity Share of the Company of Face Value of Rs.10/- got sub-divided into Face Value of Rs.1/- each w.e.f. July 13, 2022. Post such sub-division, the Authorised and Paid-Up Share Capital of the Company was as is set forth below:

- The Authorized Share Capital of the Company is Rs.332,00,00,000/- (Rupees Three Hundred and Thirty-Two Crores only) divided into 258,00,00,000 (Two Hundred and Fifty Eighty Crores only) Equity Shares of Rs.1/- (One only) each, and 7,40,00,000 (Seven Crore Forty Lakhs only) Preference Shares of Rs.10/- (Ten only) each.
- The Paid-up Equity Share Capital of the Company as on March 31, 2023 was Rs. 1,03,96,11,770/- (Rupees One Hundred Three Crores and Nine Six Lakhs Eleven Thousand Seven Hundred Seventy).

There was change in Paid up Share Capital of the Company during the year under review:

During the year, the Company has allotted 15,88,00,000 Equity Shares of the face value of Rs.1/- each at an issue price of Rs.7.250/- per share (including share premium of Rs.6.250/- per share) on Conversion of Compulsorily Convertible Debentures ("CCDs") on preferential basis to promoter and Non-promoter of the Company.

The Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Companies Act, 2013 (hereinafter referred as "the Act") read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished and the Company has not issued any stock options to its employees.

The Equity Shares of your Company are listed on BSE Limited and National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees. The company has paid the listing fee for the financial year 2022-23.

Members may note that post sub-division, the new ISIN - INE503B01021 has been activated in place of the old ISIN - INE503B01013.

## 6. NON-CONVERTIBLE DEBENTURES

In the Financial Year 2020-21, the Company issued and allotted 3,828 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures bearing a face value of INR 10,00,000 (Rupees Ten Lakh only) each, aggregating up to an amount of INR 382,80,00,000/- (Rupees Three Hundred and Eighty-Two Crores Eighty Lakhs only) ("Debentures") in dematerialized form on a private placement basis to Group of Investors led by Edelweiss as a part fundraising for one time settlement of all dues of the company with existing lenders. The said NCDs are listed on BSE Limited.

Further, During FY 2022-23, no other issue or allotments of NCD's took place.

## 7. NAME OF THE DEBENTURE TRUSTEE(S) WITH FULL CONTACT DETAILS:

As per Regulation 53 of the Listing Regulations, the name along with full contact details of the Debenture Trustees is given below:

### **VISTRA ITCL (INDIA) LIMITED**

The IL&FS Financial Centre  
Plot No. C-22, G Block, 7th Floor  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400051, India  
Tel: +91 99104 96860, Tel: +91 22 2659 3535  
Cell: +91 98206 61411, Email: mumbai@vistra.com

## 8. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ISSUE:

The company did not raise any fund during the financial year under review, and no deviation of utilization of funds raised through preferential allotment.

## 9. DEVIATIONS IN THE USE OF PROCEEDS FROM THE OBJECTS STATED IN THE OFFER DOCUMENT:

During the year under review, there were no deviations in the use of proceeds from the objects stated in the offer document.

## 10. CREDIT RATING

Instrument Type	Tenor	Amount (Rs. Cr)	Rating
Listed Secured Non-Convertible Debentures	Long Term	304.35	CARE BB; Stable (Double B; Outlook: Stable) Assigned
<b>Total</b>		<b>304.35</b>	<b>(INR Three Hundred-Four Crores and Thirty-Five Lakhs Only)</b>

## 11. ANNUAL RETURN

As required by Section 92(3) of the Act read with Section 134(3)(a) of the Act the Annual Return in Form MGT-7 is placed at the company website <https://seil.co.in/governance/annualreturn>.

## 12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended March 31, 2023, Five Board Meetings were held.

The dates on which the Board Meetings were held are 25th April, 2022, 16th May, 2022, 23rd July, 2022, 21st October, 2022, 14th February, 2023.

Details of number of Meetings attended by each Director have been given in the Corporate Governance Report, which forms part of the Annual Report.

## 13. DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms for the year ended 31st March, 2023:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of Profit and Loss Account of the Company for that period;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2023 on a going concern basis;
- v. that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. That 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.

## 14. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations as required under the provisions of Section 149(7) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that they meet the eligibility criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board all our Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity for the purpose of Rule 8(5) (iia) of the Companies (Accounts) Rules 2014.

## 15. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors held their separate meeting on March 29, 2023 inter alia, to:

- Review the performance of the Non-Independent Directors.
- Review the performance of the committees and Board as a whole.



- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **16. AUDITORS**

### **Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter M/s. Bhavani & Co., Chartered Accountants (FRN 012139S) were appointed as Statutory Auditors of the Company in the Annual General Meeting held on 30th September, 2019, for a term of 5 (five) consecutive years. M/s. Bhavani & Co., Chartered Accountants, have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

### **Cost Auditors:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014, as amended from time to time, Mr. D Zitendra Rao, Practicing Cost Accountant has been appointed as Cost Auditor for conducting Cost Audit for the financial year 2022-23 under review.

The Products of the company was classified as "Steel and Electricity" manufactured by the Company are subject to Cost Audit in terms of Section 148 of the Companies Act, 2013 read with the rules issued there under by the Central Government.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of Dendukuri & Co., Cost Accountants (Proprietor Mr. D Zitendra Rao, Practicing Cost Accountant) as the Cost Auditors of the Company for the financial year ending March 31, 2023.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of Rs.8.00 lakh plus applicable taxes payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, a resolution to this effect forms part of the Notice convening the AGM.

### **Internal Auditors:**

M/s. Pavuluri & Co., Chartered Accountants were appointed as Internal Auditors for the Financial Year 2022-23 under review.

### **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. B S S & Associates, Practicing Company Secretaries, Hyderabad to undertake the Secretarial Audit of your Company for the financial year 2022-23.

## **17. AUDIT REPORTS:**

### **Statutory Audit Report**

There are no qualifications, reservations, adverse remarks or disclaimers in the Statutory Auditor's Report on the financial statements of the Company for the Financial Year 2022-23 and hence does not require any explanations or comments by the Board. No frauds have been reported by the Auditor under Section 143(12) of the Companies Act, 2013 during the Financial Year 2022-23.

### **Internal Audit Reports**

Internal Auditors has performed internal audit of the operations of the Company for the Financial Year 2022-23 and the Internal Auditors have presented the observations to the Audit Committee at their meetings of the Committee held on 25th April, 2022, 23rd July, 2022, 21st October, 2022, 14th February, 2023 and 29th March, 2023 respectively for the financial year 2022-23.

### **Secretarial Audit Report**

The Secretarial Audit Report received from the Secretarial Auditor of the Company for the Financial Year 2022-23 and Secretarial Compliance Report for the Financial Year are annexed herewith as **Annexure - 1**.

The Managements' Comments on observations made in Secretarial Audit Report and Secretarial Audit Report Secretarial Compliance Report are as under:



<b>Observation</b>	<b>Management's comment</b>
<p>The Board of Directors of the Company was not comprised of requisite number of Independent Directors as prescribed under Regulation 17(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 from 12.02.2022.</p>	<p>The Company had received a notice from M/s. Vishwa Samudra Holdings Private Limited, Investor of the Company, to appoint Mr. Shyam Jagetiya its Nominee on the Board of Directors of the Company and the Board decided to appoint Mr. Shyam Jagetiya immediately i.e., w.e.f. February 12, 2022. With the appointment of said Nominee Director, the composition of the Board was changed and adversely resulted into non-compliance of Regulation 17(1)(b) i.e., at least half of the board of directors shall comprise of Independent Directors.</p> <p>On obtaining Shareholders' approval, through postal ballot on 12.05.2022, for appointment of Mr. Shyam Jagetiya as Nominee Director, immediately the Board in its meeting held on 16.05.2022, appointed Mr. Siva Sagar Rao Yendamuri as an Additional Director in independent category to comply Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), 2015.</p>

**18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Your Company has not given any Loans / Guarantees and not made any Investments during the FY 2022-23, as specified under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

**19. TRANSFER OF AMOUNT TO GENERAL RESERVES**

Your Company doesn't propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2023.

**20. RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. There were no materially significant transactions with related parties during the financial year, which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS-24) has been made in the notes to the financial statements.

Your Company has framed a Policy on Related Party Transactions in accordance with the Act and SEBI (LODR) Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties. The policy is uploaded on website of the Company at [www.seil.co.in](http://www.seil.co.in).

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of individual transactions with related parties are placed before the audit committee for the review from time to time. The particulars of contracts or arrangements with related parties referred to in Sub-section (1) of Section 188 are prepared in Form No. AOC-2 pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is given in notes to accounts of the company wide note no 3.36.3 and also brief details are annexed to Boards Report as **Annexure-2**.

**21. DEPOSITS**

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet, in terms of Section 73 of the Companies Act, 2013 during the year ended 31st March, 2023.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 (ACT) READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as **Annexure - 3** to this Report.

### **23. RISK MANAGEMENT POLICY**

The Company has an adequate risk management policy in place. The risk management process is reliable and broad based, ensuring that the Company is well guarded against foreseeable risks and aptly prepared for future contingencies. Risk management encompasses risk identification, evaluation, reporting and resolution to ensure the smooth functioning of operations and business sustainability. Risk Management has become an integral part of business decision making.

### **24. CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities during the year are given in the Annual Report on CSR activities in **Annexure - 4** to this Report.

### **25. COMMITTEES OF THE BOARD**

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance forming part of the Annual Report.

### **26. CORPORATE GOVERNANCE**

A separate report on Corporate Governance is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance.

### **27. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI Listing Regulations, is annexed herewith which forms part of this report.

### **28. VIGIL MECHANISM / WHISTLE BLOWER POLICY AND MECHANISM**

The Board of Directors has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

### **29. BOARD EVALUATION**

The Board evaluated the effectiveness of its functioning, of the Committees and of individual Directors, pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The Board sought the feedback of the Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017.

The Chairman of the Board had one-on-one meetings with the Independent Directors ('IDs') and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain the Directors' input on effectiveness of the Board/ Committee processes.

In a separate meeting of IDs, the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company were evaluated, taking into account the views of Executive Director and other Non-Executive Directors.

The NRC reviewed the performance of the individual directors and the Board as a whole. In the Board meeting that followed the meeting of the Independent Directors and the meeting of NRC, the performance of the Board, its committees, and individual Directors were discussed.

### **30. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the financial year under review, on the recommendations of the Audit Committee and the Nomination and Remuneration Committee, the Board appointed Mr. Suresh Babu Anubrolu as Chief Financial Officer (CFO) in the place of Mr. B. Ramesh Kumar, who had resigned from the office of CFO w.e.f May 01st, 2022.

Further that, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has approved the appointment of Mr. Siva Sagar Rao Yendamuri (DIN: 00210188) as Independent (Additional) Director for a period of five consecutive years on 16th May, 2022 and approval of shareholders by way of Special resolution was taken in the AGM held on 24.06.2022.

Shri Bavineni Suresh (DIN: 00181832) and Shri Veeramachaneni Venkata Krishna Rao (DIN: 00206884) retired and re-elected at the last Annual General Meeting of the Company held on June 24, 2022.

As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Veeramachaneni Venkata Krishna Rao (DIN: 00206884) Non-Executive Director who has attained the age of 75 years, the Company has obtained approval of shareholders by way of special resolution was taken in the AGM held on 24.06.2022 to effect the appointment as Rules and Regulation of said Regulation.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Bavineni Suresh (DIN: 00181832) and Shri Veeramachaneni Venkata Krishna Rao (DIN: 00206884) will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Accordingly, the resolutions seeking the approval of the members for the said re-appointments have been incorporated in the Notice of the Annual General Meeting.

Further that, on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 14, 2023, has approved the appointment of Mr. Veera Brahma Rao Arekapudi (DIN: 07540040) as Independent (Additional) Director for a period of five consecutive years on 14th February, 2023 and the Company has obtained approval of shareholders through the postal ballot dated May 12, 2023.

Further that, Mr. E Sankara Rao (DIN: 05184747) as Non-Executive Independent Director of the company resigned with effect from 14th February, 2023 due to personal reasons and preoccupation only, and there is no other reason for resignation.

### **31. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Act have been disclosed in the Corporate Governance Report. Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has adopted a policy for nomination, remuneration and other related matters for Directors and Senior Management Personnel. A gist of the policy is available in the Corporate Governance Report.

Company's Policy on Directors Appointment and Remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013 is also placed at the website of the Company at [http://seil.co.in/Code\\_and\\_Policies.html](http://seil.co.in/Code_and_Policies.html)

### **32. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The Board of Directors of the Company is responsible for ensuring that Internal Financial Control has been laid down by the Company and that such controls are adequate and operating effectively. The internal financial control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorisation and ensuring compliance with corporate policies.

The scope and authority of the Internal Auditor is well defined in the company. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the

controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

### **33. MAINTENANCE OF COST RECORDS**

The Company is required to maintain cost records of the Company as specified under Section 148(1) of the Companies Act, 2013. Accordingly, the Company has properly maintained cost records and accounts during the financial year ended 31.03.2023.

### **34. PARTICULARS OF EMPLOYEES**

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's report enclosed as **Annexure - 5**.

During the financial year 2022-23, there were no employees in the Company whose details are to be given pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **35. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There were no frauds reported by the Statutory Auditors under Sub-section 12 of Section 143 of the Companies Act, 2013 along with the Rules made there under.

### **36. SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### **37. UNCLAIMED SUSPENSE ACCOUNT/ESCROW ACCOUNT:**

In accordance with the procedure laid down in Schedule VI to the SEBI Listing Regulations, the Company has transferred unclaimed shares of Equity shareholders (previously GSAL Shareholders) into one folio in the name of "Steel Exchange India Limited -Unclaimed Suspense Account" and maintain details of shareholders whose shares are credited to the said Unclaimed Suspense Account.

Company is doing transfer of Equity shares in Dematerialised form to respected shareholders of GSAL (India) Limited upon receipt of communication from time to time.

### **38. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

Your company incorporated a wholly owned subsidiary company SEIL (Hong Kong) Ltd on 02nd June, 2015 which was in dormant stage due to non-commencement of business operations since its incorporation. Your company has closed SEIL (Hong Kong) Ltd and the same was strike off by respective authority in the origin of the company.

As on 31.03.2023, the Company has no Subsidiary, Joint Venture or Associate Company.

### **39. INSURANCE**

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

### **40. CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company.

### **41. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

### **42. MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT;**

There were no material changes that affecting the financial position of the company.

### **43. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF: Not Applicable**

**44. DETAILS OF APPLICATIONS MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016:**

There are no applications made during the financial year 2022-23 by or against the company and there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

**45. BOARD POLICIES:**

The details of the policies approved and adopted by the Board as required under the Companies Act, 2013 and SEBI Listing Regulations are provided in **Annexure - 6**.

**46. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:**

In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Securities and Exchange Board of India ('SEBI'), in May 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ('BRSR'). BRSR is a notable departure from the existing Business Responsibility Report and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of Environment, Social and Governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transition to BRSR from FY 2022-23 onwards. Accordingly, we are glad to present our inaugural BRSR for FY 2022-23 is given as **Annexure - 7**.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting targets and improving economic performance to ensure business continuity and rapid growth.

**47. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The company has complied with provisions relating to the constitution of Internal Complaints Committee to redress complaints received regarding sexual harassment. During the financial year 31st March, 2023, the company has not received any complaints pertaining to sexual harassment.

**48. INDUSTRIAL RELATIONS AND HUMAN RESOURCES**

Your company believes that its employees are one of the most valuable assets of the Company and the Board appreciates the employees across the cadres for their dedicated service to the company and expects their continuous support and higher level of productivity for achieving the targets set for the company. During the year under review, the company organized various training programmes at all levels to enhance skills of employees. The total employee strength is 995 as on 31st March, 2023.

**49. ACKNOWLEDGEMENT**

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the dedicated services of the employees and workmen at all levels.

Place: Hyderabad

Date: 14.08.2023

On behalf of the Board of Directors  
For **Steel Exchange India Limited**

Sd/-

**B. Satish Kumar**

Chairman and Managing Director

(DIN:00163676)

### **REPORT ON CORPORATE GOVERNANCE**

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") for the financial year 2022-2023 is given herein below:

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Your Company prides itself on being a responsible corporate citizen, which is committed to running its business in the best possible manner while being completely transparent, complying with all relevant rules & regulations and contributing to society at large. The Company believes that maintenance of Code of Corporate Governance is essential for economic growth of the Company and protecting the interest of all the Stakeholders. Therefore, the Company is trying its best to follow the Code of Corporate Governance. The Companies Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing regulations with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Corporate Governance is based on the principal of truth, transparency, accountability, equity and responsibility in all our dealings with our employees, shareholders, customers, suppliers, government, lenders and community at large.

**2. BOARD OF DIRECTORS :**

**(a) Composition and category of directors (e.g., promoter, executive, non-executive, non-executive and independent, nominee director - institution represented and whether as lender or as equity investor):**

The Board of Directors has a combination of Executive and Non-Executive Directors. As on 31.03.2023, the Board of Directors have Twelve (12) members, of whom three (03) are Executive Directors, three (03) are Non-Executive Directors and five (6) are Independent Directors one of whom is a Woman Director. Except the Independent Directors and Executive Directors all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013. As the Chairperson of the Board of Directors is an Executive Promoter Director, at least half of the Board of Directors of the Company should consist of Independent Directors.

The names and categories of the Directors on the Board, attendance at the Board Meetings and Annual General Meeting ("AGM") of the Company and also the number of Directorships and Committee Membership(s) and Chairmanship(s) held by them during 2022-23 in other Companies are as under:

S. No	Name of the Director	Category	No. of Board Meetings attended out of 5 meetings held during 2022-23	Whether attended the last AGM	No. of Other Directorships and Committee Membership/Chairmanship as on 31.03.2023		
					Directorships@	Committee Memberships ^	Committee Chairmanships
1	Bandi Satish Kumar	Executive Director, Chairman (Promoter)	5	YES	1	Nil	Nil
2	Bandi Suresh Kumar	Executive Director (Promoter)	5	YES	1	Nil	Nil
3	Bandi Ramesh Kumar	Executive Director (Promoter)	4	YES	1	Nil	Nil
4	Veeramachaneni Venkata Krishna Rao	Non-Executive Director (Promoter)	5	YES	0	Nil	Nil
5	Bavineni Suresh	Non-Executive Director (Promoter)	5	YES	0	Nil	Nil
6	Ramineni Ramachandra Rao	Independent Director	3	YES	0	Nil	Nil
7	Kodali Krishna Rao	Independent Director	5	YES	0	Nil	Nil
8	Siva Sagar Rao Yendamuri*	Independent Director	4	NO	0	Nil	Nil
9	Siva Prasad Chivukula	Independent Director	5	YES	1	Nil	Nil
10	Emandi Sankara Rao*****	Independent Director	4	YES	6	4	Nil
11	Sujata Chattopadhyay**	Independent Director	5	YES	4	3	Nil
12	Shyam Jagetiya***	Nominee Director	4	NO	1	Nil	Nil
13	Veera Brahma Rao Arekapudi****	Additional Independent Director	0	NO	1	Nil	Nil

\*On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has approved the appointment of Mr. Siva Sagar Rao Yendamuri as Independent (Additional) Director on 16th May, 2022.

Further, at 23rd Annual General Meeting of the Company Mr. Siva Sagar Rao Yendamuri (DIN: 00210188), who was appointed as an Additional Director (Independent and Non-Executive) of the Company, with effect from May 16, 2022, be appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from May 16, 2022 to May 15, 2027.

\*\*\* Further that, on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 12, 2022, appointed Mr. Shyam Jagetiya (DIN: 02581262) as Additional Non-Executive (Nominee) Director of the company with effect from February 12th, 2022, subject to approval of members of the company, pursuant to the nomination received from the M/s. Vishwa Samudra Holdings Private Limited, Investor of the company.

Further, the Company through postal ballot notice dated April 09, 2022, Mr. Shyam Jagetiya (DIN: 02581262), who was appointed as an Additional Director (Nominee) of the Company, with effect from February 12, 2022, be appointed as a Nominee Director of the Company.

\*\*\*\*On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has approved the appointment of Mr. Veera Brahma Rao Arekapudi (DIN: 07540040) as Independent (Additional) Director on 14th February, 2023.

Further, the Company through postal ballot notice dated May 12, 2023, Mr. Veera Brahma Rao Arekapudi (DIN: 07540040), who was appointed as an Additional Director (Independent and Non-Executive) of the Company, with effect from February 14, 2023, be appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from February 14, 2023 to February 13, 2028.

#### Directorship held in other Listed entities:

\*\* Mrs. Sujata Chattopadhyay (DIN: 02336683) is Director in other 3 listed Companies, list of those Companies and category of Directorship are as follows:

SI. No.	Name of the listed Company	Category of Directorship
1	IITL Projects Limited	Independent Director
2	Industrial Investment Trust Limited	Independent Director
3	Vakrangee Limited	Independent Director

\*\*\*\* Mr. Veera Brahma Rao Arekapudi (DIN: 07540040) is Director in other 1 listed Company, list of that Company and category of Directorship is as follows:

SI. No.	Name of the listed Company	Category of Directorship
1	VSF Projects Limited	Independent Director

- This excludes Directorships held in Private & Foreign Companies and Companies incorporated under section-8 of the Companies Act, 2013.
- In accordance with Regulation 26 of the Listing Regulations Memberships/Chairmanships of Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company, whether listed or not have been considered.
- None of the Directors is a director in more than 20 Companies and more than 10 public limited companies in terms of Section 165 of the Companies Act, 2013.
- None of the Directors is a director in more than seven listed entities in terms of Regulation 17A of the Listing Regulations.
- None of the Directors is a member of neither more than Ten Committees, nor acts as Chairman of more than Five Committees across all Listed companies in which they are Directors, as required Regulation 26 of the Listing Regulations.
- The Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

\*\*\*\*\*Mr. Emandi Sankara Rao resigned from the position of Independent Director of the Company dated 14th February, 2023, due to personal reasons and preoccupation.

@ This excludes Directorships held in Private & Foreign Companies and Companies incorporated under section 8 of the Companies Act, 2013.

^in Audit and Stakeholders Relationship Committee Excluding this Listed Entity.





**b) Changes in the Composition of Directors during the Year:**

During the period under review, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has approved the appointment of Mr. Siva Sagar Rao Yendamuri (DIN: 00210188) as Independent (Additional) Director for a period of five consecutive years on 16th May, 2022 and approval of shareholders by way of Special resolution was taken in the AGM held on June 24, 2022.

Further that, on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 14, 2023, has approved the appointment of Mr. Veera Brahma Rao Arekapudi (DIN: 07540040) as Independent (Additional) Director for a period of five consecutive years on 14th February, 2023 and the Company has obtained approval of shareholders through the postal ballot dated May 12, 2023

Further that, Mr. Emandi Sankara Rao (DIN: 05184747) as Non-Executive Independent Director of the company resigned with effect from 14th February, 2023 due to personal reasons and preoccupation only, and there is no other reason for resignation. Other than this there has been no change in composition of the Directors of the Company.

**c) Number of Board Meetings held during the Financial Year 2022-23 and dates on which held:**

In compliance with the provisions of Regulation 17 of the Listing Regulations, the intervening period between two Board meetings was within the maximum gap of one hundred and twenty days.

During the year ended March 31, 2023, Five Board Meetings were held as against the minimum requirement of Four meetings.

The dates on which Meetings of the Board of Directors were held and the number of directors present in each meeting are given below:

S No	Date of Meeting	Board Strength	No. of Directors Present
1	25.04.2022	11	10
2	16.05.2022	12	12
3	23.07.2022	12	12
4	21.10.2022	12	11
5	14.02.2023	12	8

**d) Relationship between Directors inter-se:**

Mr. B. Satish Kumar, Mr. B. Suresh Kumar and Mr. B. Ramesh Kumar are related as Brothers. Except them, No other Director is related to any other Director on the Board.

**e) Number of Shares and Convertible Instruments held by the Non-Executive Directors:**

There are no outstanding Convertible Instruments that were allotted to the Non-Executive Directors.

The total number of Equity Shares held by the Non-Executive Directors of the Company as on 31st March, 2023 as follows:

S No	Name of the Director	No of Equity Shares Held	% On Paid Up Capital
1	Veeramachaneni Venkata Krishna Rao	64,37,360	0.62
2	Bavineni Suresh	2,42,04,010	2.33
3	Ramineni Ramachandra Rao	Nil	0.00
4	Kodali Krishna Rao	Nil	0.00
5	Siva Prasad Chivukula	Nil	0.00
6	Sujata Chattopadhyay	Nil	0.00
7	Shyam Jagetiya	Nil	0.00
8	Siva Sagar Rao Yendamuriikh	Nil	0.00
9	Veera Brahma Rao Arekapudi	Nil	0.00

**f) Familiarization program imparted to Independent Directors:**

The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As part of familiarization program as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 ('the Act'), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information etc.

During the year, a separate meeting of the Independent Directors was held on March 29, 2023 without the presence of Non-Executive Non-Independent Directors /Managing Director and Joint Managing Directors to discuss the matter(s) as required/agreed among them.

Further familiarization programs and the terms & conditions of appointment of the Independent Directors as required under the Companies Act, 2013 & Listing Regulations are updated on the Company's website at [https://seil.co.in/uploads/6627-SEIL\\_ID\\_Familiarization\\_Programms\\_Summary.pdf](https://seil.co.in/uploads/6627-SEIL_ID_Familiarization_Programms_Summary.pdf)

**g) Formal annual evaluation:**

The Board of Directors has carried out an annual evaluation of its own performance, its committees and individual Directors pursuant to the requirements of the Act and Listing Regulations.

**h) Function and Procedure of Board:**

Board meets regularly to make and review policies. The role, functions and responsibilities of the Board are well defined. All relevant information as required under the Listing Regulations and Companies Act, 2013 as amended from time to time is regularly placed before the Board. The Board periodically reviews the compliance reports submitted by the management in respect of all laws applicable to the Company.

**i) Directors' skills/expertise/competencies**

**Board Skill Matrix:**

In terms of the requirement of the Listing Regulations, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill/expertise/competence, are given below: -

Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimizing the development in the industry for improving Company's business
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilization, Understanding of Financial policies and accounting statement and assessing economic conditions
Governance & Compliance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values

S. No	Name of the Director	skill/expertise/competence
1	Bandi Satish Kumar	Business & Industry, Financial Expertise, Governance & Compliance
2	Bandi Suresh Kumar	Business & Industry, Financial Expertise, Governance & Compliance
3	Bandi Ramesh Kumar	Business & Industry
4	Veeramachaneni Venkata Krishna Rao	Business & Industry
5	Bavineni Suresh	Financial Expertise, Governance & Compliance
6	Ramineni Ramachandra Rao	Business & Industry, Financial Expertise, Governance & Compliance
7	Kodali Krishna Rao	Business & Industry, Financial Expertise, Governance & Compliance
8	Siva Prasad Chivukula	Financial Expertise, Governance & Compliance
9	Siva Sagar Rao Yendamuriikh	Productions and Manufacturing Expertise, Governance & Compliance
10	Sujata Chattopadhyay	Financial Expertise, Governance & Compliance
11	Shyam Jagetiya	Financial Expertise, Governance & Compliance
12	Veera Brahma Rao Arekapudi	Financial Expertise, Governance & Compliance

**j) Confirmation of Independence of the Independent Director(s):**

The Board of Directors hereby confirm that in the opinion of the Board, all Independent Director(s) are independent of the management of the Company and have given declarations as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations.

**k) Reason for resignation of Independent Directors:**

During the period, Mr. Emandi Sankara Rao (DIN: 05184747) as Non-Executive Independent Director of the company resigned with effect from 14th February, 2023 due to personal reasons and preoccupation only, and the Board hereby confirms that there is no other reason for his resignation, before the expiry of his term of appointment.

**l) Particulars of Directors seeking re-appointment:**

Details of the Director seeking appointment / re-appointment in the ensuing AGM in pursuance to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings are given in the annexure of the notice of AGM, which forms an integral part of this Annual Report.

**3. BOARD COMMITTEES:**

**1. Audit Committee:**

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

**Brief description of terms of reference:** The role of the Audit Committee is as prescribed under the Act and the Listing Regulations and includes the following:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. Recommendation of appointment etc., of the statutory auditors and their fee for audit and other services;
- iii. Examination and review of Annual financial statements/audit report with particular reference to directors' responsibility statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;
- iv. Discussions with internal auditors on significant findings and with Statutory Auditors on the nature and scope of audit and on areas of concern;
- v. Review of quarterly financial statements, uses and application of funds raised, performance of statutory and internal auditors, adequacy of internal control system and internal audit function;
- vi. Review of management discussion and analysis report on financial condition and results of operations, significant related party transactions, internal control weaknesses reported by the statutory auditors and internal auditors and the appointment and remuneration of internal auditors;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Evaluation of internal financial controls and risk management systems; and
- xi. Review of the functioning of the Whistle Blower mechanism.
- xii. reviewing the utilization of loans and/ o advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

- xiii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**Composition and attendance details of the Audit Committee meetings are as follows:**

The Audit Committee consists of Three Independent Directors as on 31.03.2023. The Audit Committee has met Five times during the financial year 2022-23 on 25th April, 2022, 23rd July, 2022, 21st October, 2022, 14th February, 2023 and 29th March, 2023

The constitution of the Audit Committee and attendance details during the financial year ended 31st March, 2023 are given below:

Name of the Director	Designation	Number of Meetings	
		Entitled to attend	Attended
Mr. Siva Prasad Chivukula	Chairman, Independent Director	5	5
Mr. Kodali Krishna Rao	Member, Independent Director	5	5
Mr. Ramineni Ramachandra Rao	Member, Independent Director	5	2
*Mr. Emandi Sanakara Rao	Member, Independent Director	3	3

*\*Mr. Emandi Sankara Rao resigned from the position of Independent Director of the Company dated 14th February, 2023, due to personal reasons and preoccupation.*

The representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings. The representatives of Statutory Auditors, Executives from Accounts, Finance and Secretarial department(s) attends the Audit Committee meetings. The Internal Auditors attend the Audit Committee meeting where internal audit report is discussed. The Internal Auditor reports directly to the Audit Committee.

**2. Nomination and Remuneration Committee**

**Brief description of terms of reference**

The terms of reference of the Committee are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The Committee has been constituted to recommend / review the remuneration package of the Managing /Joint Managing Directors, nomination of Directors / Key Managerial Personnel and one level below the Board along with the heads of department apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices

**Composition, name of members and Chairperson**

The Nomination and Remuneration Committee consists of Three Independent Directors. The Nomination and Remuneration Committee has met Three times during the financial year 2022-23 i.e., on 16.05.2022, 21.10.2022 and 14.02.2023. The constitution of the Committee and attendance details during the financial year ended 31st March, 2023, are given below:

Name of the Director	Designation	No. of Meeting Held	No. of Meeting attended
Mr. Siva Prasad Chivukula	Chairman, Independent Director	3	3
Mr. Kodali Krishna Rao	Member, Independent Director	3	3
Mr. Ramineni Ramachandra Rao	Member, Independent Director	3	2

**Performance evaluation of Director**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairperson of the Board.

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company has adopted the recommended criteria by SEBI.

The Directors were given 6 Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

### **3. Meeting of Independent Directors**

A Separate meeting of the Independent Directors was held on 29.03.2023, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole and Chairman of the Company. Inputs and suggestions received from the Directors were considered at the Board meeting.

### **4. Remuneration for Directors**

Remuneration to Non-Executive Directors: Non-Executive Directors are not paid any remuneration other than the sitting fee for each meeting of the Board and Committees thereof attended by them. Sitting fees payable to the nominee director are paid directly to the institution he represents.

The Remuneration paid to the Managing and Joint Managing Directors during the year and the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2023 and number of shares held by all the Directors are as follows:



Name of the Director and Designation	Salary	Benefits/allowance/perquisites	Bonuses/Commission	Pension	Stock Option**	Sitting Fees	No. of Shares held
Mr. Bandi Satish Kumar, Managing Director	90,00,000	13,43,000	-	-	-	-	64,59,440
Mr. Bandi Suresh Kumar, Joint Managing Director	72,00,000	-	-	-	-	-	4,11,40,520
Mr. Bandi Ramesh Kumar, Joint Managing Director	63,00,000	-	-	-	-	-	1,60,14,690
Mr. Veeramachaneni Venkata Krishna Rao, Non-Executive Director	-	-	-	-	-	-	64,37,360
Mr. Bavineni Suresh, Non-Executive Director	-	-	-	-	-	-	2,42,04,010
Mr. Ramineni Ramachandra Rao, Independent Director	-	-	-	-	-	1,50,000	-
Mr. Kodali Krishna Rao, Independent Director	-	-	-	-	-	2,50,000	-
Mr. Siva Prasad Chivukula, Independent Director	-	-	-	-	-	2,50,000	-
Mr. Emandi Sankara Rao, Independent Director	-	-	-	-	-	2,00,000	-
Mrs. Sujata Chattopadhyay, Independent Director	-	-	-	-	-	2,50,000	-
Mr. Shyam Jagetiya, Nominee Director	-	-	-	-	-	2,00,000	-
Mr. Siva Sagar Rao Yendamuri, Independent Director	-	-	-	-	-	2,00,000	-
Mr. Veera Brahma Rao Arekapudi, Independent Director	-	-	-	-	-	-	-

There were no severance fees, stock option plan or no performance linked incentives for the Executive/Non-Executive Directors. The appointment of Managing Director and Joint Managing Directors were made for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members of the company in the General Meetings.

No Director is related to any other Director on the Board, except Mr. B. Satish Kumar and Mr. B. Suresh Kumar and Mr. B. Ramesh Kumar are related as Brothers.

- Sitting Fees include payment for Board Level Committee Meetings.
- Service Contracts/Notice period are as per the Agreement entered with Managing Director and Whole-time Directors.
- The Company is not having stock option scheme therefore the same is not applicable.

None of the Non-executive directors has any pecuniary relationship or transactions with the company except as per requirements of Ind AS 24 are disclosed in the notes to accounts annexed to the financial statements.

Criteria of making payments to Non-Executive Directors as required under the Listing Regulations are updated on the Company's website at [https://seil.co.in/uploads/3284-SEIL\\_Criteria\\_For\\_Making\\_Payments\\_to\\_Non\\_Ex\\_Directors.pdf](https://seil.co.in/uploads/3284-SEIL_Criteria_For_Making_Payments_to_Non_Ex_Directors.pdf).

## 5. Stakeholders' Relationship Committee

The Committee comprises of three Members Mr. Ramineni Ramachandra Rao, Chairman, Mr. Bandi Satish Kumar, Member and Mrs. Sujata Chattopadhyay, Member. The responsibilities of the Committee include Redressal of all shareholders complaints and grievances.

During the year ended 31.03.2023, One Stakeholders' Relationship Committee Meeting was held on 21st October, 2022.

The constitution of the Stakeholders' Relationship Committee and attendance details during the financial year ended 31st March, 2023 are given below:

Sl. No	Name of the member	Designation	Meetings Held	Meetings Attended
1	Mr. Ramineni Ramachandra Rao	Chairman, Independent Director	1	0
2	Mrs. Sujata Chattopadhyay	Member, Independent Director	1	1
3	Mr. Bandi Satish Kumar	Member, Managing Director	1	1

### ❖ Terms of Reference

- Stakeholders' Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also look into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

### ❖ Name and designation of Compliance Officer:

Mr. Raveendra Babu Mannem was appointed as Company Secretary and Compliance officer of the Company.  
Email-id for Investor Grievances: cs@seil.co.in

### ❖ Number of Shareholders complaints received so far:

- During the year ended March 31, 2023, the Company has received 9 complaints and resolved all 9 complaints and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

## 6. Corporate Social Responsibility ("CSR") Committee:

The CSR Committee provides guidance on CSR activities to be undertaken by the Company. The terms of reference for the CSR Committee include:

1. Formulate a CSR policy which shall indicate activities to be undertaken by the Company
2. Recommend the CSR policy to the Board
3. Recommend the amount of expenditure to be incurred on the activities
4. Monitor the policy from time to time as per the CSR policy.

During the year ended 31.03.2023, one CSR Committee Meeting was held on 29.03.2023

The constitution of the CSR Committee and attendance details during the financial year ended 31st March, 2023 are given below:

Sl. No	Name of the member	Designation	Meetings Held	Meetings Attended
1	Mr. B Suresh Kumar~	Chairman, Executive Director	1	1
2	Mr. B Satish Kumar	Member, Managing Director	1	1
3	Mr. Ramineni Ramachandra Rao	Member, Independent Director	1	1

~Mr. B Suresh Kumar is appointed as Chairman of the Committee w.e.f 14.02.2023

## 7. Risk Management Committee

### a) Brief description of terms of reference

1. To formulate a detailed Risk Management Policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

During the year ended 31.03.2023, two Risk management Committee Meetings were held i.e., 23.07.2022 and 09.01.2023.

The constitution of the Risk management Committee and attendance details during the financial year ended 31st March, 2023 are given below:

Sl. No	Name of the member	Designation	Meetings Held	Meetings Attended
1.	Mr. Bandi Satish Kumar	Chairman, Managing Director	2	2
2.	Mr. Dr E Sankara Rao*	Member, Independent Director	2	2
3.	Mrs. Sujata Chattopadhyay	Member, Independent Director	2	2
4.	Mr. Bandi Suresh Kumar&	Member, Executive Director	0	0
5.	Mr. Suresh Babu Anubrolu&	Member, Chief Financial Officer	0	0

*\*Mr. Emandi Sankara Rao Resigned from the position of Independent Director of the Company dated 14th February, 2023, due to personal reasons and preoccupation.*

*Mr. Bandi Suresh Kumar and Mr. Suresh Kumar Anubrolu were appointed as members of the Committee w.e.f 14.02.2023*

## 8. Compliance Officer

Mr. Raveendra Babu Mannem, Company Secretary is Compliance Officer of the Company for complying with requirements of Securities Laws.

## 9. Prevention of Insider Trading

As per the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. Raveendra Babu M, Company



Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. The Code of Conduct is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company. During the year under review there has been due compliance with the said code.

## 10. Compliance

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, as applicable and Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

## 11. Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records minutes of proceedings of each Board, Committee and General Meeting. Draft minutes are circulated to Board / Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

## 12. Compliance of Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of Listing Regulations

S No	Particulars	Regulation	Compliance Status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(8)	YES
2	Board composition	17(1) & 17(1A)	YES
3	Meeting of Board of directors	17(2)	YES
4	Review of Compliance Reports	17(3)	YES
5	Plans for orderly succession for appointments	17(4)	NA
6	Code of Conduct	17(5)	YES
7	Fees/compensation	17(6)	YES
8	Minimum Information to be placed before the Board	17(7)	YES
9	Compliance Certificate from Chief Executive Officer and Chief Financial Officer	17(8)	YES
10	Risk assessment and management	17(9)	YES
11	Performance evaluation of independent directors	17(10)	YES
12	Composition of audit committee	18(1)	YES
13	Meetings of audit committee	18(2)	YES
14	Composition of nomination and remuneration committee	19(1) & (2)	YES
15	Composition of stakeholder relationship committee	20(1) & (2)	YES
16	Composition and role of risk management committee	21(1),(2),(3),(4)	YES
17	Vigil mechanism	22	YES
18	Disclosure of shareholding by non-executive directors	-	YES
19	Policy for related party transaction	23(1), (5), (6), & (8)	YES
20	Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	YES
21	Approval for material related party transactions	23(4)	YES
22	Composition of board of directors of unlisted material subsidiary	24(1)	NA
23	Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
24	Maximum directorship and tenure	25(1) & (2)	YES
25	Meeting of independent directors	25(3) & (4)	YES
26	Familiarization of independent directors	25(7)	YES
27	Membership(s) in committees	26(1)	YES
28	Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	YES
29	Policy with respect to obligations of directors and senior management	26(2) & 26(5)	YES
30	Website Disclosure(s)	46(2)(b)to(i) and (t)	YES

S No	Particulars of regulations	Compliance status (Yes/No)
1	Board of directors	Yes
2	Audit committee	Yes
3	Nomination and Remuneration committee	Yes
4	Stakeholders Relationship committee	Yes
5	Risk Management committee	Yes
6	Vigil mechanism	Yes
7	Related party transactions	Yes
8	Corporate Governance requirements with respect to Subsidiaries	NA
9	Obligations with respect to independent directors	Yes
10	Obligation with respect to Directors and Senior Management	Yes
11	Other Corporate Governance requirements	Yes
12	Disclosure on website in terms of the Listing Regulations (Regulation 46 (2))	Yes

### 13. General Body Meetings:

(i) The details of date, location and time of the last three **Annual General Meetings** held are as under:

Annual General Meeting	Date	Time	Venue
2022	24.06.2022	11.30 A.M	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2021	27.09.2021	2.00 P.M	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2020	30.09.2020	11.00 A.M	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

### Special Resolutions passed during the previous three Annual General Meetings:

- a) 23rd Annual General Meeting- June 24, 2022- The following Special Businesses were transacted by passing Special Resolution
- Issuance of securities upto an aggregate amount of 600 Crore (Six Hundred Crores Only).
  - Sub-division of face value of Equity shares from Rs. 10/- each to Rs. 1/- each.
  - Appointment of Mr. Siva Sagar Yendamuri (DIN: 00210188), as an Independent Director (Non-Executive) of the Company.
- b) 22nd Annual General Meeting- September 27, 2021- The following Special Businesses were transacted by passing Special Resolution
- Re-appointment of Shri Bandi Ramesh Kumar (DIN: 00206293), as Whole time Director of the company.
  - Appointment of Mr. E. Sankara Rao (DIN: 05184747), as Independent Director of the company.
- c) 21st Annual General Meeting - September 30, 2020 - The following Special Businesses were transacted by passing Special Resolution:
- Reappointment of Mrs. Sujata Chattopadhyay (DIN: 02336683) as Independent Director of the company for a further period of 5 years with effect from 27th March, 2020
  - Approve Monetization of one or more Assets of the company under proposed debt Restructuring Scheme / One-time Settlement Scheme with Lenders of the Company.

### ii) Postal Ballot:

During the Year the company has circulated two Postal Ballot Notice(s) to Members on 09th April, 2022 and 25th November, 2022 and the following Resolutions were transacted by the said Postal Ballot:

- \* Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated April 9, 2022 for Re-appointment of Mr. Bandi Satish Kumar (DIN: 00163676) as Chairman & Managing Director of the Company, which was duly passed and the results of which were announced on May 12, 2022. and November 25, 2022 for Re-appointment of Mr. Bandi Suresh Kumar (DIN: 00206473) as Whole Time Director designated as Joint Managing Director of the Company, which was duly passed and the results of which were announced on December 29, 2022. S. Srikanth (C.P. No. 7999), partner of B S S & Associates, Practicing Company Secretaries, were appointed as the Scrutinizer to scrutinize the postal ballots process by voting through electronic means only (remote e-voting) in a fair and transparent manner. Details of the voting pattern are provided below :

- On 09th April, 2022

Votes in favour of the resolution			Votes against the resolution			Invalid votes	
Number of members voted	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
79	44505958	99.9994	6	269	0.0006	1	645944

- On 25th November, 2022

Votes in favour of the resolution			Votes against the resolution			Invalid votes	
Number of members voted	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
199	463662429	99.3364	11	3097324	0.6636	-	-

❖ **Procedure for postal ballot:** The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 3/2022, 11/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, May 5, 2022, December 28, 2022 respectively issued by the Ministry of Corporate Affairs.

❖ **Details of special resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

iii) **EGM:**

No extraordinary general meeting of the members was held during FY 2022-23.

#### 14. Disclosures:

a) **Related Party Transactions:** - All transactions entered into with related parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with related parties are in compliance with section 188 of the companies' act, 2013 and Regulation 23 of the Listing Regulations.

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the Related Party Transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are disclosed in the Notes to Accounts - Note No.3.36.3 annexed to the financial statements forming part of this Annual Report.



In terms of the Listing Regulations, the Board of Directors of the Company has adopted a policy to determine Related Party Transactions. The policy is placed on the website of the company at [https://seil.co.in/uploads/5074-Policy\\_on\\_Materiality\\_of\\_Related\\_Party\\_Transactions.pdf](https://seil.co.in/uploads/5074-Policy_on_Materiality_of_Related_Party_Transactions.pdf)

- (b) Details of non-compliance by the Company, Penalties imposed by Stock Exchanges/ SEBI: Except non-compliance under Regulation 17(1)(b) of Listing Regulations, there were no other instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.
- (c) The information on Directors seeking re-appointment/appointment is provided in the notes to the notice of the Annual General Meeting under the heading "Additional information on Directors seeking Re-appointment/appointment at the ensuing Annual General Meeting".
- (d) The Board has also constituted a committee named as "Management Committee" for strategic management of the Company's business within the Board approved direction/framework. The following are the members of the Committee:
- |                          |          |
|--------------------------|----------|
| 1. Mr. B. Suresh Kumar   | Chairman |
| 2. Mr. B. Satish Kumar   | Member   |
| 3. Mr. B. Suresh         | Member   |
| 4. Mr. V. V. Krishna Rao | Member   |

The minutes of the Committee meetings are placed before the Board for its approval/ confirmation.

- (e) The Company has complied with all the mandatory requirements of the Listing Regulations: During the year, the Company has fully complied with the mandatory requirements as stipulated in the Listing Regulations. Further, Company has disseminated report on compliance with corporate governance requirements as specified in regulation 17 to 27 and 46(2) on its website [https://seil.co.in/uploads/6752-Code\\_of\\_Conduct\\_for\\_Board\\_Members\\_and\\_Senior\\_Management.pdf](https://seil.co.in/uploads/6752-Code_of_Conduct_for_Board_Members_and_Senior_Management.pdf) and also submitted with BSE Limited and National Stock Exchange of India Limited. Non-Mandatory requirements of C & E as provided in Part E of Schedule II of the Listing Regulations, except appointing a Non-Executive Chairman to the Board and Separate persons to the post of Chairman and Managing Director, all other items have been adopted from non-mandatory requirements.
- (f) The Board of Directors of the Company had adopted the Whistle Blower Policy. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company: [https://seil.co.in/uploads/3742-Whistle\\_Blower\\_Policy.pdf](https://seil.co.in/uploads/3742-Whistle_Blower_Policy.pdf)
- The Chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2023. No personnel have been /will be denied access to the audit committee.
- (g) Certificate by Practicing Company Secretary: The Company has received a certificate from Mr. Srikanth, Partner, B S S & Associates, Practicing Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority.
- (h) Information on complaints in relation to Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year: Nil
  - number of complaints disposed of during the financial year: Nil
  - number of complaints pending as on end of the financial year: Nil
- (i) M/s. Bhavani & Co., Chartered Accountants (FRN 012139S) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees during the financial year ended 31.03.2023, on consolidated basis is given below:

<b>Particulars</b>	<b>Amount in Rs.</b>
For Statutory Audit	45,00,000
For Tax Audit	5,00,000
For Tax Representations	4,50,000
For Certification & Others	4,50,000
<b>Total</b>	<b>59,00,000</b>

- (j) Details of material subsidiaries of the Company: Not applicable
- (k) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):  
 During the FY 2022-23 under review, the Company has not raised any fund(s) through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- (l) Details of recommendation of Committees of the Board which were not accepted by the Board: Nil as All recommendations of the Committees of the Board were duly accepted by the Board.
- m) The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras 2 to 10 of Part (C) of Schedule V of the SEBI Listing Regulations.

### 15. Risk Management

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee/ Board reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.

### 16. General Code of Conduct

The Company has formulated and implemented a General Code of Conduct, which is available on company's website [www.seil.co.in](http://www.seil.co.in), for all its Directors and Senior Management of the Company in compliance with Listing Regulations. All the Board Members and Senior Management of the Company have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2023. A declaration by the Chairman & Managing Director affirming compliance with the said Code of Conduct is annexed at the end of the Report and forms part of this Report.

### 17. Means of Communication

- (i) As part of compliance with Regulation 10, 33 and 47 of the Listing Regulations, the Company furnishes its quarterly financial results to the Stock Exchanges where its shares have been listed.
- (ii) The Company's quarterly, half yearly and annual results are published in prominent daily newspapers such as 'Business Standard' (English) and 'Eenadu' (Telugu).
- (iii) The Company posts all the vital information relating to the Company and its performance on the web site [www.seil.co.in](http://www.seil.co.in) for the benefit of the shareholders and public at large.
- (iv) News releases as and when issued by the company in respect of financial results are also made available at the company's web site.
- (v) During the period under review, no presentations were made to any institutional investors or to the analysts.
- (vi) The Management Discussion and Analysis Report is attached and forms part of the Annual Report.
- (vii) Further a direct communication is also made to the shareholders by the Managing Director/Authorised person from Secretarial Department of the company as and when required.

### 18. MD/ CEO & CFO Certification

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, a Certificate from Managing Director/ CEO and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on 29.05.2023 and the same is annexed to this report, also forms part of this Annual Report.

## 19. Certificate on Corporate Governance

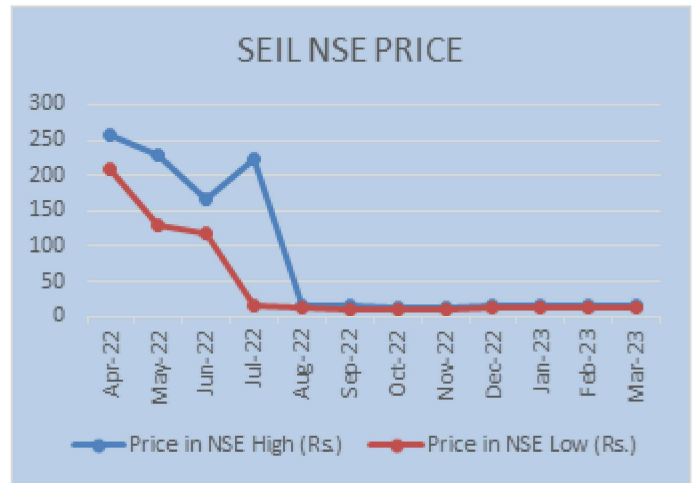
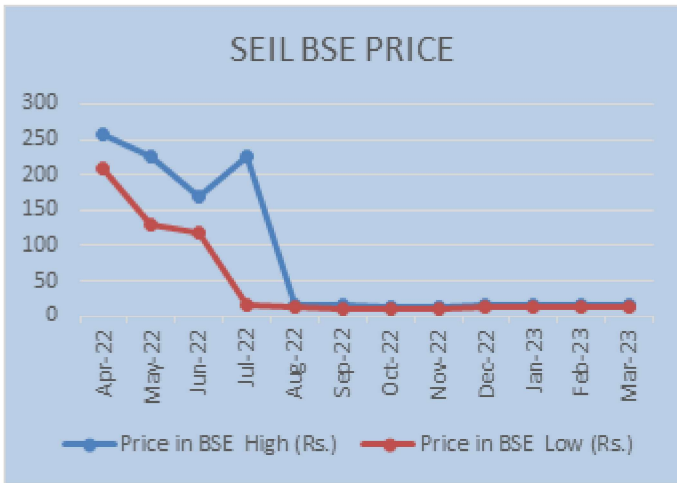
The Corporate Governance Report forms part of the Annual Report. A Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Listing Agreement/Listing Regulation and the same is annexed to this report, also forms part of this Annual Report.

## 20. GENERAL SHAREHOLDER' INFORMATION:

- a) **24th Annual General Meeting :**  
 Date : **Friday, 29th September, 2023**  
 Time : **11.30 A.M.**  
 Venue : **Through VC/Other Audio Video Mode**
- b) **Financial Year : 1st April 2023 to 31st March 2024**  
**Financial Calendar for 2023-24 :** The following are tentative dates:  
 First Quarter results : 2nd Week of August, 2023  
 Second Quarter results : 2nd week of November, 2023  
 Third Quarter results : 2nd week of February, 2024  
 Annual results for 2023-24 : 4th Week of May, 2024  
 AGM for the year 2023-2024 : 4th Week of September, 2024.
- c) **Dates of Book Closure :** 23rd September, 2023 to 29th September 2023  
 (Both days inclusive)
- d) **Dividend Payment Date :** No dividend is recommended for the Year ended on 31st March 2023.
- e) **Listing on Stock Exchanges :** BSE Ltd, P.J. Towers, Dalal Street, Port, Mumbai - 400001  
 National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051  
 There are no dues against listing fee payable to these stock exchanges.
- f) **Stock Code/Symbol :** BSE : 534748  
 NSE : STEELXIND
- g) **Market Price Data:**  
 The Securities of the Company are actively traded in the Bombay Stock Exchange Ltd, Mumbai. The monthly high/low prices of share of the Company and number of shares traded during each month on the Stock Exchange, Mumbai during year the year 2022-23, are given below:

Month & Year	Price in BSE		Price in NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-2022	258.0	210.0	258.70	209.15
May-2022	227.0	130.15	227.75	130.05
Jun-2022	168.0	119.4	167.50	119.25
Jul-2022	225.8	168.5	223.80	170.5
Aug-2022	16.05	12.6	16.20	12.55
Sep-2022	15.5	10.89	15.50	10.95
Oct-2022	13.61	11.62	13.70	11.65
Nov-2022	13.34	11.1	13.30	11.10
Dec-2022	15.99	12.75	15.95	12.70
Jan-2023	15.83	13.02	15.95	13.05
Feb-2023	15.94	12.2	16.00	12.20
Mar-2023	17.2	12.5	17.25	12.45

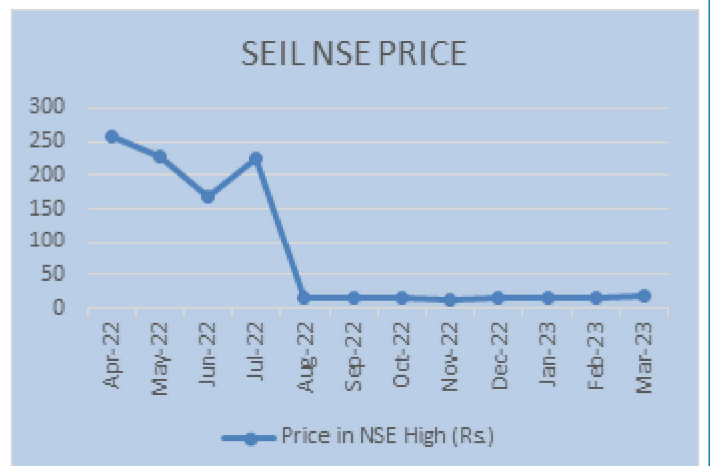
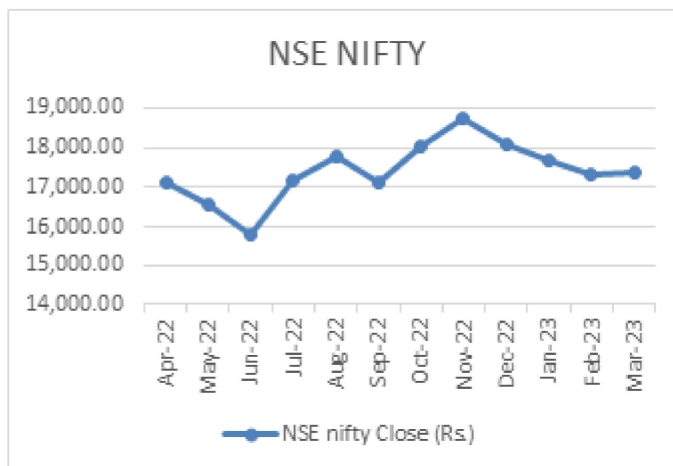
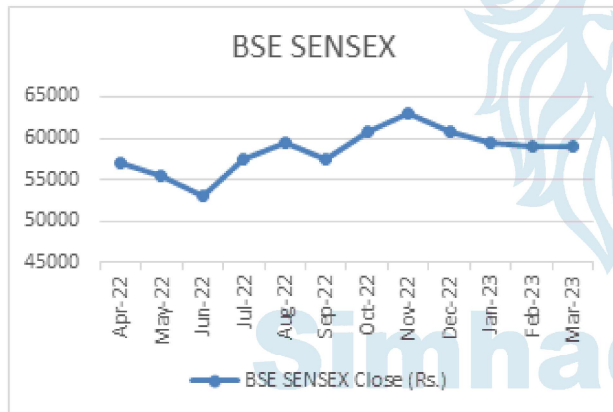
Note : On July 13, 2022 the company split the face value Rs. 10/- to Rs. 1/-



Source: www.bseindia.com and www.nseindia.com

**h) Relative movement chart: Performance in comparison to broad - based indices BSE Sensex and NSE nifty**

The Chart below gives the relative movement of the high price of the Company's share and the closing price of the BSE Sensex and NSE nifty between 01st April, 2022 to 31st March, 2023.



**i) Registrar & Share Transfer Agents:**

The Company has engaged the services of M/s Venture Capital and Corporate Investments Private Limited, Hyderabad; a SEBI registered Registrar, as their Share Transfer Agents (RTA) for both physical and electronic segment and can be contacted by the Investors at the following address:

**M/s Venture Capital and Corporate Investments Private Limited,**

"Aurum", Door No.4-50/P-II/57/4f & 5f, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase - II Gachibowli, Hyderabad - 500 032, Telephone: +91 - 40 - 23818475 / 76; Fax: +91 - 40 - 23868024, Email: info@vccipl.com, investor.relations@vccipl.com

**j) Share transfer System:**

The Securities & Exchange Board of India (SEBI) has notified vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/P/73 dated 20th April, 2018 and No. SEBI/HO/MIRSD/DOS3/ CIR/P/2018/115 dated 16th July, 2018 that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Essentially, the shares in physical mode cannot be transferred after 5th December 2018. SEBI has extended the said dead line upto 31st March 2019 vide its Press Release No.49/2018 dated 3rd December 2018. However, the shareholders shall hold shares in physical form but shall not be allowed to transfer the shares. In view of this regulatory amendment, it is advisable to the shareholders, to dematerialize their securities as early as possible with ISIN INE503B01021 of the Company. The Company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants. The Company's shares are compulsorily traded in the demat mode at NSE & BSE

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which SEBI has directed all the Listed Companies to mandatorily record the PAN and Bank Account details of all their shareholders holding shares in physical mode. In these connections, the company has sent letters to the shareholders, who are holding shares in physical mode. The shareholders are once again requested to update their aforesaid details with M/s Venture Capital and Corporate Investments Private Limited, if details are not yet updated

**k) Distribution of Shareholding as on March 31, 2023:**

<b>STEEL EXCHANGE INDIA LIMITED</b>				
<b>Distribution Details on Shareholding for the period ended 31.03.2023</b>				
<b>INE503B01021</b>				
<b>Number of equity shares</b>	<b>Shareholders</b>		<b>Equity Shares</b>	
	<b>Number of shareholders</b>	<b>shareholders %</b>	<b>No. of Equity Shares held</b>	<b>Shareholding %</b>
Upto - 5000	69911	95.57	27098549	2.61
5001 - 10000	1350	1.85	10886940	1.05
10001 - 20000	693	0.99	10582764	1.02
20001 - 30000	290	0.40	7355803	0.71
30001 - 40000	136	0.19	4838116	0.47
40001 - 50000	96	0.13	4503757	0.43
50001 - 100000	260	0.36	19185759	1.85
100001 and above	414	0.57	955160082	91.88
<b>Total</b>	<b>73150</b>	<b>100.00</b>	<b>1039611770</b>	<b>100.00</b>



**Shareholding Pattern by ownership as on 31st March 2023:**

S. No.	Category	Shareholding	
		No. of shares held	% of Holding
<b>A</b>	<b>Promoter &amp; Promoter Group</b>		
1	Indian Promoters		
1.1.	Individual	14,26,05,380	13.71
1.2.	Body Corporates	38,69,68,670	37.23
	1.2.i) Vizag Profiles Private Limited	17,90,77,520	17.23
	1.2.ii) Umashiv Garments Private Limited	20,78,91,150	20.00
2	Foreign Promoters	-	-
	<b>Sub- Total –A</b>	<b>52,95,74,050</b>	<b>50.94</b>
<b>B</b>	<b>Public Shareholding</b>		
1	Institutions		
a.	Mutual Funds/UTI	35,370	0.01
b.	Venture Capital Funds	-	-
c.	Alternate Investment Funds	77,98,570	0.75
d.	Foreign Venture Capital Funds	-	-
e.	Foreign Portfolio Investors -Corporate	4,69,86,674	4.52
f.	Financial Institutions/Banks	510	0.00
g.	Insurance Companies	-	-
h.	Provident Funds/Pension Funds/any other	-	-
i.	Foreign Institution Investors	-	-
j..	Qualified Foreign Investor	-	-
k.	Qualified Foreign Investor – Corporate	-	--
l.	Foreign Bodies Corporate	3,05,01,970	2.93
m.	Foreign Nationals	-	-
	<b>Sub-Total-B(1)</b>	<b>85323094</b>	<b>8.21</b>
2	Central Government/State Government(s)	3093480	0.30
	<b>Sun-Total – B(2)</b>	<b>3093480</b>	<b>0.30</b>
3	Non-Institutions		
a.	Individual shareholders holding upto 2lakh	9,73,64,192	9.37
b.	Individual shareholders holding in excess of 2 lakh	16,00,18,440	15.39
c.	NBFCs Registered with RBI	-	-
d.	Employee Trusts	-	-
e.	Overseas Depositories (holding DRs)	-	-
f.	Any Other	38,10,230	0.36
g.	Body Corporates	15,01,41,345	14.44
h.	Clearing Members	10,07,211	0.10
i.	Trust	-	0
j.	Non-Resident Indians	9279728	0.89
	<b>Sub-Total – B(3)</b>	<b>421621146</b>	<b>40.55</b>
	<b>Total Public Shareholding-B</b>	<b>510037720</b>	<b>49.06</b>
<b>C</b>	<b>Shares held by Custodians against DRs/FCCBs etc.</b>	0	0.00
	<b>GRAND TOTAL (A+B+C)</b>	<b>1,03,96,11,770</b>	<b>100.00</b>

**I. Dematerialization of Shares & Liquidity**

As on 31st March 2023, 100,65,34,290 equity shares representing 96.82% were held in dematerialized form and 33,077,480 equity shares representing 3.18 % were in physical form.

The Company's shares are compulsorily traded in dematerialized form and the shares are regularly traded on Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited (NSE) The ISIN Number allotted for the Equity shares is INE503B01021.

**m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.**

As on 31st March 2023, there were no Outstanding GDRs/ ADRs of the Company.

During the year under review, Company has converted and allotted 6,30,00,000 of Rs. 1/- each and 9,58,00,000 of Rs. 1/- each Equity shares to the Compulsorily Convertible Debenture Holders on 06.01.2023 and 30.03.2023 respectively.

The following are the convertible instruments whose conversion date is due in the financial year 2023-24 (before the date of presenting this Report) and had an impact on equity:

Type of securities	Number of convertible instruments	No of equity shares	Date of allotment
Compulsorily Convertible Debentures (CCDs)	75,80,000 unsecured 12% CCDs of Rs. 72.50 each (including premium)	7,58,00,000 of Rs. 1/- each	May 23, 2023
Convertible Warrants	58,22,150 Convertible Warrants of Rs. 72.50 each (including premium)	5,82,21,500 of Rs. 1/- each	May 23, 2023

**n) Unclaimed Dividend**

There is no unclaimed dividend, which remains unclaimed by the shareholders, to transfer to Investor Education & Protection Fund (IEPF).

**o) Commodity price risks and commodity hedging activities: Nil**
**p) Unclaimed Suspense Account for Equity Shareholders of GSAL (India) Ltd:** Your company is maintaining one unclaimed account in the name of **STEEL EXCHANGE INDIA LIMITED-UNCLAIMED SUSPENSE ACCOUNT** for erstwhile shareholders of M/s GSAL (India) Limited, the company merger with SEIL.

Pursuant to Regulation 39 of the Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company. Based on their response, such shares have been transferred to "unclaimed suspense account" as per the provisions of Schedule VI of the Listing Regulations. The disclosure as required under Schedule V of the Listing Regulations is given below:

**Disclosure with respect to unclaimed shares:**

a	Number of outstanding shares in the suspense account lying at the beginning of the year	41,14,740
b	Number of shares Transferred to suspense account during the year	8,69,450
c	Number of shares were transferred from suspense account during the year	84,998
d	Number of outstanding shares in the suspense account lying at the end of the year	48,99,192
e	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	48,99,192

**q) Plant Locations:**

1. Integrated Steel Plant (ISP) -Sponge Iron Division, Rolling Division, SMS Billet Unit and 60 MW Power Plant: Malliveedu, L. Kota Mandal, Vizianagaram District-533301,
2. Power Plant & Steel Ingot Division: Opp: Mandapalli New Bridge, Kothapeta (V & M) - 533 223 East Godavari (Dt).

**r) Address for Correspondence:**

Investor correspondence may be addressed to:

**Registrars and Share Transfer Agents's Venture Capital and Corporate Investments Pvt. Ltd.**

"Aurum", Door No.4-50/P-II/57/4f & 5f, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase - II Gachibowli, Hyderabad - 500 032, Telephone: +91 - 40 - 23818475 / 76, Fax: +91 - 40 - 23868024, Email: info@vccipl.com

**Company: The Company Secretary, Steel Exchange India Limited,**

D. No:1-65/K/60, Plot No: 60, 01st Floor, Abhi's Hiranya, Kavuri Hills, Hyderabad, Telangana, 500081, Telephone: +91 - 40 - 23403725 Fax: +91 - 40 - 23413267, Email: cs@seil.co.in

**s) List of all credit ratings obtained by the company along with any revisions thereto during the relevant financial year:**

Instrument Type	Tenor	Amount (Rs. Cr)	Rating
Listed, Secured NCDs	Long Term	304.35	Care BB; Stable Assigned
<b>Total</b>		<b>304.35</b>	

**t) Suspension of securities from trading:** No securities of the Company were suspended from trading during the financial year 2022-23.

**u) Particulars of Senior Management including the changes therein since the close of the previous financial year:**

Name	Designation	Date of joining / redesignation / resignation (if any)	Department
<b>A Suresh Babu</b>	<b>CFO</b>	<b>01.05.2022</b>	<b>Finance</b>

**v) Disclosure of 'loans and advances' to firms / companies in which directors of the Company are interested: NA**
**w) Disclosure of certain types of agreements binding the Company: NA**

**On behalf of the Board of Directors  
For Steel Exchange India Limited**

Sd/-

**B Satish Kumar**

Chairman and Managing Director  
(DIN: 00163676)

Place: Hyderabad

Date: 14.08.2023

**DECLARATION OF COMPLIANCE WITH THE GENERAL CODE OF CONDUCT OF THE COMPANY**

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions as provided under Schedule V of SEBI (LODR) Regulations, 2015.

The Board laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended March 31, 2023.

Sd/-

**B. Satish Kumar**

Chairman and Managing Director  
(DIN: 00163676)

Place: Hyderabad

Date: 14.08.2023

**MD/ CEO AND CFO CERTIFICATE**

For FY ended March 31, 2023

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015 read with Part B Schedule II)

**To  
The Board of Directors,  
Steel Exchange India Limited**

- a) We have reviewed financial statements and the cash flow statement for the **Financial Year ended 31st March, 2023** and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) 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 violate of the Company's Code of Conduct.
- c) 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 we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
- significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**For STEEL EXCHANGE INDIA LIMITED**

Sd/-

**Bandi Satish Kumar**

Managing Director  
DIN : 00163676

Sd/-

**A Suresh Babu**

Chief Financial Officer

Place: Visakhapatnam

Date: 29.05.2023

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Steel Exchange India Limited  
D. No:1-65/K/60, Plot No: 60, 01st Floor, Abhi's Hiranya,  
Kavuri Hills, Hyderabad, Telangana - 500081

1. We have examined the compliance of the conditions of Corporate Governance by Steel Exchange India Limited having CIN : L74100TG1999PLC031191, for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.
4. We further state that such compliance 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.

**Simhadri TMT**

For **Bhavani & Co**  
Chartered Accountants  
Firm Registration No: 012139S

Sd/-  
**CA. B KUMAR VENKATESH**  
Partner  
M.No.225555  
UDIN : 23255554BGPGHH3654

Place: Hyderabad  
Date : 14.08.2023

**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,  
Steel Exchange India Limited,  
CIN: L74100TG1999PLC031191  
D.No:1-65/K/60, Plot No:60 Abhis Hiranya,  
1st Floor, Kavuri Hills, Hyderabad Telangana - 500081

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Steel Exchange India Limited having CIN: L74100TG1999PLC031191 and having registered office at D.No:1-65/K/60, Plot No:60 Abhis Hiranya, 1st Floor, Kavuri Hills, Hyderabad Telangana - 500081 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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 Authorities.

Sl. No.	Name of Director	DIN	Date of appointment in Company
01	Mr. Satish Kumar Bandi	00163676	01/10/2007
02	Mr. Suresh Bavineni	00181832	24/02/2000
03	Mr. Bandi Ramesh Kumar	00206293	09/02/2015
04	Mr. Suresh Kumar Bandi	00206473	24/02/1999
05	Mr. Veeramachaneni Venkata Krishna Rao	00206884	24/01/2000
06	Mr. Ramineni Ramachandra Rao	00226945	30/01/2006
07	Mr. Kodali Krishnarao	00382726	31/01/2009
08	Mr. Sivaprasad Chivukula	01904785	10/01/2008
09	Mr. Sujata Chattopadhyay	02336683	27/03/2015
10	Mr. Shyam Jagetiya	02581262	12/02/2022
11	Mr. Siva Sagar Rao Yendamuri	00210188	16/05/2022
12	Mr. Emandi Shankara Rao*	05184747	28/05/2021
13	Mr. Veera Brahma Rao Arekapudi	07540040	14/02/2023

\*Mr. Emandi Shankara Rao resigned w.e.f 14.02.2023

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

**For B S S & Associates**  
Company Secretaries  
Sd/-  
**S.Srikanth**  
Partner

Place: Hyderabad  
Date: 14.08.2023

ACS No.: 22119; C P No.: 7999  
UDIN: A022119E000842081  
Peer review no.: 726/2020

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **GLOBAL ECONOMY**

By early 2023, the prospects of the global economy's gentle landing have dimmed due to elevated inflation and banking sector turbulence. While inflation has moderated, pricing pressures remain high, and labour markets are constrained. In response to shifts in sentiment and evolving financial conditions, policymakers have taken measures to stabilize the banking system. The global economic trajectory in 2022 is expected to continue this year, marked by high debt levels, decreasing commodity prices, and escalating geopolitical tensions. Although China's recovery from COVID-19 outbreaks has reduced supply-chain interruptions, risks remain due to mounting uncertainties stemming from the financial sector upheaval.

The baseline forecast indicates that growth will dip from 3.4% in 2022 to 2.8% in 2023 before gradually returning to 3.0% five years later. Advanced economies are poised to face significant slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In an alternate scenario, global growth could plummet to 2.5% in 2023, the lowest level since 2001, with advanced economies growing at less than 1%. The outlook remains grim due to tight policy stances, financial conditions, the Russia-Ukraine war, and geoeconomic fragmentation. The global headline inflation rate is predicted to reduce from 8.7% in 2022 to 7.0% in 2023, but core inflation will fall more slowly. The odds are overwhelmingly stacked against a hard landing, with financial sector stress increasing. This might harm the real economy and force central banks to reassess their policy options. Sovereign debt distress might expand, the war in Ukraine could worsen, resulting in further food and energy price spikes and higher inflation, and geopolitical bloc fragmentation could result in huge output losses, including foreign direct investment.

Source: World Economic Outlook - A Rocky Recovery - IMF 2023

### **INDIAN ECONOMY**

India's economic performance was impacted by global economic slowdown, high inflation, and the ongoing war between Russia and Ukraine. The country's real GDP growth was estimated at 7.0% in 2022-23 in comparison to 9.1% in the prior year, but demand indicators like passenger vehicle sales, tractor sales, and domestic air travel support growth. In 2023, India is predicted to be a major growth destination, owing to high domestic demand and government spending.

India's high unemployment rate of 7.5% in February 2023 remains a source of concern, while inflation rose to 6.5% in January 2023 as a result of high food prices. The Reserve Bank of India (RBI) raised policy repo rates six times since May 2022 in order to contain inflation. Commodity prices will be affected by global geopolitical tensions and increased demand from countries that have lifted mobility restrictions. Lower input costs are predicted to have an impact on core inflation, with inflation forecast to gradually decline at 6.5% in 2022-23 and 5.3% in 2023-24. A healthy domestic demand and favourable government efforts are projected to help India maintain its position as one of the world's fastest growing major economies. External challenges, such as a global economic downturn and monetary tightening in advanced economies, could, nonetheless, have an impact on the country's progress.

The Union Budget 2023-24 is expected to enhance disposable income, increase discretionary spending, and raise capital expenditure, resulting in increased growth, investments, and job creation. The government's efforts to reduce compliance and decriminalise will also benefit business. Investments will be aided by strong credit growth and financial market stability.

Source: KPMG Global Economic Outlook 2023

### **GLOBAL STEEL INDUSTRY AND DEVELOPMENTS**

Steel is an iron-based alloy, which might contain carbon, silicon, manganese, and other minerals. The process of steelmaking involves the production of steel from iron ore and/or scrap. Due to its high durability and malleability, steel is a preferred choice of raw material in several industries like the manufacturing, automotive, and consumer products.

Steel demand is predicted to rise 1.7% to 1,854.0 Mt in 2024. Manufacturing is expected to lead the recovery, however high loan rates may hinder steel demand. Most regions are expected to see faster growth next year, but China is expected to decelerate.

High inflation and rising interest rates, the Russian invasion of Ukraine, and Chinese lockdowns halted the rebound momentum following the pandemic shock in 2022. As a result, activity in steel-consuming industries fell in the fourth quarter of 2022. Steel demand fell less than projected due to this, as well as the impact of stock changes. Despite hopeful variables such

as China's reopening, Europe's resilience in the face of the energy crisis, and the removal of supply chain bottlenecks, continuing inflation and high interest rates in most countries will limit steel demand recovery in 2023. Other areas will boost demand growth in 2024, but there will be a global slowdown due to China's predicted 0% growth, which will overshadow the improved environment.

China's contribution to global steel demand growth will decline as its population declines and the country transitions to consumption-driven growth. Fewer factors will fuel future global steel demand growth, notably in Asia. Even if China's contribution to global GDP diminishes, investments in decarbonization and dynamic developing economies will keep global steel demand growing.

Steel demand in developed economies fell significantly in 2022 as a result of monetary tightening and high energy prices. After falling by 6.2% in 2022, steel demand is expected to rise by 1.3% in 2023. In 2024, a 3.2% recovery is projected. Steel demand patterns varied between emerging and developing countries, with developing Asia excluding China demonstrating higher resilience than elsewhere. Steel demand in emerging and developing nations excluding China will expand by 3.6% in 2023 and 3.9% in 2024, following a 0.3% fall in 2022.

In FY2022-23, the steel raw materials market remained volatile, particularly in coal markets, due to irregular weather events in Eastern Australia, while trade flows altered dramatically due to the Russian-Ukraine war. One of the most important elements influencing steel pricing was the cost of production, particularly energy expenses. Sanctions imposed on Russia, which exports oil, coal, and gas, resulted in the hydrocarbon market undergoing a considerable shift in commodity flows and has yet to achieve equilibrium. The 43% year-on-year (y-o-y) increase in oil prices in 2022 reflects rising inflation in general and global energy costs in particular. The coking coal (top energy material for steel for flat goods) index increased 68% year on year in 2022, reaching the highest value of all pricing indices analysed in December. Natural gas and coal shortages in Europe have resulted in yearly energy price rises of roughly 125% through 2022. This has a significant impact on steel companies who use electric furnaces, given power is a major cost issue.

Source: Worldsteel Short Range Outlook April 2023, Raw Material Outlook 2023

## **INDIAN STEEL INDUSTRY**

In 2022, India remained a shining star in the global steel industry. India's economic prospects and steel industry outlook are encouraging. Recent adjustments in steel export and import charges, together with increased demand for affordable housing, infrastructure development, and building projects, have resulted in a pan-India demand for steel metal. Furthermore, the government's goal to make India self-sufficient has created space for sustainable urban development, the construction of envisaged logistics parks, and the development of industrial corridors, all of which have contributed to the rising demand for finished steel and steel as a raw material.

After successfully managing inflation, the Indian economy is on a solid development path, with a rising percentage of GDP investment due to increased government spending on infrastructure. The residential sector is likely to expand as well, fuelled by inexpensive housing initiatives and urban demand. Private investment is increasing as a result of Production Linked Investment (PLI) Schemes.

The momentum in infrastructure and investment in renewable energy is also predicted to assist India's capital goods sector. Automotive and consumer durables are likely to rise at a robust rate, owing to continued growth in private spending. After growing by 8.2% in 2022, demand is predicted to expand by 7.3% in 2023 and 6.2% in 2024.

Steel prices in India have been volatile in recent months, particularly following the worldwide economic crisis triggered by the epidemic. Steel prices in India increased by 5% in February 2023. The daily steel price has been influenced by a number of factors, including an increase in raw material prices (particularly iron ore and coking coal) and an increase in infrastructure and engineering projects. Steel prices, however, are expected to rise above pre-pandemic levels by March 2023, reaching 60,000 per tonne.

The Asia Pacific region comprises of a number of emerging economies that are some of the major producers of steel globally. Within the Asia Pacific, India is one of the major regional markets for steel. In India, the iron and steel industry is experiencing a robust demand from sectors like infrastructure, oil and gas, and automotive, which has been driving the growth of the steel industry in the region. The Indian steel industry is further being driven by the easy availability of low-cost manpower and the presence of abundant iron ore reserves in the country. The implementation of schemes by the Government of India like the Jal Jiban Mission, Pradhan Mantri Awaas Yojana -Gramin and Urban (PMAY-G & U), Bharatmala and Sagarmala, and the National Steel Policy have provided favourable prospects for public and foreign investments, further leading to the growth of the steel industry. The launch of various projects like the construction of metro railways and new airports and irrigation projects are anticipated to catalyse the market growth in India, thus, aiding the overall growth of the



steel industry.

Under the PLI scheme (Production Linked Incentive), the Ministry of Steel signed 57 MoUs with 27 businesses for speciality steel. The government has approved a total of 6322 crore for steel sector growth under the plan. Aside from producing new jobs and helping India become the world's third largest economy (by 2030-31), the project seeks to add 25 MT of speciality steel capacity over the next five years.

Source: Worldsteel Short Range Outlook April 2023, Indian Steel Industry Outlook 2023

#### **ABOUT SEIL**

Steel Exchange India Limited (SEIL) is the flagship company of the Vizag Profiles Group. Established in 1999, SEIL is a leading manufacturer of TMT Rebars under the brand 'SIMHADRI TMT'. The firm is primarily engaged in the manufacturing of steel products and allied activities at its Integrated Steel Plant located close to Visakhapatnam, Andhra Pradesh. It has the largest private integrated steel plant in Andhra Pradesh. It manufactures sponge iron, billets, and TMT bars.

#### **TRADING DIVISION**

Apart from its manufacturing operations, the corporation also trades a few products to improve its top and bottom line. Currently, the trading division deals in a wide range of products ranging from finished steel products to supplementary products such as semis, coal, scrap, and sponge iron. The division has been largely responsible for expanding the company's marketing and sales base throughout Andhra Pradesh's coastal region. The trading section handles items manufactured by the Company, RINL (Vizag Steel), and other producers.

The steel trading division reported a turnover of Rs.291.68 crores for the year ended 31st March 2023 compared to Rs 134.08 crores in the previous year ended 31st March 2022.

#### **STEEL INGOT DIVISION**

This division produces ingots from sponge iron and scrap/pig iron. For captive consumption, the unit also includes a power producing unit that runs on natural gas.

The division reported a turnover of Rs.4.73 Crs (previous year Rs. 5.80 Cr) of which Rs.1.89 Cr came from resale of gas and Rs. 2.84 Cr from power sale respectively.

#### **INTEGRATED STEEL PLANT**

The main Integrated Steel Plant (ISP) of the Company located at Sreerampuram Village, L. Kota Mandal, Vizianagaram District consists of the following units:

1. Sponge Iron Unit - 2,20,000 TPA
2. SMS Billet Unit - 2,50,000 TPA
3. Rolling Unit -2,25,000 TPA
4. Captive Thermal Power Plant- 60 MW

The total revenue for the period 2022-23 under review from ISP stood at Rs.1056.59 crores as against Rs.896.36 crores in the previous year 2021-22. The division reported increase in turnover on year to year compared to previous year and TMT bars produced are sold under the well-established brand name Simhadri TMT Bars. The total revenue from the sale of surplus Power for the period under review from Power Division stood at Rs.35.32 crores compared to Rs.36.11 crores in the previous year. The division reported increase in turnover on year-to-year basis and the power plant was operated at 54% PLF compared to 52% in the previous year.

#### **FINANCIAL PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31.03.2023**

(Amount in Crores, unless otherwise stated)

	<b>FY23</b>	<b>FY22</b>
<b>Total Income</b>	1,393.36	1,120.87
<b>EBITDA</b>	99.50	124.43
<b>EBITDA Margin</b>	7.14%	11.11%
<b>Profit before tax (PBT)</b>	(28.32)	14.48
<b>Deferred Tax Liability (Asset)</b>	30.53	(102.00)
<b>Profit after tax (PAT)</b>	(58.85)	116.48
<b>PAT Margin</b>	NA	10.40%

**1) Share Capital**

The Authorized share capital of the Company is Rs. 332 Cr and the paid-up share capital stood at Rs 103.96 Cr. The increase in Paid Up Capital is on account of allotment of 15,88,00,000 equity shares with Face Value of Rs 1 each at a premium of Rs 6.25 per share on preferential basis to Promoters and Non-Promoters of the Company.

**2) Reserves and Surplus**

For the year ended 31st March 2023, the Reserves and Surplus have increased from Rs. 402.99 crores to Rs.413.20 crores, Equity component of compounded financial instruments i.e., CCDs [Rs.14.42 Cr], Share Warrants [Rs.10.55 Cr], Share Premium [Rs.224.11 Cr] and reduction of Revaluation Reserves [Rs.208.14 Cr] & Others [Rs.(44.02) Cr].

**3) Secured Loans**

Secured loans was Rs.289.13 crores as on March 31, 2023 as compared to Rs.304.35 crores as on March 31, 2022.

**4) Unsecured Loans**

Unsecured loans was Rs.41.26 crores as on March 31, 2023 as compared to Rs.125.46 crores as on March 31, 2022.

**5) Fixed Assets**

During the year under review, the Fixed Assets, and the total Fixed Assets (net Block) stands at Rs. 592.16 crores as against Rs. 602.80 crores in the previous year.

**OPERATIONAL PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31.03.2023****1) Income**

The total income of the company stood at Rs. 1,393.36 Cr for FY 2022-23 against Rs. 1,120.88 Cr for FY 2021-22. During the year, the total operational revenue of the company increased by 24.3% compared to the previous financial year.

**2) Direct Cost & Other expenses**

The Direct Costs comprising of cost material consumed, changes in inventories of finished goods, stock in trade & work-in-progress and purchases of traded goods was to Rs. 1167.27 Cr for FY 2022-23 against Rs. 882.61 Cr for FY 2021-22 due to the increase in the prices.

Other expenses comprise of other manufacturing expenses, staff costs, administration and selling & distribution expenses etc. The same was increased to Rs. 94.21 crores for FY 2022-23 against Rs. 83.83 Cr for FY 2021-22 due to discounts given to customers.

**3) Interest Cost**

For the year under review, the interest and financial charges were Rs. 105.63 Crores representing 7.58 % of the turnover as against Rs. 88.12 crores representing 7.87% of the turnover in the previous year. The increase in finance cost / interest cost is on account of payment of interest on CCDs and NCDs. The company is taking various initiatives to reduce the financial costs in the coming year to make the company more sustainable in the long run.

**4) Depreciation**

The company has provided a sum of Rs. 24.37 crores towards depreciation for the year under review as against Rs. 23.75 crores in the previous year.

**5) Provision for Tax**

There was no current tax due to loss incurred in FY2022-23.

**6) Total Comprehensive income/Loss (Net Profit/Loss)**

The operations for FY 2022-23 resulted in a net loss of Rs. 58.85 Cr as against Rs. 116.36 Cr profit in FY 2021-22.

**7) Dividend**

No Dividend is recommended on the Equity Shares for the year ended 31st March 2023.

**Details of significant changes in Key Financial Ratios**

	FY23	FY22
<b>Debt Equity Ratio</b>	0.58	0.68
<b>Debt Service Coverage Ratio</b>	0.77	0.65
<b>Interest Service Coverage Ratio #</b>	0.92	1.41
<b>Current Ratio</b>	1.34	1.43
<b>Long Term debt to working capital ##</b>	1.52	2.08
<b>Total debts to Total Assets</b>	0.26	0.27
<b>Debtors Turnover (no. of days)</b>	27	24
<b>Inventory Turnover (no. of days)###</b>	43	30

**Detailed explanation on significant changes (i.e., change of 25% or more as compared to FY22) in the above key ratios:**

# Repayment of principle on borrowings (Reduction of Debt)

## Repayment of partial long term borrowings to NCD holders of the company

### due to increase of finished stock as on 31st March 2023

**Environmental, Social and Governance (ESG) & Corporate Social Responsibility (CSR) - Safety, Health, Sustainability**

The 60 MW captive power plant includes 16 MW of power generated by Waste Heat Recovery Boilers (WHRB) that use flue gases from DRI Kilns, boosting energy efficiency, lowering costs, and addressing pollution concerns. Air Cooled Condensers have been built at the power plant to reduce water usage for cooling purposes, resulting in water consumption reductions of 1000 KL per day. Slag (waste material) produced by the Steel Melt Shop is utilised as a foundational element for road construction, and crushed slag is used as a substitute to concrete aggregate and sand. The power plant's fly ash (waste material) is delivered to local brick production plants.

The Company provided electric buggies to inhabitants in ISP neighbouring villages for smooth mobility. In partnership with hospitals in Visakhapatnam, the company holds medical camps for the surrounding communities on a regular basis. Dedicated 24x7 primary care centre at ISP staffed by a full-time doctor and nurses give free supplies of essential medicines to conduct testing for neighbouring villages. In addition, ISP offers a completely sanitised medical bed ward for isolation and minimal intervention therapies. The Company has provided a dedicated ambulance at the ISP primary care centre for patients to be transferred to a full-service medical centre if necessary.

The Company has arranged for water to be delivered to ISP's neighbouring villages by underground pipeline and water tankers. The Company collaborated in the installation of solar streetlights in adjacent villages. The Company has supported The Gurudeva Charitable Trust funded the purchase and distribution of artificial limbs and supported tricycles in the Vizianagaram District. Improved government school infrastructure in collaboration with local Roundtable chapters. During the COVID-19 pandemic, worked with the district administration to buy and distribute medical supplies to the local population. During the COVID-19 epidemic, migrant staff and other ISP nearby impacted migrants were given access to food and shelter.

**Risks, Concerns and Mitigation Strategies**

Geopolitical uncertainty, the macroeconomic outlook, trade barriers, and protectionist trade policies all have an impact on

steel demand. Prolonged inflationary pressures, particularly from disruptions in the energy and commodity supply chains, may have a negative influence on global demand. Adoption of innovative steel grades and sustainable steel products causes a shift in client preferences. During this decade, the Indian steel industry is predicted to increase at a rate of 6% to 7%. However, the steel industry's rising trajectory would present its own set of obstacles. Due to geopolitical developments, changing trade patterns, and increased emphasis on Environment, Social, and Governance (ESG) elements, the regulatory framework in the metals and mining business is getting more demanding. Noncompliance with such demanding regulatory regimes may have an impact on corporate operations and reputation. Steel, an energy-intensive and difficult-to-abate sector, must transition to low-emission steel, and the government of India may implement taxes and fines to accelerate the ESG trip.

Risk is an important component in almost all sorts of businesses and must be mitigated. Steel Exchange India Limited manages risks by properly identifying, estimating, and mitigating them. The Company has implemented adequate risk-mitigation measures in all business verticals and activities in operations, finance, and human resources by leveraging its in-depth knowledge of the business acquired over the last 20 years by understanding market trends, competitors, and steel sector policies and responding accordingly to risk management. However, despite the risk precautions taken by the company, unanticipated problems such as inflation, liquidity crisis, slower industrial growth, weakening rupee, political instability, and variable commodity prices are likely to impair industry performance in the future.

With a focused approach, the Company took initiatives in value chain excellence, overall operational excellence, pandemic & crisis management, throughput maximisation, enriching product mix, customer centricity with diversification of customer base, sustainable initiatives, employee engagement, synergy & integration, and leveraging IT & digital to sustain the most critical situation in pandemic times. The Company is prioritising a long-term initiative for sound robust liquidity management and working capital optimisation with superior planning that takes into account all risk indicators.

#### **Human Resource Management, Industrial Relations**

The Company regards the quality and commitment of its human resources as its most valuable asset and places a high priority on training and development of human resources at all levels, as well as providing a pleasant working environment. The management team is adamant that the company cannot grow until its human resources are fully utilised.

As of March 31, 2023, the total number of employees is 995 including Trainees. The Company maintains a cordial relationship with its employees and cherishes their safety by guaranteeing safe work practises, and the Board of Directors and Management express their gratitude to all of its employees for their vital contribution to the Company's growth.

#### **Internal Financial Control Systems and Internal Audit**

The Company has suitable internal control measures in place that are proportionate to its size and kind of operation.

These internal controls are intended to provide reasonable assurance that all corporate operational and financial processes are adequate to safeguard and defend against any loss from unauthorised use or disposition, and that all transactions are properly authorised, documented, and reported.

The Audit Committee reviews the internal control systems on a regular basis and initiates remedial actions where necessary. The Audit Committee also meets with the Company's Internal Auditors and Statutory Auditors to obtain their perspectives on the adequacy of the Company's internal control systems, and it keeps management informed of its significant findings.

#### **Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

**Form No. MR-3  
Secretarial Audit Report**

**For the Financial Year ended 31st March, 2023**

[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,  
Steel Exchange India Limited,  
CIN: L74100TG1999PLC031191  
D.NO:1-65/K/60, Plot No:60 Abhis Hiranya,  
1st Floor, Kavuri Hills, Hyderabad TG 500081

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Steel Exchange India Limited (hereinafter called the company), having CIN: L74100TG1999PLC031191. 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 March 31, 2023, 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 the Company for the financial year ended on March 31, 2023 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable to the Company during the Audit Period;
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted from any stock exchange during the financial year under review; and
  - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back its securities during the financial year under review.



- 6) Other laws applicable specifically to the Company namely:
- i. The Electricity Act, 2003
  - ii. Indian Boilers Act, 1923
  - iii Explosives Act, 1884
  - iv National Tariff Policy
  - v Mines Act, 1952

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

As on March 31, 2023, the Board of Directors of the Company was not comprised of requisite number of Independent Directors as prescribed under Regulation 17(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 from 12.02.2022.

We further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable general laws.

We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same is not within the scope of our audit.

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors / Members of the Board / Committees, and a system exists for seeking and obtaining further information and clarifications as may be required by them on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, no specific events/actions which have a major bearing on the Company's affairs have taken place, in pursuance of the above referred laws, rules, regulations and standards except for the following:

The Company has converted and allotted 6,30,00,000 of Rs. 1/- each and 9,58,00,000 of Rs. 1/- each Equity shares to the Compulsorily Convertible Debenture Holders on 06.01.2023 and 30.03.2023 respectively.

Place: Hyderabad  
Date: 14.08.2023

**For B S S & Associates**  
Company Secretaries

Sd/-  
**S.Srikanth**

Partner

ACS No.: 22119;

C P No.: 7999

UDIN: A022119E000842015

Peer review no.: 726/2020

This Report is to be read with our letter of even date which is annexed to the report and forms an integral part of this report.



To,  
The Members,  
Steel Exchange India Limited,  
CIN: L74100TG1999PLC031191  
D.NO:1-65/K/60, Plot No:60 Abhis Hiranya,  
1st Floor, Kavuri Hills, Hyderabad TG 500081

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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

**Simhadri TMT**

**For B S S & Associates**  
Company Secretaries

Sd/-

**S.Srikanth**  
Partner

Place: Hyderabad  
Date: 14.08.2023

ACS No.: 22119; C P No.: 7999  
UDIN: A022119E000842015  
Peer review no.: 726/2020

**Disclosure of particulars of Contracts/Arrangements entered into by the Company**
**FORM NO. AOC-2**

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

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

The below material contracts or arrangement or transactions at arm's length entered into during the year ended March 31, 2023.

<b>Name of the related party</b>	Vizag Profiles Private Limited	SAWP Steel Limited.
<b>Name of the Director or KMP who is related, if any</b>	Shri B Suresh Kumar, Shri B Suresh and Shri V V Krishna Rao are the common directors in SEIL and VPPL	Mr. Mohit Sai Kumar Bandi, S/o. Mr. Bandi Ramesh Kumar, and other relatives of directors holding more than 20 percent of total shareholding in M/s. SAWP Steel Limited
<b>Nature of relationship</b>	Group Company/Common Directors	Holding more than 20 percent of Shareholding by Director and immediate relative of Director.
<b>Nature of contracts /arrangements / transactions</b>	Sale, purchase or supply of goods or materials Availing or rendering of services and leasing of property	Sale, purchase or supply of goods or materials Availing or rendering of services and leasing of property
<b>Duration of the contracts / arrangements / transactions</b>	---	---
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	---	---
<b>Any other information relevant or important for the members to take a decision on the proposed resolution.</b>	Raw material available with related party in-house and of desired quality at market price.	Raw material available with related party in-house and of desired quality at market price.
<b>Date(s) of approval by the Board, if any:</b>	---	---
<b>Amount paid as advances, if any:</b>	---	---

On behalf of the Board of Directors  
**For Steel Exchange India Limited**

Sd/-

**B. Satish Kumar**

Chairman and Managing Director  
(DIN: 00163676)

Place: Hyderabad  
Date: 14.08.2023



**The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:**

**A. CONSERVATION OF ENERGY:**

- 1) The steps taken or impact on conservation of energy:
  - a. Oil purification machine-for maintaining the Oils quality & thereby conservation of lubricating Oil
  - b. VFD are installed for molasses pumps in Briquetting machine and weigh feeders of DRI feed system
- 2) The steps taken by the Company for utilizing alternate sources of energy: NA
- 3) The Capital investment on energy conservation equipment: -N.A.-
  - a. Installed Variable Frequency Drives (VFD) for pumps in the SMS to save the energy on regulating the valves.
  - b. Installed Variable frequency drives for Hot Charging System for efficient operation
  - c. Stoppage of Re-Heating Furnace completely and Re-rolling of Billets completely through Hot-Charging.
  - d. OMNI Screen was installed in DRI-RMPP coal stream with an investment of 1Cr to reduce the fines generation by avoiding long distance travel through exiting belt conveyors, which in turn reducing the Power consumption of Belt conveyors.

**B. TECHNOLOGY ABSORPTION: Nil**

- i. The Efforts made towards technology absorption: Nil
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii. Details of technology imported during the past 3 years:  
No technology has been imported during the past 3 years.
  - a. The details of technology import: Nil
  - b. The year of import: Nil
  - c. Whether the technology has been fully absorbed: Nil
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -NIL-
- iv. The expenditure incurred on Research and Development: -N.A.-

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO:**

- 1) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Used (Outgo)	684.40	255.44
Earned	Nil	Nil

**For and on behalf of the Board of Directors**

Sd/-

**B. Satish Kumar**

Chairman and Managing Director  
(DIN: 00163676)

Place: Hyderabad  
Date: 14.08.2023

**Annual Report on CSR Activities**

1. Brief outline on CSR Policy of the Company: The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII of the Companies Act, 2013.

**2. Composition of CSR Committee:**

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
2	Mr. Bandi Suresh Kumar	Executive Director	1	1
3	Mr. Ramineni Ramachandra Rao	Independent Director	1	1
4	Mr. Bandi Satish Kumar	Managing Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [https://seil.co.in/uploads/2990-Corporate\\_Social\\_Responsibility\\_Policy\\_\(1\).pdf](https://seil.co.in/uploads/2990-Corporate_Social_Responsibility_Policy_(1).pdf)
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable.
5. (a) Average net profit of the company as per section 135(5): Rs.19,29,03,635  
 (b) Two percent of average net profit of the company as per section 135(5): Rs.38,58,073  
 (c) Surplus arising out of the CSR projects or programmers or activities of the previous financial years: Nil  
 (d) Amount required to be set off for the financial year, if any: Nil  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 38,58,073
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project):  
 (b) Amount spent in Administrative Overheads: Nil  
 (c) Amount spent on Impact Assessment, if applicable: Nil  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: 42.77 Lakhs  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (In Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Amount	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
42.77	Nil	NA	NA	Nil	NA

- (f) Excess amount for set off, if any: 4.18 Lakhs

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	38,58,073
(ii)	Total amount spent for the Financial Year	42,76,518
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4,18,445
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4,18,445

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	2019-20	NIL	NIL	NA	NIL	NA	NIL
2.	2020-21	NIL	NIL	NA	NIL	NA	NIL
3.	2021-22	NIL	NIL	NA	NIL	NA	NIL
	Total	NIL	NIL	NA	NIL	NA	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: NA

Sd/-  
**B. Satish Kumar**  
 Managing Director  
 DIN: 00163676

Sd/-  
**Bandi Suresh Kumar**  
 Whole Time Director  
 DIN: 00206473  
 (Chairman CSR Committee)

**Annexure-5**
**Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

Sl.No.	Name of the Director/CFO/Company Secretary	(I) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
1	B. SATISH KUMAR, MD	35.54	32.35%
2	B. SURESH KUMAR, JMD	28.43	20.00%
3	B. RAMESH KUMAR, JMD	24.87	5.00%
4	V. V. KRISHNA RAO	NA	NIL
5	B. SURESH	NA	NIL
6	R. RAMACHANDRA RAO*	NA	NIL
7	C. SIVA PRASAD*	NA	NIL
8	K. KRISHNA RAO*	NA	NIL
9	E SANKARA RAO*	NA	NIL
10	SUJATA CHATTOPADHYAY*	NA	NIL
11	SHYAM JAGETIYA	NA	NIL
12	SIVA SAGAR RAO YENDAMURI*	NA	NIL
13	VEERA BRAHMA RAO AREKAPUDI*	NA	NIL
14	A SURESH BABU CFO	NA	NIL
15	M RAVEENDRA BABU, COMPANY SECRETARY	NA	NIL

\* Mr. R. Ramachandra Rao, Mr. C. Siva Prasad, Mr.K.Krishna Rao, Mr. E Sankara Rao, Mr. Siva Sagar Rao Yendamuri, Mr. Veera Brahma Rao Arekapudi, Mr. Shyam Jagetiya and Ms. Sujata Chattopadhyay were paid sitting fees for attending the Meetings.

There was 35.54%, 20.00%, and 5.00% increase in Remuneration paid to B. Satish Kumar, Managing Director, B. Suresh Kumar, Joint Managing Director, B Ramesh Kumar, Joint Managing Director during the Financial Year ended March 31, 2023

- **The percentage increase in the median remuneration of employees in the financial year is 7.9%**
- **The number of employees on the rolls of company as on 31.03.2023**  
There are 995 Employees on the rolls of the Company as on 31st March 2023.
- **Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**  
There are three Whole Time Directors i.e., B. Satish Kumar, Managing Director and B. Suresh Kumar, Joint Managing Director and B. Ramesh Kumar; Joint Managing Director. There was 35.54%, 20.00% and 5.00% increase in Remuneration paid to B. Satish Kumar, Managing Director, B. Suresh Kumar, Joint Managing Director and B Ramesh Kumar, Joint Managing Director during the Financial Year ended March 31, 2023
- **The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.**

On behalf of the Board of Directors  
For **Steel Exchange India Limited**  
Sd/-

**B. Satish Kumar**  
Chairman and Managing Director  
(DIN: 00163676)

Place: Hyderabad  
Date: 14.08.2023

**Annexure-6**
**CORPORATE POLICIES OF THE COMPANY**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandates the formulation of certain policies for all listed companies. The corporate governance policies are available on the Company's website, at [www.seil.co.in](http://www.seil.co.in). The policies are reviewed periodically by the Board and updated as needed. Key Policies of the Company are: -

NAME OF THE POLICY	BRIEF DESCRIPTION	WEBLINK
POLICY ON FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS	The familiarization program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
ARCHIVAL POLICY	This policy deals with retention and Archival of corporate records of the company	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
NOMINATION AND REMUNERATION POLICY	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the directors, KMP, senior management and other employees.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
PERFORMANCE EVALUATION POLICY	This policy formulates the criteria for conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior of the Board of Directors.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
CORPORATE SOCIAL RESPONSIBILITY POLICY	The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment, etc.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
INSIDER TRADING POLICY	This policy formulates the criteria for trading of Equity shares of the company by Insiders of the company from time to time as per SEBI PIT Regulations.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
RELATED PARTY TRANSACTION POLICY	The policy regulates all transactions between the Company and its related parties during the course of business transactions between them.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
WHISTLEBLOWER POLICY - VIGIL MECHANISM	The Company has adopted Vigil Mechanism for Directors and Employees of the Company to report genuine concerns. The vigil mechanism provides for adequate safeguard against the victimization of Directors and employees and also provide direct access to the nodal officers of the Company	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
PRESERVATION OF DOCUMENTS POLICY	The Company has adopted this Policy for Preservation of Documents, as required under applicable regulations.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
POLICY ON DISCLOSURE OF MATERIAL EVENTS / INFORMATION	This policy applies to disclosure of material event affecting the company and its subsidiaries.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES	The policy regulates all Codes, Practices and Procedures for Fair Disclosures.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>
DIVIDEND DISTRIBUTION POLICY	The Policy applies to dividends of the Company.	<a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a>

On behalf of the Board of Directors  
For **Steel Exchange India Limited**  
Sd/-

**B. Satish Kumar**

Chairman and Managing Director  
(DIN:00163676)

Place : Hyderabad  
Date: 14.08.2023

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

**SECTION A: GENERAL DISCLOSURE**
**I. Details of the Listed Entity**

1	Corporate Identity Number (CIN) of the Company	L74100TG1999PLC031191
2	Name of the Company	STEEL EXCHANGE INDIA LIMITED
3	Year of incorporation	1999
4	Registered office address	D.NO:1-65/K/60, Plot No:60 Abhis Hiranya, 1ST Floor, Kavuri Hills, NA Hyderabad TG 500081
5	Corporate office address	Block-A, Greencity, Near Apparel Export Park, Pakheertakiya Visakhapatnam AP 530049
6	E-mail ID	CSRAVINDRA.SEIL@GMAIL.COM
7	Telephone	+91-40-23403725 / 23413267
8	Website	<a href="https://www.seil.co.in/">https://www.seil.co.in/</a>
9	Financial year for which reporting is being done	1st April 2022 to 31st March 2023
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE)
11	Paid-up Capital	INR 103,96,11,770/-
12	<b>Name and contact details of the person who may be contacted in case of any queries on the Business Responsibility and Sustainability Report (BRSR)</b>	
	Name of the Person	Mr. Raveendra Babu M (Company Secretary)
	Telephone	+91-40-23403725 / 23413267
	Email address	cs@seil.co.in
13	<b>Reporting Boundary</b>	
	Type of Reporting (Standalone / Consolidated)	Disclosures made in this report are on a standalone basis

**II. Product/Services:**

14	Details of business activities (Accounting for 90% of the turnover)	S.No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
		1	Manufacturing	Metal and Metal Related Products	87%

15	Products/Services sold by the Company (Accounting for 90% of the entity's Turnover)	S.No.	Product/Service	NIC Code	% of Total Turnover contributed
		1	Sale of Steel	2410	96%

16	Number of locations where plants and/or operations/offices of the entity are situated:	Location	Number of plants	No. of Offices	Total
		National	1	2	3
		International	-	-	-

17	Market served by the entity	Locations	Numbers
	a. No. of Locations	National (No. of States)	2
		International (No. of Countries)	Nil
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	NA	
c. A brief on type of Customers	Steel Exchange India Limited serves a diverse range of customers across various sectors. The customer base includes but is not limited to: Wholesalers, Traders, End Consumers, Institutions, Government Departments, B2B Customers, Online Market Place etc.		

#### IV. Employees

18. Details as at the end of financial year 2022-23:						
S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>a. Employees (including differently abled)</b>						
<b>Employees</b>						
1	Permanent (A)	210	202	98.10	8	1.90
2	Other than Permanent (B)	247	247	100	0	0
3	Total (A+B)	457	449	98.25	8	1.75
<b>b. Workers (including differently abled):</b>						
<b>Workers</b>						
1	Permanent (E)	316	312	98.73	4	1.27
2	Other than Permanent (F)	222	215	96.84	7	3.15
3	Total (E+F)	538	527	97.95	11	2.04
<b>c. Differently abled Employees</b>						
<b>Employees</b>						
1	Permanent	NIL	NIL	NIL	NIL	NIL
2	Other than Permanent	NIL	NIL	NIL	NIL	NIL
3	Total nil	NIL	NIL	NIL	NIL	NIL
<b>d. Differently abled Workers:</b>						
<b>Workers</b>						
1	Permanent	NIL	NIL	NIL	NIL	NIL
2	Other than Permanent	NIL	NIL	NIL	NIL	NIL
3	Total	NIL	NIL	NIL	NIL	NIL

**19. Participation/Inclusion/Representation of women**

S.No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	12	1	8.33%
2	Key Management Personnel *	2	0	0%

\* KMPs include Chief Financial Officer and Company Secretary

**20. Turnover rate for permanent employees and workers**

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.35	0	12.35	8.37	0	8.37	11.79	16.66	28.45
Permanent Workers	8.75	0	8.75	4.63	20	24.63	4.03	0	4.03

**NOTE:**

Turnover rate= No. of persons who have left the employment of the entity in the FY \*100) / Average no. of persons employed in the category.

Average number of persons employed in a category shall be calculated as (Persons employed in the category at the beginning of FY + Persons employed in the category at the end of FY) / 2.

Employee turnover is a crucial metric for measuring the performance of human resources departments or human resource management apps.

High turnover means that many people are leaving the company, while low turnover means that people tend to stay in their jobs longer. The employee turnover rate is a way to measure how often employees leave a company and are replaced by new ones.

Analyzing turnover rates can help organizations identify areas for improvement in terms of employee engagement, retention strategies, and overall workplace culture. It can also be used to compare turnover rates within different departments or industries, providing insights into the relative health and stability of different work environments.



**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

21	(a) Names of holding / subsidiary / associate companies / joint ventures	S.No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether it is a Holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
NA						

**VI. CSR Details:**

22	a. Whether CSR is applicable as per the provision of Section 135 of Companies Act, 2013:	Yes
	Turnover (in INR crore)	1393.36 Cr.
	Net worth (in INR crore)	444.05 Cr.



# Simhadri TMT

**VII. Transparency and Disclosures Compliances**

		Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
				Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
23	Complaints /Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct	Communities	Yes, there is a dedicated email id for the communities to communicate their grievances. <a href="mailto:cs@seil.co.in">cs@seil.co.in</a>	Nil	Nil	NA	Nil	Nil	NA
		Investors (other than shareholders)	Yes, Investors can write about their grievances to the Compliance Officer of the Company at <a href="mailto:cs@seil.co.in">cs@seil.co.in</a> and there is webpage for investor contacts. <a href="https://seil.co.in/investor/invcontact">https://seil.co.in/investor/invcontact</a>	Nil	Nil	NA	Nil	Nil	NA
		Shareholders	Yes, Shareholders can raise their grievances through the SEBI Scores portal and through BSE/NSE	9	Nil	All the complaints were resolved satisfactorily	2	Nil	All the complaints were resolved satisfactorily
		Employees and workers	Yes, Internal employee grievance mechanism is in place. Grievances are resolved on a monthly basis through an HR Help Desk.	Nil	Nil	NA	Nil	Nil	NA
		Customers	Yes, SEIL has a robust grievance redressal mechanism wherein a team of experts will receive, study and dispose complain and take corrective actions to prevent similar occurrences in the future. <a href="mailto:cs@seil.co.in">cs@seil.co.in</a>	Nil	Nil	Nil	Nil	Nil	Nil
		Value Chain Partners	Yes, Our value chain partners can contact the procurement team, Quality & Assurance team or Product development team in case of any issue/grievances.	Nil	Nil	NA	Nil	Nil	NA

#### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Greenhouse Gas Emissions & Climate Change Management	Risk & Opportunity	A significant part of SEIL production is through the blast furnace route, which is an emission intensive process and contributes towards global warming.	SEIL is trying to set up targets to treat the emissions in a much responsible manner and transition to low carbon steelmaking is critical for the long-term success of the Company. SEIL also aims to maximize the amount of scrap charged into its existing blast furnace based steelmaking operations	Both Negative & Positive based on treatment
2	Energy Management	Opportunity	Production of steel is a highly energy intensive process and consumes a large quantity of energy from multiple sources: coal, natural gas, electricity and other fossil fuel.	We are striving to reducing our energy footprint by embracing energy-efficient technologies. Moreover, we are proactively trying to integrate renewable energy sources into our energy mix and contribute to a greener and more sustainable world.	Positive
3	Water Consumption and Effluent Discharge	Risk	SEIL utilises a large quantity of water in its processes and draws this water from multiple sources.	Minimizing withdrawal of fresh water from rivers by maximising the recycling of treated waste effluents within the plant by setting up effluent treatment plants.	Negative
4	Circular Economy	Opportunity	Steel as a material lends itself to circularity and is recyclable as ferrous scrap to produce new steel. Steel produced through recycling has a significantly lower carbon footprint, as opposed to producing primary steel by reducing iron ore.	SEIL aims to maximize the amount of scrap charged into its existing blast furnace based steelmaking operations	Positive

5	Employee & Workforce Engagement, Wellbeing	Opportunity	SEIL believes that Employee Well-being and Development creates a healthy company culture, better employee satisfaction and higher employee engagement and therefore, helps attract and retain talent. The Company's ability to attract and retain talent provides the Company with a competent and experienced workforce and reduces recruitment costs for the Company. A high quality and motivated workforce is critical for company sustainability.	We adopt best practices to ensure healthy employee relations, employee growth and development as well as work satisfaction. We have strived to build caring and collaborative relationships based on trust and mutual respect, paving the way for a respectful workplace for all.	Positive
6	Occupational Health & Safety	Risk	Ensuring the safety of its employees, contract workers and communities is critical for continued regulatory and social license to operate, especially considering process related hazard in steelwork. In case safety related processes or performance of the Company is deemed inadequate, or in case of a significant safety incident, prohibition order from the government may also lead to partial closure of the plant.	We endeavour to achieve the objective of safety and health responsibilities through a robust safety management system framework and a sound safety governance structure.	Negative

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable

P2: Businesses should provide goods and service in a manner that is sustainable and safe

P3: Businesses should respect and promote the well-being of all employees, including those in their value chains

P4: Businesses should respect the interests of and be responsive to all its stakeholders

P5: Businesses should respect and promote human rights

P6: Businesses should respect and make efforts to protect and restore the environment

P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8: Businesses should promote inclusive growth and equitable development

P9: Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Our policies are available at <a href="https://seil.co.in/governance/policy">https://seil.co.in/governance/policy</a> .								
2	Whether the entity has translated the policy into procedures. (Yes / No)	The Company has translated the policies and incorporated the principles in its processes and procedures, as applicable.								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company is in the process of documenting a Supplier's / Vendor's Code of Conduct that will largely cover the abovementioned principles, and the Company expects its suppliers/vendors to follow the same								
4	Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO: 14001:2015 -Environmental Management System ISO: 45001:2018 -Occupational Health & Safety Management System ISO 9001:2015-Quality Management System BIS Certification								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in the process of setting up specific goals and targets with defined timelines.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								
<b>Governance, Leadership and Oversight</b>										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements									
	<p><b>Mr. Satish Kumar Bandi (Chairman &amp; Managing Director)</b> As a value -driven and ethical organization, The Company is committed to integrating Environmental, Social and Governance (ESG) Principles into its business which is central to improving the life of the communities it serves. The Company is also committed to reduce Carbon Footprint and exploring promising ways for green power and securing supply of carbon credits.</p>									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Satish Kumar Bandi (Chairman & Managing Director)								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes, the Board of Steel Exchange has constituted various Board committees, which are responsible for and have a remit over key sustainability related policies of Steel Exchange, as below:</p> <ul style="list-style-type: none"> <li>• The Corporate Social Responsibility Committee.</li> <li>• The Stakeholder Relationship Committee.</li> <li>• The Risk Management Committee.</li> <li>• Health, Safety, CSR, Sustainability and Environment related aspects are overseen by various committees of the board. The senior leadership team is responsible for implementing sustainable business initiatives based on the committee's strategy. The committee meets as and when required to evaluate the company's ESG performance.</li> </ul>								

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies, wherever stated, have been approved by the Board / Senior Management. Polices are reviewed as and when required.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with all the statutory laws and regulations as applicable. Further, the compliance monitoring is done regularly.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
		No, however, the Managing director along with the board evaluates the implementation of the policies. Polices are reviewed at periodic intervals depending on the statutory requirements or on need basis.							

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Not applicable since the policies and procedures of the Company cover all principles of NGRBCs

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**ESSENTIAL INDICATORS**

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	During the reporting year, the company presented a note on Business, strategy, risk and update of laws.	100%
Key Management Personnel			
Employees other than BODs and KMPs	On going- Multiple trainings throughout the year	1. Communication and listening 2. Workshop on Major Accidents and Hazards Control, 3. Employee health and safety – Fire safety, electrical safety, etc. 4. POSH (Prevention of Sexual Harassment) 5. Enhancing safety through effective leadership 6. Cyber Security 7. Business Principles for Responsible Organization Code of Conduct and principles of Corporate Governance	82%
Workers	On going- Multiple trainings throughout the year	On the job trainings and Health and Safety Training are mandatory. No special trainings	100%

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1, P4 and P7	BSE & NSE	BSE- 2,25,000/- and NSE- Rs.2,25,000/-	The composition of the Board was not in compliance i.e., the Board didn't have half of the Board as Independent Directors	NO
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
b. Non-Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case		Has an appeal been preferred? (Yes/No)
Imprisonment Punishment		Nil			

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

NotApplicable

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest:**

Topic	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**ESSENTIAL INDICATORS**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	--	--	--
Capital Expenditure (CAPEX)	-	-	-

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

The Company has a procedure for sustainable sourcing where all the new and existing supply chain partners are mandatorily evaluated on environment, health & safety and sustainability parameters before onboarding. Also, supplier/vendor Code of Conduct (COC) covers EHS and Human Rights parameters to be adhered and value chain partners (supply chain partners) must sign the COC as a part of the contract documents.



**b. If yes, what percentage of inputs were sourced sustainably?**

Zero The Company is in the process of setting up governance mechanisms to track this data digitally.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Steel has a very long service life before it needs to be recycled. End-of-life steel or scrap steel is not considered as waste product by the Company, instead used as input product by remelting. The Company is committed to circularity and reuses scrap generated during the production process. Further the steel slag generated during the production is sold to cement manufacturers which helps in reducing the emission intensity of cement production.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**ESSENTIAL INDICATORS**

**1. a. Details of measures for the well-being of employees:**

Category	Total (A)	Health & Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent									
Male	202	202	100	Benefits are given as applicable		Benefits are given as applicable		-	-
Female	8	8	100					-	-
Total	210	210	100	-	-	-	-	-	-
Other than Permanent (Contractual)									
Male	247	247	100	Benefits are given as applicable		Benefits are given as applicable		-	-
Female	0	0	0					-	-
Total	247	247	100	-	-	-	-	-	-

**b. Details of measures for the well-being of workers:**

Category	Total (A)	Health & Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	No.	%	Number (B)	% (B / A)
Permanent									
Male	312	312	100	Benefits are given as applicable		Benefits are given as applicable		-	-
Female	4	4	100					-	-
Total	316	316	100	-	-	-	-	-	-
Other than Permanent (Contractual)									
Male	215	215	100	Benefits are given as applicable		Benefits are given as applicable		-	-
Female	7	7	100					-	-
Total	222	222	100	-	-	-	-	-	-

**Note:** Around 548 Employees and workers are covered under ESIC. Rest of the employees are covered under Workmen Compensation Policy.

**2. Details of retirement benefits, for Current FY and Previous Financial Year:**

Sr.No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	96	100	Yes	96.03	100	Yes
2	Gratuity	100	100	NA	100	100	NA
3	ESI	41	63	Yes	37.45	67	Yes
4	Others – please specify	-	-	-	-	-	-

- 3. Accessibility of workplaces:** Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. The Company's various locations, including the offices / premises have been equipped with lifts and handrails for stairwells to facilitate the movement of differently abled individuals. Thus, Company's premises has been made access friendly.
- 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy :** NO
- 5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The company has an Employees Grievance Redressal Mechanism in place internally available to all employees and workers. An employee may face any problem or has concern about his/her work, working environment, or working relationships that he/she wish to raise with someone in the organization. The Company encourages free communication between the employee and the Supervisor / Manager / Head of Function to ensure such problems and concerns can be resolved in the quickest and fairest possible way and at the lowest possible level within the organization. The mechanism has 3 stages of escalation and grievance raised is treated in the strictest of confidence.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity: Nil**

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Permanent Employees</b>						
Male	Nil			Nil		
Female						
Others						
Total						
<b>Permanent Workers</b>						
Male	Nil			Nil		
Female						
Others						
Total						

**8. Details of training given to employees and workers:**

Category	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
	Total (A)	On Health & Safety measures		On Skill Upgradation		Total (D)	On Health & Safety measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	202	120	59.4	32	15.84	220	95	43.18	28	12.72
Female	8	2	25	0	0	7	2	28.57	0	0
<b>Total</b>	<b>210</b>	<b>122</b>	<b>58.10</b>	<b>32</b>	<b>15.23</b>	<b>227</b>	<b>97</b>	<b>42.73</b>	<b>28</b>	<b>12.33</b>
<b>Workers</b>										
Male	312	227	72.75	70	22.43	323	215	66.56	75	23.21
Female	4	4	100	0	0	4	4	100	0	0
<b>Total</b>	<b>316</b>	<b>231</b>	<b>73.10</b>	<b>70</b>	<b>22.15</b>	<b>327</b>	<b>219</b>	<b>66.97</b>	<b>75</b>	<b>22.93</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
<b>Employees</b>						
Male	202	202	100	220	220	100
Female	8	8	100	7	7	100
<b>Total</b>	<b>210</b>	<b>210</b>	<b>100</b>	<b>227</b>	<b>227</b>	<b>100</b>
<b>Workers</b>						
Male	312	312	100	323	312	100
Female	4	4	100	4	4	100
<b>Total</b>	<b>316</b>	<b>316</b>	<b>100</b>	<b>327</b>	<b>316</b>	<b>100</b>

**10. Health and safety management system:**

<b>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)</b>	YES
<b>a.1 What is the coverage of such system?</b>	All employees and workers
<b>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</b>	Check lists, SOPs, work permit systems, LOTO system, onsite emergency plane, safety audits, regular safety committee meetings are some of the processes to identify work related hazards. HAZOP study and risk assessment of the plant is also conducted.
<b>c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)</b>	Yes
<b>d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)</b>	Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NO	NO
	Workers	6.87	4.1
Total recordable work-related injuries	Employees	0	0
	Workers	5	3
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

To ensure a safe and healthy workplace, daily safety talks before the start of the routine activities are conducted. 'Toolbox Talk' on various safety topics of daily importance is organized by Shop Engineers / Shift In-charge to sensitize workers about workplace safety. Unit wise fire safety members called as 'crew team members' are aligned along with fire extinguisher attached to them. There is more than required stored water for fire prevention. We conduct regular trainings on good health and safety practices as well.

Safety audits are conducted regularly to ensure everything is in compliance. There is full compliance of OS&H (Occupational Safety and Health) and related applicable legal requirements and other requirements.

**13. Number of Complaints on the following made by employees and workers:**

Topic	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14. Assessments for the year:**

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

We believe that Safety & Health of the workforce is fundamental to the creation of sustained business value. The Board has an oversight on health and safety initiatives. SEIL aims to become an extraordinary and safe place when it comes to health and safety.

**PRINCIPLE 4:** Businesses should respect the interests of and be responsive to all its stakeholders

**ESSENTIAL INDICATORS**
**1. Describe the processes for identifying key stakeholder groups of the entity:**

SEIL has mapped its internal and external stakeholders and based on the valuation provided in the value chain and relevance for the organization, the major/ key categories include:

- Investors
- Shareholders
- Employees
- Customers
- Community organizations/ NGOs
- Vendors / Suppliers / Contractors of goods and services
- Distributors & dealers
- Government & Regulatory Authority

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication</b> (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	<b>Frequency of engagement</b> (Annually/ Half yearly/ Quarterly /others – please specify)	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Shareholder	No	Website, Shareholder Meetings, Email, Central Telephone Number, Notice, Newspaper	Quarterly	<ul style="list-style-type: none"> <li>• Awareness (Q&amp;A) session on performance and results of the company</li> <li>• Annual General Meeting</li> </ul>
Investor	No	Meeting, Notice, Newspaper, Email, Website	Regularly	<ul style="list-style-type: none"> <li>• Resolve any queries received from investors.</li> <li>• Showcase an overview of SEIL business performance, strengths, future strategy, etc.</li> </ul>
Employees	No	Email, ERP, SMS, Townhall Meetings	As and when required	<ul style="list-style-type: none"> <li>• Career development, diversity and equal opportunity, health and safety, skill upgradation, learning and development, organizational culture/ workplace, grievances and remuneration</li> </ul>
Customers	No	Stores, Experience, Advertising, Newspaper, pamphlets, Hoarding/banner, SMS, website, phone	As and when required	<ul style="list-style-type: none"> <li>• Offers</li> <li>• Brand awareness</li> <li>• New product development</li> <li>• Product feedback</li> </ul>
Community organizations / NGOs	Yes	Need assessments for CSR projects through surveys and focused group discussions	As and when required	<ul style="list-style-type: none"> <li>• Assessment of community needs</li> <li>• Selection of new projects based on needs</li> <li>• Monitoring and evaluation of on - going projects</li> </ul>
Vendors / Suppliers / Contractors of goods and services	No	Physical meetings, Emails, Telephone	Frequent and as may be required	<ul style="list-style-type: none"> <li>• New business opportunities</li> <li>• Query Resolution &amp; Grievance Redressal.</li> <li>• Supplier performance assessment.</li> <li>• Addressing non -compliance issues</li> <li>• Signing / breach of contract.</li> </ul>
Distributors and dealers	No	Physical meetings, Emails, Telephone, conferences	Frequent and as may be required	<ul style="list-style-type: none"> <li>• Query Resolution &amp; Grievance Redressal.</li> <li>• Distributor's performance assessment.</li> <li>• Addressing non -compliance issues.</li> </ul>
Government and regulatory authorities	No	Written communications, Presentations, Industry associations, websites, advertisements	Frequent and as may be required	<ul style="list-style-type: none"> <li>• Understanding and adherence to local governance</li> <li>• Seeking clarifications and relaxation</li> <li>• Communicating challenges and providing recommendations.</li> </ul>

**PRINCIPLE 5: Businesses should respect and promote human rights**
**ESSENTIAL INDICATORS**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	-	-	-	-	-	-
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	-	-	-	-	-	-

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total Count in Current FY	Number of Employees Paid Minimum wage	% age of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% age of Employees Paid more than Minimum wage	Total Count in Previous FY	Number of Employees Paid Minimum wage	% age of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% age of Employees Paid more than Minimum wage
<b>Employees</b>										
<b>Permanent</b>										
Male	202	-	-	202	100	220	-	-	220	100
Female	8	-	-	8	100	7	-	-	7	100
<b>Other than permanent</b>										
Male	247	-	-	247	100	249	-	-	220	88.35
Female	0	-	-	0	0	0	-	-	0	0
<b>Workers</b>										
<b>Permanent</b>										
Male	312	-	-	312	100	323	-	-	323	100
Female	4	-	-	4	100	4	-	-	4	100
<b>Other than Permanent</b>										
Male	215	-	-	0	0	238	-	-	238	100
Female	7	-	-	0	0	6	-	-	6	100



**3. Details of remuneration/salary/wages, in the following:**

	Male		Female	
	No.	Median remuneration/ salary/ wages of respective category (INR)	No.	Median remuneration/ salary/ wages of respective category (INR)
<b>Board of Directors</b>	11	72,00,000	1	-
<b>Key Managerial Personnel<sup>(1)</sup></b>	4	23,40,000	-	-
<b>Employees other than BoD and KMP</b>	187	2,70,000	7	2,70,600
<b>Workers</b>	309	2,10,840	4	2,01,971

Note: KMPs include CS and CFO.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the company Chief Human Resource Officer (CHRO) is the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues:**

The Company is actively involved in the protection and enhancement of human rights and is fully committed in promoting inclusivity and equality and prohibiting any discrimination. The Company is in process to formulated Human Rights Policy which works in combination with the Grievance Policy to ensure that grievances are addressed promptly and effectively.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Sexual Harassment</b>	Nil	Nil	-	Nil	Nil	-
<b>Discrimination at workplace</b>	Nil	Nil	-	Nil	Nil	-
<b>Child Labour</b>	Nil	Nil	-	Nil	Nil	-
<b>Forced Labour / Involuntary Labour</b>	Nil	Nil	-	Nil	Nil	-
<b>Wages</b>	Nil	Nil	-	Nil	Nil	-
<b>Other human rights related issues</b>	Nil	Nil	-	Nil	Nil	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has put in place a robust grievance Redressal process for investigation of employee concern and has instituted a code of conduct and employee service rules, that clearly describes employee responsibility and acceptable employee conduct. The details of complainant, if any, are kept confidential and the complainant is protected from any discrimination / harassment till the issue is resolved.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

SEIL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees as well as in their decisions to select subcontractors.

**9. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
<b>Child labor</b>	100%
<b>Forced/involuntary labor</b>	The Company undertook internal assessment through its EHS, HR and IR function.
<b>Sexual harassment</b>	
<b>Discrimination at workplace</b>	
<b>Wages</b>	
<b>Others – please specify</b>	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment indicators**

**ESSENTIAL INDICATORS**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

<b>Parameter</b>	<b>FY 2022-23 (Current Financial Year)</b>	<b>FY 2021-22 (Previous Financial Year)</b>
Total electricity consumption (A) in Giga Joules (GJ)	1013256 GJ	1028628 GJ
Total fuel consumption (B) in Giga Joules(GJ)	5363002 GJ	6166933 GJ
Energy consumption through other sources (C)	0	0
<b>Total energy consumption (A+B+C)</b>	6376258 GJ	7195561 GJ
Energy intensity per rupee of turnover ( <i>Total energy consumption/turnover in rupees</i> )	0.000459	0.00065

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

SEIL -ISP-Sreerampuram Unit Identified as Designated Consumer (DC) under PAT Cycle -4. Target Year (FY 2021-22) target achieved, as per 3rd Party M&V Audit. Results awaited from BEE.

- 3. Provide details of the following disclosures related to water, in the following format:**

<b>Parameter</b>	<b>FY 2022-23 (Current Financial Year)</b>	<b>FY 2021-22 (Previous Financial Year)</b>
Water withdrawal by source (in kilolitres)		
(i) Surface water	195869	200123
(ii) Groundwater	35000	36500
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	230869	236623
Water intensity per one crore of turnover (Water consumed in kilolitres / turnover in crores)	166	215
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	No	No

- 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. The Waste water Generated from various sources will be collected in Central Monitoring basin and will be neutralized in the tank. The same water will be reused for Ash Conditioning, Green belt development within the plant. And also, we have implemented Rain water harvesting system in the plant, so as to collect all water by increased recycling of treated waste water to fresh water intake.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

<i>Parameter</i>	<i>Please specify unit</i>	<b>FY 2022-23 (Current FinancialYear)</b>	<b>FY 2021-22 (Previous Financial Year)</b>
<b>NOx</b>	µg/m3	15-68	10-65
<b>SOx</b>	µg/m3	5-60	5-68
<b>Particulate matter (PM)</b>	µg/m3	22-90	31-93
<b>Persistent organic pollutants (POP)</b>		NA	NA
<b>Volatile organic compounds (VOC)</b>	-	NA	NA
<b>Hazardous air pollutants (HAP)</b>	-	NA	NA
<b>Others – please specify (CO)</b>		NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external

M/s Spectra Envirotech Ltd has been engaged for Evaluation of Pollution monitoring on Quarterly basis. Reports and Compliance will be submitted to Pollution Control Board for every quarter.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

<i>Parameter</i>	<i>Unit</i>	<b>FY 2022-23 (Current Financial Year)</b>	<b>FY 2021-22 (Previous Financial Year)</b>
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<b>Metric Tons of CO<sub>2</sub> Equivalent</b>	544934	626560
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<b>Metric Tons of CO<sub>2</sub> Equivalent</b>	0	0
<b>Total Scope 1 and Scope 2 emissions intensity</b>		NA	NA
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional)– the relevant metric may be selected by the entity	-	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

6. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail  
No

7. Provide details related to waste management by the entity, in the following format:

Parameter	FY2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste	Nil	Nil
E-waste	Nil	Nil
Bio-medical waste	Nil	Nil
Construction and demolition waste	Insignificant Quantity	Insignificant Quantity
Battery waste	Insignificant Quantity	Insignificant Quantity
Radioactive waste	Nil	Nil
Other Hazardous waste. Please specify, if any. (Waste Oil)	2.40	2.50
<b>Other Wastes – Fly Ash</b>	48000	54000
<b>Other Wastes – Bed Ash</b>	4500	5200
<b>Other Wastes- Slag</b>	8500	7200
<b>Other Wastes – Mill Scale</b>	2200	1800
<b>Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)</b>		
<b>Total</b>	63202.40	68202.50
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	2.40	2.50
(ii) Re-used	2200	1800
(iii) Other recovery operations	2500	2200
<b>Total</b>	4702.40	4002.50
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration		
(ii) Landfilling	6300	5400
(iii) Other disposal operations	52500	59200
<b>Total</b>	58800	64600

Note: Includes iron, tin, quilting & other scrap

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
Environmental Impact Assessment study will be conducted Every year and Report will be submitted to PCB on yearly basis.

- 8. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Slag generated during Steel Manufacturing Process will be re used for manufacturing of Paver blocks, which is as a alternative to River sand and also has wider applications from Plain concrete to reinforced concrete and can be used in roads, highways, bricks, plastering and buildings.

The Fly ash and Bed ash generated during Power Generation Process will be used for Brick Manufacturing. 100% utilization of Other wastes being implemented in the plant.

There is no Generation of Hazardous wastes and Toxic chemicals involved in the Process.

- 9. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

None of the Our Plant Operations/ Offices are in ecologically Sensitive areas.

- 10. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Environmental Impact Assessment study will be conducted Every year and Report will be submitted to PCB on yearly basis.

- 11. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/ N). If not, provide details of all such non-compliances, in the following format.**

Yes. All our integrated steel plant facilities are compliant with the Environmental regulations. We are implementing all Conditions stipulated in the CFO Order issued by AP Pollution Control Board.

**PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

- 1. a) Number of affiliations with trade and industry chambers/ associations.**

The Company is affiliated with 1 trade and industry chambers/ associations

- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S.no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	ASSOCHEM	International

- 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

No significant adverse impacts have been reported from any value chain partners.

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.**
**ESSENTIAL INDICATORS**

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**  
Not Applicable
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**  
Not Applicable
- Describe the mechanisms to receive and redress grievances of the community:** The Company has regular engagement with key community institutions and representatives from key neighbourhood areas. The Company has provided e-mail ID and drop box system for grievance Redressal, to enable the stakeholders to easily communicate their concerns and suggestions
- Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

Parameter	FY2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ Small producers	3.98%	0.42%
Sourced directly from within the district and neighboring districts	18.82%	39.96%

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner**
**ESSENTIAL INDICATORS**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.:** Customer complaints are captured through e-mails and personal meetings and the same are addressed as per documented procedure.
- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environment and Social parameters relevant to product	Nil
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints:**

	FY2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	0	0	-	0	0	-

**4. Details of instances of product recalls on account of safety issues**

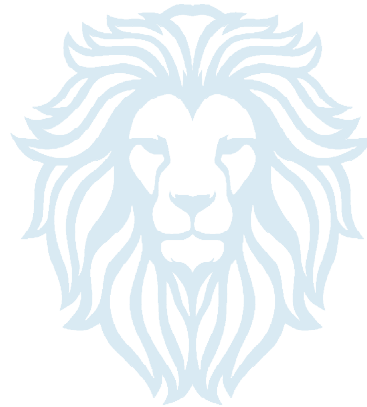
	Number	Reason for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

No. The Company is in process to formulate the policy on cyber security and risk related to data privacy.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Since there are no complaints, there was no need for any corrective action.



# Simhadri TMT



## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**STEEL EXCHANGE INDIA LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **M/s. Steel Exchange India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except the effect of matter referred to in Basis for qualified opinion give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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.

S.No	Key Audit matter
1.	<p>During the year, the Company has converted 12% compulsorily convertible debentures ("CCDs") issued to Vizag profiles private limited and viswa samudra holdings private limited to equity shares for a principal amount of Rs 69.455 crores and 45.675 crores respectively. The company issued 9.58 crores and 6.3 crores of equity shares of FV Rs 1/each at a premium of Rs 6.25/shares to vizag profiles private limited and Viswa Samudra Holdings Private Limited respectively.</p> <p>This presents a significant audit matter due to the complexity of the transaction and the materiality of the balances involved.</p> <p><b>Auditor's Response</b></p> <p><b>Principal Audit Procedure</b></p> <p>Our audit procedures includes the following:</p> <ul style="list-style-type: none"> <li>• Examined the terms and conditions of the CCDs to ensure that the conversion process adheres to the provisions outlined in the relevant agreements and applicable accounting standards.</li> <li>• Examined the relevant supporting documentation, such as board resolutions, shareholders' resolutions, CCD agreements, share issuance documents, and any other relevant contracts or agreements. This helps ensure that the conversion process has been authorized and executed appropriately.</li> <li>• Verified the number of equity shares to be issued upon conversion by cross-referencing the conversion formula specified in the CCD agreements. This involves confirming the principal amount being converted and applying the conversion ratio or conversion price as per the agreement.</li> <li>• Determined the appropriateness of the disclosures in the financial statement in respect of the conversion .</li> </ul>
2	<p><b>Non-Convertible Redeemable Preference Shares</b></p> <p>The company has issued 10.5% 1,86,08,750 non-convertible redeemable preference shares of Rs. 10 each on the scheme of merger with SPL( Simhadri power Limited) to vizag profiles private limited as per the consideration stated in 6.1(b) ,These preference shares are redeemable after seven years falling due on 26.01.2023. However, the company has not redeemed the preference shares and taken 2 years extension for redemption of the same.</p> <p>The preference share holders have agreed to waive their right to interest for the same .</p> <p>This presents a significant audit matter due to the complexity of the transaction and the materiality of the balances involved.</p> <p>Refer note No:3.15</p> <p><b>Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the terms of the non-convertible redeemable preference shares issued and the High Court order related to their issuance and redemption</li> <li>• Assessed the company's compliance with the terms of the preference shares issuance and redemption, including reviewing any relevant documentation.</li> <li>• Evaluated the preference holders' agreement to waive their right to interest and extension of preference shares redemption</li> <li>• Evaluated the adequacy of the company's disclosures in the financial statements regarding the non-redemption of the preference shares and there extension.</li> <li>• Considered the impact of the non-redemption of the preference shares and extension of redemption for 2</li> </ul>



	<p>more years on the company's ability to continue as a going concern and include any relevant disclosures in the audit report.</p>
3.	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer note no 3.32 to the Standalone Financial Statements</p> <p><b>Auditor's Response</b></p> <p><b>PRINCIPAL AUDIT PROCEDURE</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from management . Discussed with the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2023 to evaluate whether any change was required to management's position on these uncertainties.</p>
4.	<p><b>Recoverability of Indirect tax receivables and other receivables</b></p> <p>1.As at March 31, 2023, other non current assets include Indirect tax balance receivable amounting to Rs 1513.15 lakhs and other receivables Rs 469.72 lakhs out of which amount of Rs 796.93 lakhs and Rs 467.74 lakhs in indirect tax balances and other receivables respectively are pending adjudication</p> <p>Refer Note 3.2 to the Standalone Financial Statements.</p> <p><b>Auditor's Response</b></p> <p><b>Principal audit procedure</b></p> <p>We have verified the relevant documents and records, the sustainability and likelihood of recoverability upon final resolution.</p>

Simhadri TMT

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India including The Indian Accounting Standard specified under sec. 133 of the act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 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 are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 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 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is 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 standalone financial statements.(Refer Note: 3.32 b & c)
  - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iii. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For BHAVANI &Co.**  
**Chartered Accountants**  
**Firm Reg. No:012139S**

**Place : Hyderabad**  
**Date : 29-05-2023**

**(CA S KAVITHA PADMINI)**  
**PARTNER**  
**M.No : 229966**  
**UDIN: 23229966BGXVUF3376**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Steel Exchange India Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **M/s. Steel Exchange India limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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. 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 respective 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial control system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

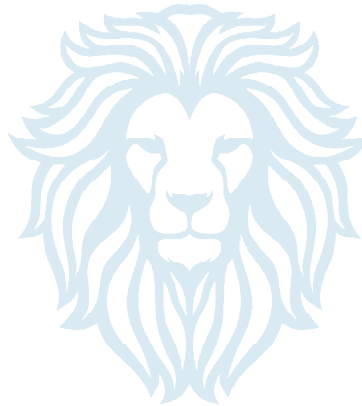
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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.

### **Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.



**Place : Hyderabad**  
**Date : 29-05-2023**

**For BHAVANI &Co.**  
**Chartered Accountants**  
**Firm Reg. No:012139S**

**(CA S KAVITHA PADMINI)**  
**PARTNER**  
**M.No : 229966**  
**UDIN: 23229966BGXVUF3376**

# **Simhadri TMT**



**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company does not have intangible assets, hence order I (a)(B) not applicable.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were immaterial.
  - (b) During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. The Company has 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, paragraph 3 (iii) (a) to (C) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company's (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained.
- vii.
  - (a) According to the information and explanations given to us and the records of the company examined by us, the company is regular in depositing undisputed statutory dues including Provident fund, Employee State Insurance, Income tax, sales tax, customs duty, goods and service tax and any other statutory dues as applicable with appropriate authorities. There were no arrears of outstanding statutory dues as on last day of the financial year concerned for a period of more than six months from the date on which they become payable.
  - (b) According to the information and explanation given to us, the following dues of the service tax, customs duty, excise duty, value added tax, GST, Central sales tax, Cess and other statutory dues which have not been deposited with appropriate authorities on account of any dispute.



Name of the Statute	Nature of Dues	Period to which the amount relates	Amount in ₹.	Deposits/ Paid in (₹.)	Forum where the dispute is pending with
CST Act	Sales Tax	2004-05	28,27,172/-	3,53,397/-	CTO, Gajuwaka, Visakhapatnam
CST Act	Sales Tax	2005-06	47,85,829/-	23,92,914/-	STAT, Visakhapatnam
AP VAT Act		2011-12	11,57,334/-	11,57,334/-	
AP VAT	Sales Tax	2019-20	2,74,70,664	42,53,000/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2013-14	11,85,189/-	8,24,678/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2012-13	23,21,766/-	10,63,250/-	ADC APPEAL, Vijayawada
AP VAT Act	Sales Tax	2013-14	1,18,549/-	1,18,189/-	STAT, Visakhapatnam
AP VAT Act	Sales Tax	2014-15	8,68,360/-	37,09,169/-	Appellate Deputy Commissioner, Visakhapatnam
AP VAT ACT	Sales tax	2012-13	13,94,858/-	3,48,715/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2015-16	31,41,694/-	7,85,424/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2016-17	82,70,573/-	20,67,643/-	Hon'ble High Court of Telangana & AP
AP VAT ACT	Sales tax	2017-18	13,19,062/-	3,29,765/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2014-15	57,375/-	57,375/-	STAT, Visakhapatnam
AP VAT ACT	Sales tax	2015-16	2,63,227/-	1,31,614/-	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2016-17	5,17,834/-	2,58,917	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2015-16	1,76,43,584/-	88,21,792	Appellate Deputy Commissioner (CT), Vijayawada
AP VAT ACT	Sales tax	2015-16	44,10,896/-	NIL	Appellate Deputy Commissioner (CT), Vijayawada
Customs Act	Customs Duty	2003-04	54,35,648/-	NIL	Hon'ble High Court of Telangana & AP
Customs Act	Customs Duty	2012-13	67,38,452/-	NIL	CESTAT, Bangalore
Central Excise Act,	Excise Duty	2007-08	86,30,228/-	10,00,000/-	CESTAT, Bangalore
Central Excise Act	Excise Duty	2009-10			Commissioner of Central Excise,
		2010-11 & 2011-12	61,18,776/-	50,00,000/-	Visakhapatnam
Central Excise Act	Excise Duty	2010-11	14,35,189/-	NIL	Hon'ble High Court of Telangana & AP
Central Excise Act	Excise Duty	2014-15	8,23,38,648	3,46,13,208/-	Commissioner of Central Excise, Visakhapatnam.
Customs Act	Customs duty	2012-13	2,18,06,647/-	NIL	Hon'ble Customs, Central Excise & Service Tax - Appellate Tribunal, Telangana
Excise Act	Excise duty	2012-13	7,73,767/-	NIL	Assistant Commissioner of Customs & Central Excise, Visakhapatnam
Excise Act	Excise duty	2014-15 to 2017-18	87,30,013/-	NIL	Commissioner of Central Tax & Customs, (Appeals), Guntur
Excise Act	Excise duty	2015-16	6,90,69,600/-	5,27,20,200/-	Principle Commissioner of Central Excise, Visakhapatnam

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount in ₹.	Deposits/ Paid in (₹.)	Forum where the dispute is pending with
Service Tax Act	Service Tax	2013-14 to 2016-17	17,98,12,034/-	1,34,81,800/-	Commissioner of Central tax, Visakhapatnam
Service Tax Act	Service tax	2016-17	1,22,63,893/-	Nil	Additional Commissioner of central Tax, Visakhapatnam
Service Tax Act	Service tax	2017-18	18,76,843/-	Nil	Additional Commissioner of central tax, Visakhapatnam
Service Tax Act	Service tax	2016-17	52,25,963/-	Nil	Principle Commissioner of central Tax, Visakhapatnam
GST Act	GST	2017-18	69,21,076/-	NIL	Deputy Commissioner of central Tax, Rajamahendravaram
GST Act	GST	2017-18	20,20,429/-	NIL	Deputy Commissioner of central Tax, Visakhapatnam

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
- ix. (a) According to the records of the company examined by us, the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks as on at the balance sheet date.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has taken term loan during the year and have applied for the purpose it was obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares and convertible debentures (fully convertible) during the year and accordingly order under x(b) is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations to us and based on our examination of the records of the company transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.



- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

Simhadri TMT

For BHAVANI & Co.  
Chartered Accountants  
Firm Reg. No:012139S

Place : Hyderabad  
Date : 29-05-2023

(CA S KAVITHA PADMINI)  
PARTNER  
M.No : 229966  
UDIN: 23229966BGXVUF3376

**BALANCE SHEET AS AT 31ST MARCH, 2023**

PARTICULARS	Note No.	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	3.1	57,916.82	59,601.55
b) Capital work-in-progress	3.1.1	1,299.19	678.76
c) Other non-current assets	3.2	4,069.46	4,319.34
d) Deferred tax Asset (net)	3.3	4,002.54	7,055.29
<b>Total non-current assets</b>		<b>67,288.00</b>	<b>71,654.94</b>
<b>Current assets</b>			
a) Inventories	3.4	28,179.83	23,739.44
b) Financial assets			
i) Trade receivables	3.5	11,243.64	9,201.67
ii) Cash and cash equivalents	3.6.1	1,129.14	1,426.86
iii) Other bank balances	3.6.2	809.64	107.61
iv) Other financial assets	3.7	2,312.33	3,480.61
c) Other current assets	3.8	2,233.50	2,110.94
		<b>45,908.08</b>	<b>40,067.14</b>
<b>Total assets</b>		<b>1,13,196.08</b>	<b>1,11,722.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	3.9	10,396.12	8,808.12
b) Other equity	3.10	41,320.35	40,299.00
<b>Total equity</b>		<b>51,716.47</b>	<b>49,107.12</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	3.11	22,874.99	34,370.02
c) Provisions	3.12	237.76	195.01
<b>Total non-current Liabilities</b>		<b>23,112.76</b>	<b>34,565.03</b>
<b>Current liabilities</b>			
a) Financial Liabilities			
i) Short term Borrowings	3.13	1,000.00	987.25
ii) Trade payables	3.14	14,328.84	8,075.66
iii) Other financial liabilities	3.15	14,394.48	13,529.92
b) Other current liabilities	3.16	8,631.99	5,445.61
c) Provisions	3.12	11.56	11.50
		<b>38,366.85</b>	<b>28,049.94</b>
<b>Total equity and liabilities</b>		<b>1,13,196.08</b>	<b>1,11,722.08</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date  
For **BHAVANI & CO**  
Chartered Accountants  
Firm Reg. No:012139S  
**CA S Kavitha Padmini**  
Partner  
M.No. : 229966  
UDIN: 23229966BGXVUF3376  
Place: Hyderabad  
Date : 29.05.2023

for and on behalf of the Board of Directors  
**B. SATISH KUMAR**  
Chairman-cum-Managing Director  
DIN : 00163676

**A.SURESH BABU**  
Chief Financial Officer

**B. SURESH KUMAR**  
Jt. Managing Director  
DIN : 00206473

**M.RAVEENDRA BABU**  
Company Secretary  
M. No. : A34409

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023**

PARTICULARS		Note No.	Year Ended 31.03.2023 ₹ in Lakhs	Year Ended 31.03.2022 ₹ in Lakhs
I	Revenue from operations	3.17	1,38,832.81	1,10,058.60
II	Other Income	3.18	503.50	2,029.18
<b>III</b>	<b>Total Income (I+II)</b>		<b>1,39,336.31</b>	<b>1,12,087.78</b>
<b>IV</b>	<b>Expenses :</b>			
	Cost of materials consumed	3.19	90,098.70	74,365.03
	Purchase of Traded goods	3.20	30,271.08	13,260.02
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	3.21	(3,642.94)	636.22
	Employee benefit expenses	3.22	3,238.85	3,000.81
	Finance costs	3.23	10,563.68	8,811.83
	Depreciation	3.1	2,437.47	2,375.23
	Impairment allowance for doubtful debts and other receivables		(218.95)	(192.88)
	Other expenses	3.24	9,420.77	8,383.18
	<b>Total Expenses (IV)</b>		<b>1,42,168.66</b>	<b>1,10,639.45</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>(2,832.35)</b>	<b>1,448.34</b>
VI	Add: Exceptional Items		-	-
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>		<b>(2,832.35)</b>	<b>1,448.34</b>
VIII	Tax expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax	3.25	3,052.75	(10,199.70)
<b>IX</b>	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>(5,885.11)</b>	<b>11,648.04</b>
	<b>Other comprehensive income (OCI)</b>			
A)	(i) Items that will not be reclassified to profit or loss	3.36.1(E)	2.81	(16.66)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.88)	5.20
<b>X</b>	<b>Total Other comprehensive income for the Year (Net of Tax)</b>		<b>1.93</b>	<b>(11.46)</b>
<b>XI</b>	<b>Total comprehensive income/(Loss) for the Year (IX+X)</b>		<b>(5,883.17)</b>	<b>11,636.58</b>
XII	Earnings per equity share:			
	(1) Basic	3.36.4	(0.71)	13.42
	(2) Diluted		(0.71)	13.34

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date  
For **BHAVANI & CO**

Chartered Accountants  
Firm Reg. No:012139S

**CA S Kavitha Padmini**  
Partner

M.No. : 229966  
UDIN: 23229966BGXVUF3376

Place: Hyderabad

Date : 29.05.2023

for and on behalf of the Board of Directors

**B. SATISH KUMAR**  
Chairman-cum-Managing Director  
DIN : 00163676

**A.SURESH BABU**  
Chief Financial Officer

**B. SURESH KUMAR**  
Jt. Managing Director  
DIN : 00206473

**M.RAVEENDRA BABU**  
Company Secretary  
M. No. : A34409



Statement of changes in Equity for the year ended 31st March, 2023

a) Equity share capital

	Note No.	(In Lakhs)
<b>Balance at the beginning of the reporting period i.e. April 1, 2021</b>	<b>3.9</b>	<b>8,038.89</b>
Changes in Equity Share Capital during the year 2021-22		769.23
<b>Balance at the end of the reporting period i.e. March 31, 2022</b>		<b>8,808.12</b>
Changes in Equity Share Capital during the year 2022-23		1,588.00
<b>Balance at the end of the reporting period i.e. March 31, 2023</b>	<b>3.9</b>	<b>10,396.12</b>

Particulars	Equity Component of Compounded Financial Instrument	Share warrants	Securities premium Reserve	Retained earnings	Capital Reserve	Revaluation Reserve	Reserves and surplus					Total equity attributable to equityholders of the Company	
							Amalgamation Reserve	Capital Redemption Reserve	Subsidiary Reserve	General Reserve	Investment Allowance Reserve		Other items of other comprehensive income
Balance at the beginning of the reporting period i.e. April 1, 2021	-	-	10,255.42	(36,276.94)	17,950.77	22,104.02	7,539.23	55.04	15.00	565.00	17.20	(20.89)	22,203.94
a) Profit for the year				11,648.04									11,648.04
b) Total comprehensive income for the year													(11.46)
c) Additions (*)	4,462.23	1,055.27	2,230.77										7,748.27
d) Deletions						1,289.78							1,289.78
<b>Balance at the end of the reporting period i.e. March 31, 2022</b>	<b>4,462.23</b>	<b>1,055.27</b>	<b>12,486.19</b>	<b>(24,628.91)</b>	<b>17,950.77</b>	<b>20,814.23</b>	<b>7,539.23</b>	<b>55.04</b>	<b>15.00</b>	<b>565.00</b>	<b>17.20</b>	<b>(32.28)</b>	<b>40,299.00</b>
a) Profit for the year				(5,885.11)									(5,885.11)
b) Total comprehensive income for the year												1.93	1.93
c) Additions	-	-	9,925.00										9,925.00
d) Deletions	3,020.47												3,020.47
<b>Balance at the end of the reporting period i.e. March 31, 2023</b>	<b>1,441.76</b>	<b>1,055.27</b>	<b>22,411.19</b>	<b>(30,514.01)</b>	<b>17,950.77</b>	<b>20,814.23</b>	<b>7,539.23</b>	<b>55.04</b>	<b>15.00</b>	<b>565.00</b>	<b>17.20</b>	<b>(30.33)</b>	<b>41,320.35</b>

**Disclosure: (\*)** Includes dues to companies where directors are interested of ₹. 1,441.76 (Previous year: ₹. 3263.94)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date  
For **BHAVANI & CO**  
Chartered Accountants  
Firm Reg. No:012139S

**CA S Kavitha Padmini**  
Partner  
M.No. : 229966  
UDIN: 23229966BGXVJUF3376  
Place: Hyderabad  
Date : 29.05.2023

for and on behalf of the Board of Directors

**B. SATISH KUMAR**  
Chairman-cum-Managing Director  
DIN : 00163676

**B. SURESH KUMAR**  
Jt. Managing Director  
DIN : 00206473

**M. RAVEENDRA BABU**  
Company Secretary  
M. No. : A34409

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023**

Particulars	Year Ended 31.03.2023 ₹ in Lakhs	Year Ended 31.03.2022 ₹ in Lakhs
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax after exceptional item as per the statement of profit and loss for the year	(2,832.35)	1,448.34
Adjustment for non cash/ non operational expenses:		
a) Depreciation and impairment of property, plant and equipment	2,437.47	2,375.23
b) Finance costs recognised in profit or loss	10,563.68	8,811.83
c) Loss/ (gain) on disposal of property, plant and equipment	(8.58)	(1,421.26)
<b>Operating profit before working capital changes</b>	<b>10,160.22</b>	<b>11,214.14</b>
Adjustments for working capital changes:		
a) Decrease/(Increase) in Trade Receivables	(2,041.97)	(3,697.13)
b) Decrease/(Increase) in Inventories	(4,440.40)	(4,365.30)
c) (Increase)/Decrease in Other non Current Assets	(32.33)	249.66
d) (Increase)/Decrease in Other Financial Assets	1,168.29	(38.03)
e) (Increase)/Decrease in Other Current Assets	(123.43)	(109.91)
f) (Increase)/Decrease in Deferred revenue	282.21	365.71
g) Increase/ (Decrease) in Trade Payables	6,252.18	(1,410.53)
h) Increase/ (Decrease) in Other financial liabilities	(688.85)	298.71
i) Increase/ (Decrease) in Other current liabilities	3,186.43	(2,009.78)
j) Increase/ (Decrease) in Other non current liabilities	45.56	27.85
<b>Cash generated from operations</b>	<b>13,767.92</b>	<b>525.39</b>
Less: Income taxes paid	-	-
<b>Net Cash Flow from operating activities</b>	<b>13,767.92</b>	<b>525.39</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
a) Payments for property, plant and equipment	(980.89)	(799.02)
b) Proceeds from disposal of property, plant and equipment	236.72	1,758.41
c) (Increase)/Decrease in Capital Work in Progress	(620.42)	(31.13)
<b>Net Cash Flow from investing activities</b>	<b>(1,364.59)</b>	<b>928.26</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
a) Proceeds from Issue of Compulsorily Convertible Debentures (CCD's) including Equity component of financial liability	(11,513.00)	17,008.50
b) Increase in Hire Purchase Loans	48.73	-
c) Increase in short term borrowings	12.75	987.25
d) Repayment of other borrowings	(1,520.75)	(7,164.17)
e) Increase/(Decrease) in Unsecured Loans	23.94	(6,201.23)
f) Payment of Finance costs	(10,563.68)	(8,811.83)
g) Proceeds from Issue of Equity Shares	1,588.00	769.23
h) Proceeds from Security Premium Reserve	9,925.00	2,230.77
i) Proceeds from Share warrants	-	1,055.27
<b>Net Cash Flow from financing activities</b>	<b>(11,999.01)</b>	<b>(126.22)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>404.31</b>	<b>1,327.43</b>
Cash and cash equivalents at the beginning of the year	1,534.47	207.04
<b>Cash and cash equivalents at the end of the year</b>	<b>1,938.78</b>	<b>1,534.47</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

for and on behalf of the Board of Directors

For **BHAVANI & CO**

Chartered Accountants

Firm Reg. No:012139S

**CA S Kavitha Padmini**

Partner

M.No. : 229966

UDIN: 23229966BGXVUF3376

**B. SATISH KUMAR**

Chairman-cum-Managing Director

DIN : 00163676

**A.SURESH BABU**

Chief Financial Officer

**B. SURESH KUMAR**

Jt. Managing Director

DIN : 00206473

**M.RAVEENDRA BABU**

Company Secretary

M. No. : A34409

Place: Hyderabad

Date : 29.05.2023



## Significant Accounting Policies and Notes to Financial Statements

### 1. Corporate information

Steel Exchange India Limited was incorporated on 24th February 1999. The activities of the company are manufacture of steel products, trading of related products and generation and sale of Power.

The Company is a Public Limited Company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana, India. The company has its listing on the BSE and NSE Limited.

### 2. Significant accounting policies

#### 2.1 Basis of preparation and Presentation

##### (a) Basis of measurement

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

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

As the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

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

##### (c) Functional and presentation currency

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest rupee except otherwise stated.

##### (d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make 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 a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### 2.2 Summary of significant accounting policies

##### 2.2.1 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

##### 2.2.2 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

##### 2.2.3 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other

than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss account.

### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period

#### **(a) Non-derivative financial assets**

##### **(i) Financial assets measured at amortized cost**

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

##### **(ii) Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such 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.

##### **(iii) Financial assets at fair value through profit or loss**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

**Cash and cash equivalents** - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than one year. These balances with banks are unrestricted for withdrawal and usage.

**Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

#### **(b) Non-derivative financial liabilities**

##### **Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### **Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value through profit and loss account. Any transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

**Compound financial instrument**

- The component parts of compound instruments (compulsory convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
- A conversion option that will be settled by the exchange of a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, and is not subsequently re measured.
- In addition, the conversion option classified as equity will remain in equity until the conversion is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in statement of profit and loss upon conversion or expiration of the conversion option.

**2.2.4 Property, Plant and Equipment:**

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as per the schedule II of the Companies Act.2013. Leasehold improvements are written off over the lower of the remaining primary period of lease or the life of the asset.

The useful life of the assets adopted by the company is as per schedule II of the Companies Act, 2013 as follows:

Building	60 years
Factory Buildings	30 years
Plant and Machinery and Others	15 years
Plant and Machinery (Power Generation)	40 years
Plant and Machinery (Rolling Mill)	20 years
Office equipment	05 years
Computer equipment	03 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles (Other than two wheelers)	08 years
Vehicles	10 years
Roads (carpeted-other than RCC)	05 years
Roads (Non-carpeted)	03 years

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

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets.

Subsequent expenditure relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs & maintenance costs are recognized in the statement of Profit & Loss when incurred.

Upon sale or retirement of assets, the Cost and related accumulated depreciation are eliminated from the financial statements and the resultant gain or losses are recognized in the Statement of Profit and Loss.

Subsequent expenditure relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs & maintenance costs are recognized in the statement of Profit & Loss when incurred.

Upon sale or retirement of assets, the Cost and related accumulated depreciation are eliminated from the financial statements and the resultant gain or losses are recognized in the Statement of Profit and Loss.

### **2.2.5 Capital work-in progress:**

The items of property, plant and equipment which are not yet ready for use are disclosed as capital work in progress and carried at historical cost.

### **2.2.6 Leases:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

#### **Where the Company is the lessee**

"Effective April 1, 2019, Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise right-of-use assets and lease liabilities for all lease with a term of more than twelve months, unless the underlying asset is of a low value.

As the company is engaged in short term lease contracts, new INDAS 116 has not been adopted.

#### **Where the Company is the Lessor**

Assets subject to operating Leases are included in fixed assets. Lease income is recognized in the Statement of profit and loss. Costs including depreciation are recognized as an expense in the Statement of profit and loss.

### **2.2.7 Inventory:**

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by First in First out (FIFO) method.

### **2.2.8 Impairment:**

#### **(a) Financial Assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

- (i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default

events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**(b) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**2.2.9 Employee benefits:**

**(a) Gratuity & Provident Fund:**

- (i) Gratuity payable to eligible employees is administered by a separate Trust. Payments to the trust towards contributions and other demands are made on the basis of actuarial valuation.

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of the defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive

income. The effects of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

- (ii) Fixed contributions to Provident Fund are recognized in the accounts at actual cost to the Company.

**(b) Other Benefits:**

Other employee benefits are estimated and accounted as per the company's policy and the terms of the employment contract.

**2.2.10 Provisions:**

All the provisions are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.2.11 Revenue recognition:**

The Company derives revenues primarily from business of Iron & Steel and power.

**Sale of products**

Revenue is recognized upon transfer of control of promised goods or services to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

An Entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than passage of time is treated as contract asset.

An entity's obligation to transfer goods or service to a customer for which the entity has received consideration (or the amount is due) from the customer is treated as contract liability.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then the discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the goods/services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Goods/ services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional Goods/ services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**Sale of power**

Revenue from sale of power is recognised when the services are provided to the customer based on approved tariff rates established by the respective regulatory authorities. The Company doesn't recognise revenue and an asset for cost incurred in the past that will be recovered.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

**Disaggregate revenue information**

Revenue from Operations presents disaggregated revenues from contracts with customers for the year ended March 31, 2023 by type of goods or services. Refer table in note no.3.17

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

**Trade receivables and contract balances**

The Company classifies the right to consideration in exchange for deliverables as a receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time-and-material contracts are recognized as related control in goods is transferred and services are performed.

Trade receivable is presented net of impairment in the Balance Sheet.

During the year ended March 31, 2023, the Company recognized revenue of Rs.67.62 crore arising from opening unearned revenue as of April 1, 2022.

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023, other than those meeting the exclusion criteria mentioned above, is ₹.67.62 crore. Out of this, the Company expects to recognize revenue of around 98% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment; the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18, Revenue instead of Ind AS 115, Revenue from Contracts with Customers on the financials results of the Company for the year ended and as at March 31, 2023 is insignificant.

**1.1.1 Finance income and expense**

- Finance income consists of interest income on deposits, Lease rental income, un realized gain on mutual fund and other miscellaneous income. Interest income is recognized as it accrues in the statement of profit and loss.
- Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss.
- Foreign currency gains and losses are reported on a net basis.

**1.1.2 Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**(a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used

to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. In view of the unabsorbed depreciation and MAT Credits, the Company has determined that it will continue to recognize tax expense at the existing income tax rate as applicable to the Company.

**(b) Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**1.1.3 Earnings per share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**1.1.4 Foreign Currency Transactions:**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items, arising during the year, as far as they relate to the acquisition of the depreciable capital asset is dealt with in the profit and loss statements.

**1.1.5 Borrowing costs**

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occurs.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.



**Note-3.1: Property, plant and equipment**

The changes in the carrying value of property, plant and equipment for the period ended March 31, 2023 are as follows: (₹. In Lakhs)

	Freehold Land and Roads	Freehold Buildings	Machinery	Electricals	Equipments	Furniture & Fixtures	Vehicles	Roads	Railway Sidings	Total
Gross carrying value as on April 1, 2021	17,806.65	21,765.81	56,632.37	4,912.12	521.80	177.72	613.13	1,265.15	675.63	1,04,370.39
Additions	-	105.64	589.53	-	9.30	3.86	34.46	56.23	-	799.02
Deletions	-	-	59.21	-	-	-	155.81	-	-	215.02
Gross carrying value as on March 31, 2022	17,806.65	21,871.45	57,162.69	4,912.12	531.10	181.58	491.78	1,321.38	675.63	1,04,954.38
Accumulated depreciation as on April 1, 2021	-	6,393.88	29,410.71	4,324.96	489.71	168.14	548.82	1,211.35	641.85	48,187.42
Depreciation	-	675.96	1,348.32	322.11	11.57	2.28	10.65	4.34	-	2,375.23
Accumulated depreciation on deletions	-	-	59.21	-	-	-	150.61	-	-	209.82
Accumulated depreciation as on March 31, 2022	-	7,069.84	30,699.82	4,647.08	501.28	168.42	408.86	1,215.69	641.85	45,352.84
Gross carrying value as on April 1, 2022	17,806.65	21,871.45	57,162.69	4,912.12	531.10	181.58	491.78	1,321.38	675.63	1,04,954.38
Additions	378.48	128.58	343.07	19.29	18.90	15.90	76.66	-	-	980.89
Deletions	-	-	405.17	-	-	-	32.08	-	-	437.25
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-
Gross carrying value as on March 31, 2023	18,185.13	22,000.03	57,100.60	4,931.41	550.00	197.49	536.36	1,321.38	675.63	1,06,498.03
Accumulated depreciation as on April 1, 2022	-	7,069.84	30,699.82	4,647.08	501.28	168.42	408.86	1,215.69	641.85	45,352.84
Depreciation	-	667.33	1,509.95	217.69	6.73	1.68	16.28	17.81	-	2,437.47
Accumulated depreciation on deletions	-	-	178.43	-	-	-	30.67	-	-	209.10
Accumulated depreciation as on March 31, 2023	-	7,737.18	32,031.34	4,864.77	508.01	170.10	394.47	1,233.50	641.85	47,581.21
Carrying value as on March 31, 2023	18,185.13	14,262.86	25,069.26	86.65	41.99	27.38	141.89	87.88	33.78	57,916.82
Carrying value as on March 31, 2022	17,806.65	14,801.61	26,462.87	265.05	29.82	13.16	82.92	105.69	33.78	50,601.55

**Note-3.1.1: Capital-Work-in Progress (CWIP)**  
**Capital work-in-progress ageing schedule for the year ended March 31st, 2023 is as follows:**

CWIP	Amount in CWIP for a period of					Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
Projects in Progress	620.42	133.61	100.19	337.25		1,191.47
Projects temporarily suspended	-	-	-	107.71		107.71
<b>Total CWIP as on March 31, 2023</b>	<b>620.42</b>	<b>133.61</b>	<b>100.19</b>	<b>444.97</b>		<b>1,299.19</b>
Total CWIP as on March 31, 2022	132.53	101.27	1.79	443.18		678.76
For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2023:						
CWIP	To be completed in					Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
Roads-Allenale Road Linking Rolling Mill	75.00	75.00	75.00			225.00
Sponge Iron Div-Cone Crusher	75.00					75.00
LRP (SMS)	50.00					50.00
Roads-Railway Siding	200.00	200.00	400.00			800.00
Sponge Iron- 1mn (MIS) Expansion	-	10,000.00	17,000.00	70,000.00		97,000.00
Rolling Mill, Caster at Kothapeta unit	2,500.00					2,500.00
6/11 Caster at ISP, Srirampuram	700.00					700.00
8MM Rolling Mill at ISP, Srirampuram	2,000.00					2,000.00
Bobbili	500.00					500.00
<b>Total</b>	<b>6,100.00</b>	<b>10,275.00</b>	<b>17,475.00</b>	<b>70,000.00</b>		<b>1,03,850.00</b>



	₹ in Lakhs As at 31/03/2023	₹ in Lakhs As at 31/03/2022	
<b>Note-3.2: OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)</b>			
Capital Advances	121.22	64.26	
Security Deposits	784.72	586.73	
Other Receivables	469.72	451.68	
Indirect Tax Balances	1,513.15	1,753.82	
Deferred Revenue expenditure	1,180.65	1,462.86	
	<b>4,069.46</b>	<b>4,319.34</b>	
<b>Note-3.3: DEFERRED TAX LIABILITY (NET)</b>			
The movement on the deferred tax account is as follows:			
At the start of the year	7,055.29	(3,144.41)	
Charge/(credit) to Statement of Profit and Loss (Refer note:3.25)	(3,052.75)	10,199.70	
	<b>4,002.54</b>	<b>7,055.29</b>	
<b>Components of Deferred tax liabilities/ (asset):</b>			
<b>Deferred tax liabilities/(asset) in relation to:</b>	<b>Opening</b>	<b>Movement</b>	<b>Closing</b>
Property, plant and equipment	(8,514.43)	122.98	(8,391.45)
Financial Assets	(18.09)	(10.30)	(28.39)
Provisions	(972.29)	3.71	(968.59)
Tax Losses/credits	16,560.11	(3,169.14)	13,390.97
<b>Total:</b>	<b>7,055.29</b>	<b>(3,052.75)</b>	<b>4,002.54</b>
<b>Note-3.4: INVENTORIES</b>			
Raw Material	21,211.97	20,588.31	
Finished Goods	5,886.28	2,243.34	
Consumables	606.06	656.83	
Stores & Spares	475.53	250.96	
	<b>28,179.83</b>	<b>23,739.44</b>	
<b>Disclosure:</b>			
The above inventories includes ₹.9,902.12 (₹.134,99.03) which are expected to be consumed / recovered beyond a period of 12 months.			
<b>Note-3.5: TRADE RECEIVABLES</b>			
Trade receivables considered good- Unsecured	12,178.49	10,355.47	
Less: Allowance for expected credit loss	934.85	1,153.80	
Trade receivables considered good- Unsecured	<b>11,243.64</b>	<b>9,201.67</b>	
Note: Ageing analysis of the above trade receivables is provided in the Notes to Accounts refer point no.3.36.8			
<b>Note-3.6: CASH AND CASH EQUIVALENTS</b>			
<b>(1) Cash and Cash Equivalents</b>			
a) Balances with banks - In Current Accounts	1,115.14	1,416.32	
b) Cash on Hand	14.00	10.54	
	<b>1,129.14</b>	<b>1,426.86</b>	

	₹ in Lakhs As at 31/03/2023	₹ in Lakhs As at 31/03/2022
<b>(2) Other Bank Balances</b>		
a) In deposit accounts - Held as Margin Money	809.64	107.61
	<b>809.64</b>	<b>107.61</b>
	<b>1,938.78</b>	<b>1,534.47</b>

**Disclosures:**

Cash and Cash equivalents as of March 31, 2023 and March 31, 2022 includes restricted cash balances of ₹.809.64 and ₹.107.61 respectively. The restriction is primarily on account of Cash and Bank balances held as margin money deposits against Letter of Credits and Bank guarantees sanctioned by banks.

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

**Note-3.7: OTHER FINANCIAL ASSETS**

* Advances For Purchases & Works	2,141.47	3,338.90
Advance for expenses	95.57	94.95
Other Advances	75.29	46.77
	<b>2,312.33</b>	<b>3,480.61</b>

**Disclosure:**

(*) Advance for purchases & works includes dues from companies where directors are interested	107.86	-
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**Note-3.8: OTHER CURRENT ASSETS**

Advance Tax and Tax Deducted at Source	239.30	147.33
MAT Credit Entitlement	1,539.73	1,539.73
State Govt incentives receivable (Sales Tax)	366.40	366.40
Prepaid Expenses	88.06	57.48
	<b>2,233.50</b>	<b>2,110.94</b>

**Disclosures:**

The Company has made provision for tax in the earlier years on basis of provision U/s. 115JB of the Income Tax Act, 1961. The same is taken into books as it can be adjusted against tax normal tax liability during the specified period. In accordance with the guidance note issued by ICAI, the company will review the same at each balance sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

	₹ in Lakhs As at 31/03/2023	₹ in Lakhs As at 31/03/2022
<b>Note-3.9: SHARE CAPITAL</b>		
<b>Equity share capital</b>		
<b>(i) Authorized</b>		
Equity shares, of ₹.10 par value 25,80,00,000 equity shares	-	25,800.00
Equity shares, of ₹.1 par value 258,00,00,000 equity shares	25,800.00	
Preference shares of ₹.10 par value 7,40,00,000 preference shares	7,400.00	7,400.00
	<b>33,200.00</b>	<b>33,200.00</b>
<b>(ii) Issued , Subscribed and fully paid up</b>		
Equity shares of ₹.1 par value 88,08,11,770 equity shares	8,808.12	-
Equity shares of ₹.10 par value 7,59,84,812 equity shares		7,598.48
Equity shares of ₹.10 par value 44,04,059 equity shares	-	440.41
Equity shares of ₹.10 par value 76,92,306 equity shares		769.23
Equity shares of ₹.1 par value 6,30,00,000 equity shares	630.00	-
Equity shares of ₹.1 par value 9,58,00,000 equity shares	958.00	-
	<b>10,396.12</b>	<b>8,808.12</b>

#### **Rights, Preferences and restrictions attached to Equity Shares:**

Sub-division of Equity shares: Pursuant to approval of the members received on 24 June 2022, the Company has sub-divided its equity share of Rs.10 each into equity share of ₹.1 each. As a result, each equity share of Rs.10 is sub-divided into 10 (Ten) equity shares of Rs.1 each. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Statement on the basis of the new number of equity shares in accordance with Ind AS 33- Earnings per Share".

The Company has only one class of equity shares having a par value of ₹.1 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

During the year 2021-22, the Company has allotted 76,92,306 equity shares having a par value of ₹.10/- per share with share premium of ₹.29/- per share to Vizag Profiles Pvt Ltd and Promoters.

During the year 2022-23, the 63,00,000 Unsecured 12% Compulsorily Convertible Debentures (CCD's) of Rs. Rs. 72.50 each held by Vishwa Samudra Holdings Private Limited were converted into 6,30,00,000 equity shares of ₹.1/- each at ₹.7.25/- per share (inclusive of share premium of ₹.6.25/-) in Jan-23.

During the year 2022-23, of the 1,71,60,000 Unsecured 12% Compulsorily Convertible Debentures (CCD's) of Rs.72.50 each held by Vizag Profiles Private Limited, 95,80,000 CCDs were converted into 9,58,00,000 equity shares of ₹.1/- each at ₹.7.25/- per share (inclusive of share premium of ₹.6.25/-) in Mar-23.

**Note-3.9.1: Share holding of Promoters:**

Shares held by promoters as on 31st March, 2023

No.	Promoter Name	No. of Shares	% of total shares	% Change during the Year
	<b>Promoters:</b>			
1	Bandi Satish Kumar	64,59,440	0.62	(0.11)
2	Bandi Ramesh Kumar	1,60,14,690	1.54	(0.28)
3	Bandi Suresh Kumar	4,11,40,520	3.96	(0.71)
4	Bavineni Suresh	2,42,04,010	2.33	(0.42)
5	Veeramachaneni Venkata Krishna Rao	64,37,360	0.62	(0.11)
	<b>Promoters Group:</b>			
6	Bavineni Jyothi Kiran	1,12,79,640	1.08	(0.20)
7	V Rajya Lakshmi	34,09,080	0.33	(0.06)
8	Veeramachaneni Srijan Babu	11,48,860	0.11	(0.02)
9	Bandi Jaya Padmavathi	1,32,56,460	1.28	(0.23)
10	Bavineni Lavanya	49,11,460	0.47	(0.09)
11	Rajesh Bavineni	77,53,360	0.75	(0.13)
12	Sudha B	80,000	0.01	Nil
13	Bandi Suguna	43,31,500	0.42	(0.07)
14	Bandi Arunakanthi	21,79,000	0.21	(0.04)
15	Umashiv Garments Private Ltd	20,78,91,150	20.00	(3.60)
16	Vizag Profiles Private Limited	17,90,77,520	17.23	7.78
	<b>TOTAL Promoters</b>	<b>52,95,74,050</b>	<b>50.94</b>	
	<b>TOTAL Public</b>	<b>51,00,37,720</b>	<b>49.06</b>	
	<b>GRAND TOTAL</b>	<b>1,03,96,11,770</b>	<b>100.00</b>	



	₹ in Lakhs As at 31/03/2023	₹ in Lakhs As at 31/03/2022
<b>Note-3.10: OTHER EQUITY</b>		
<b>(i) Reserves &amp; Surplus</b>		
<b>a) Capital Reserve</b>		
Opening Balance	17,950.77	17,950.77
Additions during the Year	-	-
Closing Balance (A)	17,950.77	17,950.77
<b>b) Revaluation Reserve</b>		
Opening Balance	20,814.23	22,104.02
Addition during the year	-	-
Deletions during the year	-	1,289.78
Closing Balance (B)	20,814.23	20,814.23
<b>c) Amalgamation Reserve</b>		
Opening Balance	7,539.23	7,539.23
Additions during the Year	-	-
Closing Balance (C)	7,539.23	7,539.23
<b>d) Capital Redemption Reserve</b>		
Opening Balance	55.04	55.04
Transfer from Statement of Profit & Loss	-	-
Closing Balance (D)	55.04	55.04
<b>e) Subsidy</b>		
Opening Balance	15.00	15.00
Additions during the Year	-	-
Closing Balance (E)	15.00	15.00
<b>f) General Reserve</b>		
Opening Balance	565.00	565.00
Transferred from Statement of Profit and Loss	-	-
Closing Balance (F)	565.00	565.00
<b>g) Securities Premium Account</b>		
Opening Balance	12,486.19	10,255.42
Premium on shares issued during the year	9,925.00	2,230.77
Closing Balance (G)	22,411.19	12,486.19
<b>h) Investment Allowance Reserve</b>		
Opening Balance	17.20	17.20
Additions during the Year	-	-
Closing Balance (H)	17.20	17.20
<b>i) Share warrants *</b>		
Opening Balance	1,055.27	-
Additions during the Year	-	1,055.27
Closing Balance (I)	1,055.27	1,055.27
<b>j) Surplus in Statement of Profit and Loss</b>		
Opening Balance	(24,628.91)	(36,276.94)
Add: Profit for the year	(5,885.11)	11,648.04
Closing Balance (J)	(30,514.01)	(24,628.91)
<b>Total (a+b+c+d+e+f+g+h+i+j)</b>	<b>39,908.92</b>	<b>35,869.02</b>



	₹ in Lakhs As at 31/03/2023	₹ in Lakhs As at 31/03/2022
<b>(ii) Equity Component of Compounded Financial Instrument</b>		
Opening Balance	4,462.23	-
Additions during the Year	-	4,462.23
Deletions during the Year	3,020.47	
Closing Balance	<b>1,441.76</b>	<b>4,462.23</b>
<b>(iii) Other Comprehensive Income</b>		
Opening Balance	(32.26)	(20.80)
Defined benefit plan-Gratuity fund	1.93	(11.46)
Closing Balance	<b>(30.33)</b>	<b>(32.26)</b>
<b>Total Comprehensive Income (i)+(ii)+(iii)</b>	<b>41,320.35</b>	<b>40,299.00</b>

(\* ) Issue of 58,22,150 convertible warrants of ₹.72.50/- each to Umashiv Garments Private Limited on 24th November, 2021 on payments of 25% consideration . The warrants shall be converted into 58,22,150 equity shares of ₹.10/- each at a of ₹.72.50/- per share ( inclusive of share premium of ₹.62.50/- per share) on preferential basis within 18 months from the date of allotment. The amount paid on warrants shall be forfeited if the warrants are not exercised with in a period of 18 months from the date of allotment.

#### Note-3.11: BORROWINGS

##### Non-current:

##### Secured

21.5% Non Convertible Debentures

22,826.27

27,011.25

##### Unsecured

-12% Compulsorily Convertible Debentures

-

7,358.76

- Vehicle Hire Purchase Loans

48.73

-

22,874.99

34,370.02

##### Current:

##### Secured

- Non Convertible Debentures

6,087.00

3,423.77

##### Unsecured

12% Compulsorily Convertible Debentures\*

4,053.74

5,187.50

- Vehicle Hire Purchase Loans

23.94

-

10,164.68

8,611.27

**33,039.68**

**42,981.29**

#### Disclosure:

\*Includes dues to companies where directors are interested  
(Term Loan from others under unsecured)

4,053.74

9,177.06

Details of terms of repayment for long-term borrowings and security provided in respect there of:

#### Nature of Security

- a) 3,828-21.5% Listed,rated, redeemable,secured Non-Convertible Debentures (NCDs) of Rs.10,00,000/- each issued to Edelweiss, Mumbai and the indicative list of the security is as follows: (i) Second charge on present and future current

assets of the Company (First charge being with Kotak Mahindra Bank Ltd as Working Capital Lender) (ii) Exclusive charge on all land assets, manufacturing plants and buildings and other fixed assets of the Company. (iii) Pledge of 35,37,74,050 Equity Shares of face value Rs. 1/- held by promoter and promoter group as on 31-03-2023. (iv) Personal Guarantee of Mr.Bandi Satish Kumar, Mr.Bandi Suresh Kumar and Mr. Bandi Ramesh Kumar. (v) Corporate Guarantee of VPPL and Umashiv Garments Private Limited. (vi) Any other security as may be mutually agreed between the Investors and the company.

- b) 3,828-21.5% Listed,rated, redeemable,secured Non-Convertible Debentures (NCDs) of ₹.10,00,000 each issued to Edelweiss, Mumbai are stated at reduced face value of ₹.7,55,310 each NCD as on 31.03.2023 after partial payment of stipulated mandatory payments for NCD holders.
- c) Allotment of 1,71,60,000 Unsecured 12% Compulsorily Convertible Debentures (CCDs) of ₹.72.50/- each to Vizag Profiles Private Limited on 24th November, 2021. The CCDs shall be converted into 1,71,60,000 equity shares of ₹.10/- each at a of ₹.72.50/- per share ( inclusive of share premium of ₹.62.50/- per share) on preferential basis within 18 months from the date of allotment.

Of the above, 95,80,000 Unsecured 12% Compulsorily Convertible Debentures (CCD's) were converted into 9,58,00,000 equity shares of ₹.1/- each at ₹.7.25/- per share (inclusive of share premium of ₹.6.25/- per share) in Mar-23.

- d) Allotment of 63,00,000 Unsecured 12% Compulsorily Convertible Debentures (CCDs) of ₹.72.50/- each to Vishwa Samudra Holdings Private Limited on 24th November, 2021. The CCDs shall be converted into 63,00,000 equity shares of ₹.10/- each at a of ₹.72.50/- per share ( inclusive of share premium of ₹.62.50/- per share) on preferential basis within 18 months from the date of allotment.

The above 6,30,00,00 Unsecured 12% Compulsorily Convertible Debentures (CCD's) were converted into equity shares of ₹.1/- each at ₹.7.25/- per share (inclusive of share premium of ₹.6.25/-) in Jan-23.

**The terms of repayment of NCD'S and CCD'S are stated below**

**As at March 31, 2023**

<b>Financer</b>	<b>Terms of repayment</b>
<b>Non Convertible Debentures (NCD's):</b> Edelweiss Alternative Asset Advisors Ltd. outstanding as on 31.03.2023 of ₹.1374.66 (Previous year: ₹.1447.01)	1.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EFL Special Pte Ltd outstanding as on 31.03.2023 of ₹.4025.80 (Previous year: ₹.4237.69)	2.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EISAF II Onshore Fund outstanding as on 31.03.2023 of ₹.5121.00 (Previous year: ₹.5390.53)	3.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EW India Special Assets Fund II Pte Ltd outstanding as on 31.03.2023 of ₹.14358.45 (Previous year: ₹.15114.15)	4.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
EWON Pte Ltd outstanding as on 31.03.2023 of ₹.4033.35 (Previous year: ₹.4245.64)	5.Repayable in 21 quarterly installments commencing from January, 2021. Last installment due in March 2026. Rate of interest 21.5% p.a. as at year end.
<b>Compulsorily Convertible Debentures (CCD's):</b> Vizag Profiles Pvt. Ltd. outstanding as on 31.03.2023 of ₹.5495.50 (Previous year: ₹.12441.00)	6. Interest 12% p.a. payable Half yearly and thereafter upon conversion till the date of conversion.



**Maturity profile of Hire Purchase Loans as on 31st March, 2023**

Borrowings	Principal Repayable in		
	1-2 Years	2-3 Years	Above 3 Years
Hire Purchase Loans	48.73	23.94	-
Installments falling due in respect of all the above Loans for a period of 12 months have been grouped under "Current maturities of long-term debt" (Refer Note 3.15)			
		₹ in Lakhs	₹ in Lakhs
		As at 31/03/2023	As at 31/03/2022

**Note-3.12: PROVISIONS**
**Employee Benefits: (Non-Current)**

Provision for Gratuity and others	237.76	195.01
	<b>237.76</b>	<b>195.01</b>

**Employee Benefits: (Current)**

Provision for Gratuity and others	11.56	11.50
	<b>11.56</b>	<b>11.50</b>
	<b>249.32</b>	<b>206.51</b>

**Note-3.13: SHORT TERM BORROWINGS**

Working Capital from Kotak Mahindra Bank Ltd.	1,000.00	987.25
	<b>1,000.00</b>	<b>987.25</b>

**Disclosure:**
**Nature of Security:**

i. First Charge on all existing and future current assets of the company by way of Hypothecation (Second charge being with NCD holders) ii) Registered mortgage on properties offered as collateral for working capital limits by Vizag Profiles Pvt. Ltd., Mr B. Satish Kumar, Mr B. Ramesh Kumar, Mr B. Suresh Kumar, Mr. B. Suresh, Mr. B. Rajesh and Mrs. B. Jaya Padmavathi. iii) Personal guarantees of Directors of the company i.e., Mr B. Satish Kumar, Mr B. Ramesh Kumar, Mr B. Suresh Kumar iv) Personal Guarantees of Mrs B. Jaya Padmavati, Mrs B Jyothikiran, Mr B. Suresh and Mr B. Rajesh to be restricted to the property value mortgaged and v) Corporate Guarantee of M/s Vizag Profiles Private Limited and M/s Umashiv Garments Private Ltd.

**Note-3.14: TRADE PAYABLES**

Micro and Small Scale Enterprises	376.98	64.39
Others (*)	13,951.85	8,011.27
	<b>14,328.84</b>	<b>8,075.66</b>

**Disclosures:**

(*) Others includes dues to companies where directors are interested	210.04	270.90
--	--------	--------

As at 31st March, 2023 there are ₹.78.02 overdues payable to micro and small enterprises (previous year ₹.10.54).

The interest outstanding is ₹0.62 (Previous year ₹.0.68) on the same. (Note: 3.31)

The above information is based on the declarations received from the Vendors who constitute as Supplier within the meaning of Section 2(n) of the Micro, Small and Medium Enterprises Development Act, 2006.



	₹ in Lakhs As at 31/03/2023	₹ in Lakhs As at 31/03/2022
<b>Note-3.15: OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long-term debt (Note:3.11)	10,164.68	8,611.27
Payables for Capital goods	92.32	94.95
Security Deposits	56.72	52.96
Other Current Liabilities	1,085.52	1,731.48
Payable for Expenses (*)	1,134.36	1,178.39
Non-convertible Redeemable Preference Shares (**)	1,860.88	1,860.88
	<b>14,394.48</b>	<b>13,529.92</b>

**Disclosures:**

(\*) Payable for expenses includes dues to companies where directors are interested

249.31                      233.55

(\*\*) 1,86,08,750 10.5% Non Convertible Redeemable Preference Share Capital allotted on January 27, 2016, to the shareholders of Simhadri Power Limited consequent to the approval of amalgamation of Simhadri Power Limited with Steel Exchange India Limited effective from 1.4.2013 by the Honourable High Court of Judicature at Hyderabad for the state of Telagana and for the state of Andhra Pradesh. The shares are redeemable on January 26, 2023 at ₹. 10 per share.

These redeemable cumulative preference shares do not contain any equity component and are classified as financial liabilities in their entirety. In addition, the Company has designated these preference shares as financial liabilities at FVTPL as permitted by Ind AS 109. The preference shares have fixed non-discretionary dividend payments and mature on January 26, 2023.

The company has obtained extention for a period of 2 years till 26th January 2025 for redemption of the 10.5% Non-Convertible Redeemable Preference Shares issued to Vizag Profiles Private Limited as the same are subordinated to the NCD holders.

**Note-3.16- OTHER CURRENT LIABILITIES**

Statutory remittances	1,650.68	1,697.32
Unearned Revenue(*)	6,762.26	3,524.42
Payables to Employees	204.01	208.98
Others	15.04	14.88
	<b>8,631.99</b>	<b>5,445.61</b>

**Disclosures:**

(\*) Others includes dues to companies where directors are interested

0.17                      1,129.94



	₹ in Lakhs Year Ended 31/03/2023	₹ in Lakhs Year Ended 31/03/2022
<b>Note-3.17: REVENUE FROM OPERATIONS</b>		
Sale of Products	1,05,659.13	92,459.38
Sale of Energy	3,816.71	3,634.16
Sale of Traded Goods	29,356.97	13,965.06
	<b>1,38,832.81</b>	<b>1,10,058.60</b>
<b>Disaggregation of Revenue:</b>		
<b>Finished Goods Sold</b>		
Rebar & Wires	81,482.05	73,263.34
Billets & Ingots	20,970.47	16,205.95
Sponge iron and Pig Iron	351.31	263.94
Steel Scrap & Structural	1,506.64	271.84
Coal & Coal fines	17.53	83.61
Iron Ore & Iron Ore Fines	995.23	2,072.02
Mill Scale and Others	335.90	298.67
	<b>1,05,659.13</b>	<b>92,459.38</b>
<b>Energy</b>		
Power	3,816.71	3,634.16
	<b>3,816.71</b>	<b>3,634.16</b>
<b>Trading Goods Sold</b>		
Rebar, Wire & Wire Rod Coils	29,168.24	13,408.19
Gas Sales	188.73	556.87
	<b>29,356.97</b>	<b>13,965.06</b>
<b>Note-3.18: OTHER INCOME</b>		
<b>a) Interest income:</b>		
Bank margin money and others	50.00	53.58
<b>b) Other non-operating income:</b>		
Lease Rental Income	39.40	14.51
<b>c) Other gains and loss:</b>		
i) Gain(Loss) on disposal of property,plant and equipment	8.58	1,421.26
<b>d) Other receipts</b>		
i) Other receipts	405.52	539.83
	<b>503.50</b>	<b>2,029.18</b>



	₹ in Lakhs Year Ended 31/03/2023	₹ in Lakhs Year Ended 31/03/2022
<b>Note-3.19: COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed		
Opening Stock	20,588.31	15,393.74
Purchases	90,722.35	79,559.61
	<b>1,11,310.67</b>	<b>94,953.35</b>
Less: Closing Stock (**)	21,211.97	20,588.31
Cost of Materials Consumed (#)	<b>90,098.70</b>	<b>74,365.03</b>
<b># Details of Materials Consumed</b>		
Sponge Iron	107.53	-
Scrap	26,261.78	7,496.38
Pig Iron/ Tundish Steel Skull	5,339.81	5,946.40
Coal /Coal fines	33,225.24	24,173.38
Iron ore/Iron ore fines	11,465.08	17,752.80
Ferro Shots	1,023.85	2,022.69
Lime Stone/Dolomite	201.30	20.99
Pellets	7,805.70	8,426.26
Pooled Iron/Panther shots	3,688.46	7,037.99
Billet	-	1,003.34
Others	979.95	484.80
	<b>90,098.70</b>	<b>74,365.03</b>
<b>** Details of Closing Stock of Raw Materials:</b>		
Scrap	11,407.99	13,048.42
Iron Ore & Iron ore fines	416.82	690.56
Coal/Coal fines	8,716.69	6,040.08
Pig Iron	46.32	54.69
Iron Ore (Acce)	-	626.13
Others	3.57	29.78
Pellets	-	82.27
Pooled Iron/Panther shots	620.58	16.40
	<b>21,211.97</b>	<b>20,588.31</b>
<b>Note-3.20: PURCHASE OF TRADED GOODS</b>		
Rebar, Wire & Wire Rod Coils	29,939.60	12,923.65
Gas	331.48	336.37
	<b>30,271.08</b>	<b>13,260.02</b>



₹ in Lakhs  
Year Ended  
31/03/2023

₹ in Lakhs  
Year Ended  
31/03/2022

**Note-3.21: CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS:**

	₹ in Lakhs Year Ended 31/03/2023	₹ in Lakhs Year Ended 31/03/2022
<b>Inventories (at Close)</b>		
Finished Goods	4,489.09	2,004.21
Traded Goods	1,397.18	239.13
	<b>5,886.28</b>	<b>2,243.34</b>
<b>Inventories (at commencement)</b>		
Finished Goods	2,004.21	2,824.73
Traded Goods	239.13	54.84
	<b>2,243.34</b>	<b>2,879.56</b>
<b>(Increase)/Decrease in Stock (A-B)</b>	<b>(3,642.94)</b>	<b>636.22</b>

₹ in Lakhs Year Ended  
31/03/2023

₹ in Lakhs Year Ended  
31/03/2022

Details of inventory	₹ in Lakhs Year Ended 31/03/2023		₹ in Lakhs Year Ended 31/03/2022	
	Manufacturing	Trading	Manufacturing	Trading
Rebar & Wires	1,085.06	1,397.18	821.02	239.13
Billets & Ingots	1,328.85	-	303.16	-
Sponge iron	1,940.89	-	569.29	-
Steel Scrap	22.23	-	0.75	-
Mill Scale and Others	109.20	-	184.72	-
Slag	2.86	-	125.28	-
	<b>4,489.09</b>	<b>1,397.18</b>	<b>2,004.21</b>	<b>239.13</b>

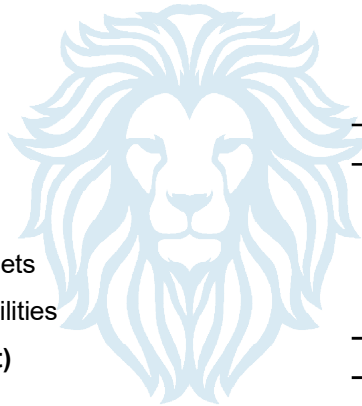
# Simhadri TMT



	₹ in Lakhs Year Ended 31/03/2023	₹ in Lakhs Year Ended 31/03/2022
<b>Note-3.22: EMPLOYEE BENEFITS</b>		
Salaries, Wages, Bonus & Exgratia	3,031.25	2,819.99
Contributions to Provident Fund and other funds		
Provident Fund & DLI	60.90	61.46
Pension Fund	48.53	47.23
Group Gratuity Fund	57.51	35.49
Staff welfare	40.66	36.63
	<b>3,238.85</b>	<b>3,000.81</b>
<b>Note-3.23: FINANCE COSTS</b>		
Interest Expenses to:		
- Bank	121.86	5.50
- Others	9,891.67	8,746.47
Bank Charges & Comission	550.15	59.86
	<b>10,563.68</b>	<b>8,811.83</b>
<b>Note-3.24: OTHER EXPENSES</b>		
<b>a) Manufacturing Expenses:</b>		
Stores, Spares & Consumables	4,903.61	4,847.90
Power & Fuel	179.51	137.48
Gas charges	7.25	11.67
Repairs & Maintenance	183.60	140.07
Factory Maintanance	2.47	2.53
Loading & Unloading Charges	6.03	18.07
Transmission Charges	407.45	439.73
Contract Charges	329.91	287.23
Other Manufacturing expenses	157.09	222.80
<b>b) Other Operational Expenses:</b>		
Legal & professional Charges	281.66	447.75
Rent, Hire and Rates & Taxes	373.36	653.86
Insurance	50.76	12.04
Payment to Auditors		
As Auditors	45.00	45.00
For Tax Audit	5.00	5.00
For Tax representation	4.50	4.50
For Certification & Others	4.50	4.50
CSR Expenses	42.77	104.65
Selling & Distribution Expenses	53.57	29.91
Discounts	1,294.50	113.22
Provision for doubtful debts	(218.95)	(192.88)
General Charges ( #)	1,076.10	809.71
Exchange Fluctuation Loss (Net)	-	45.54
Bad Debts Written Off and others	12.12	-
	<b>9,201.82</b>	<b>8,190.31</b>



	₹ in Lakhs Year Ended 31/03/2023	₹ in Lakhs Year Ended 31/03/2022
<b>#General Charges Includes:</b>		
Office Maintanance	46.13	57.15
Electricity charges	15.59	12.41
Postage & Telephone	10.27	6.53
Printing & Stationary	6.08	6.25
Freight & Handling Charges	463.55	358.64
Yard Expenses	0.80	5.16
Vehicle Maintanance	30.90	28.75
Security Charges	111.02	69.35
Miscl. Expenses	112.91	73.03
Fees and Licence	95.78	101.23
Business Promotion	78.38	25.25
Donations	0.55	-
Travelling & Conveyance	104.14	65.96
	<b>1,076.10</b>	<b>809.71</b>
<b>Note-3.25: DEFERRED TAX</b>		
Decrease/(increase) in deferred tax assets	(3,056.46)	(10,949.47)
(Decrease)/increase in deferred tax liabilities	3.71	749.77
<b>Total deferred tax expenses/(benefit)</b>	<b>(3,052.75)</b>	<b>(10,199.70)</b>



# Simhadri TMT

**3.30** In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

**3.31** Disclosure of Sundry creditors under trade payables has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 and relied upon by the Auditors.

Details of total outstanding dues to Micro, Small and Medium Enterprises Development Act, 2006

**Disclosure relating to Micro and Small Enterprises:**

₹ in Lakhs

Particulars	31st March 2023	31st March 2022
i. (a) The principal amount remaining unpaid to the supplier as at the end of the year.	78.02	10.54
(b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year	0.62	0.68
ii. The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v. The amount of further interest due and payable even in the succeeding years, 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 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**3.32** Contingent liabilities and commitments to the extent not provided for

Contingent Liabilities	₹ in Lakhs 31st March 2023	₹ in Lakhs 31st March 2022
a) Claim against the company by GAIL not acknowledge as debt	184.07	184.07
b) Demands from Sales tax department disputed	789.05	789.05
c) Demands from Excise departments disputed	4144.30	4102.56
d) Demands from GST departments disputed	89.41	89.41
e) Others	1776.60	1054.89

Contingent liabilities represent show cause notices received or pending for final consideration and the Company has already submitted its objections in writing against the demands.



**3.33 (a) Value of imports calculated on C.I.F. basis in respect of:**

Particulars	₹ in Lakhs 31st March 2023	₹ in Lakhs 31st March 2022
Raw Materials	Nil	Nil
Components and Spares	Nil	Nil

**(b) Expenditure in foreign currency:**

Particulars	₹ in Lakhs 31st March 2023	₹ in Lakhs 31st March 2022
Raw Materials	Nil	Nil
Components and Spares	Nil	Nil
Travelling	Nil	Nil
Others	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**(c) Foreign Currency Outgo:**

Particulars	₹ in Lakhs 31st March 2023	₹ in Lakhs 31st March 2022
Raw Materials (*)	684.40	255.44

(\*) Note: Payment made against outstanding dues.

**3.34 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

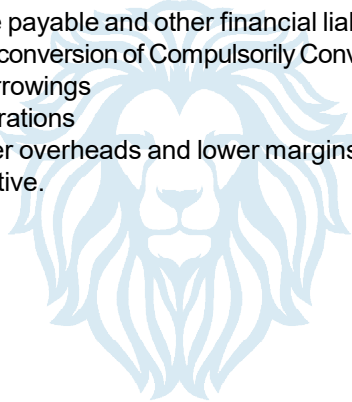
As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Social Welfare, Health care and charitable Trust etc. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Sl. No.	Particulars	₹ in Lakhs	
		As at March 2023	As at March 2022
i)	Amount required to be spent by the company during the year	38.58	102.64
ii)	Amount of expenditure incurred	42.76	104.38
iii)	Opening surplus at the beginning of the year	1.74	-
iv)	Surplus at the end of the year	5.92	1.74
v)	Shortfall at the end of the year	NA	NA
vi)	Total of previous years shortfall	NA	NA
vii)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Social Welfare, Health care and charitable Trust etc.	

**3.35 Analytical Ratios**

Sl. No.	Particulars	31.03.23	31.03.22	% of Variance
1.	Current Ratio	1.34	1.75	-24%(i)
2.	Debt Equity Ratio	0.58	0.68	-15% (ii)
3.	Debt Service Coverage Ratio	0.77	0.65	18% (iii)
4.	Return on Equity (ROE)	(#)	24%	#
5.	Trade receivables turnover ratio	13.58	14.97	-9%
6.	Trade payables turnover ratio	10.80	9.79	10%
7.	Net capital turnover ratio	11.97	6.40	87%(iv)
8.	Net Profit Margin (%)	(#)	11%	(#)
9.	Return on Capital Employed (ROCE)	14%	28%	-50%(v)

- i. Temporarily increase in Trade payable and other financial liabilities.
- ii. Repayment of borrowings and conversion of Compulsorily Convertible Debentures (CCD's) into equity shares.
- iii. Repayment of principle on borrowings
- iv. Increase in revenue from operations
- v. Increase in material cost, other overheads and lower margins
- vi. # These ratios indicates negative.



# Simhadri TMT

**3.36 Disclosure under Accounting Standards:**
**3.36.1 Employee Benefits as per Ind-AS 19:**
**Defined benefit plan-Gratuity:**
**₹ in Lakhs**

Particulars	31st March 2023	31st March 2022
<b>A. Changes in the present value of the Obligation</b>		
Present value of obligation at the beginning of the year	242.93	208.47
Interest cost	17.36	13.92
Current service cost	30.03	25.96
Past service cost	-	-
Benefits paid/payable	(24.29)	(20.58)
Actuarial (gain)/loss on obligation	(3.52)	15.15
<b>Present value of obligation at the end of the year</b>	<b>262.51</b>	<b>242.92</b>
<b>B. Changes in the fair value of the Plan assets</b>		
Fair value of plan assets at the beginning of the year	36.42	54.11
Expected return on plan assets	1.06	2.89
Contributions	-	-
Benefits paid/payable	(24.29)	(20.58)
<b>Fair value of plan assets at the end of the year</b>	<b>13.19</b>	<b>36.42</b>
<b>C. Amounts recognized in the Balance Sheet as on</b>		
Present value of the obligations at the end of the year	262.51	242.93
Fair value of plan assets at the end of the year	13.19	36.42
<b>Liabilities(+)/Asset(-) recognized in the balance sheet</b>	<b>(249.32)</b>	<b>(206.51)</b>
<b>D. Amounts recognized in the Statement of P&amp;L for the year ended</b>		
Current service cost	30.03	25.96
Past service cost	-	-
Interest cost	15.58	9.53
<b>Net actuarial gain/loss recognized in the year</b>	<b>45.61</b>	<b>35.49</b>
<b>E. Other Comprehensive Income (OCI)</b>		
Actuarial(Gain)/Loss recognized for the period	(3.52)	15.15
Return on Plan Assets excluding net interest	0.71	1.50
<b>Total Actuarial(Gain)/Loss recognized in OCI</b>	<b>(2.81)</b>	<b>16.65</b>
<b>F. Principal Actuarial Assumptions:</b>		
<b>Description</b>	<b>2022-23</b>	<b>2021-22</b>
Mortality	IALM (2012-14)Ult	IALM (2012-14)Ult
Interest/Discount Rate	7.21%	7.32%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	13.88	14.21

**G. Sensitivity Analysis**

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	2,40,33,811	2,88,20,643	2,67,07,825	2,21,32,799

**H. Asset Information**

(₹. in lakhs)

	Target Allocation			
	2022-23		2021-22	
	Total Amount	Total Amount	Total Amount	%
Debt Security Government Bond	Nil	Nil	Nil	Nil
Equity Securities Corporate Debt Securities	Nil	Nil	Nil	Nil
Other Insurance contracts	Nil	Nil	Nil	Nil
Gratuity Fund (LIC of India)	13.19	100.00%	36.42	100.00%
<b>Total Itemized Assets</b>	<b>13.19</b>	<b>100.00%</b>	<b>36.42</b>	<b>100.00%</b>

**I. Asset Liability Comparisons**

(₹. in lakhs)

Year	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
PVO at end of period	156.06	196.68	208.47	242.93	262.51
Plan Assets	29.91	12.04	54.11	36.42	13.19
Surplus/(Deficit)	126.14	(184.64)	(154.36)	(206.52)	(249.32)
Experience adjustments on plan assets	6.37	(1.04)	(0.33)	(1.50)	(0.71)

**j. Narrations**
**1. Analysis of Defined Benefit Obligation:**

- The number of members under the scheme has decreased by 5.06%.
- The total salary has decreased by 2.62% during the accounting period.
- The resultant liability at the end of the period over the beginning of the period has increased by 8.06%.

**2. Expected rate of return basis**

EROA is the discount rate as at previous valuation date as per the accounting standard.

**3. Description of Plan Assets and Reimbursement Conditions:**

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to insurer's Surrender Policy.

**4. Investment / Interest Risk:**

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

**5. Longevity Risk:**

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

**6. Salary Escalation Rate:**

The salary escalation rate has remained unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in salary escalation rate.

**7. Discount Rate:**

The discount rate has decreased from 7.32% to 7.21% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

**3.36.2 Segment Reporting as per Ind-AS 108:****A) Basis for segmentation**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the company's Board reviews internal management reports on a periodic basis.

The following summary describes the operations in each of the Company's reportable segments:

**(B) Information about reportable segments**

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), segment revenue and segment capital employed as included in the internal management reports that are reviewed by the board of directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis

  
**Simhadri TMT**

**Reportable Segments**

(Amount(₹) in lakhs)

Particulars	Iron and Steel		Power		Other reconciliation items		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>1.REVENUE</b>								
External Sales	1,35,016.11	1,06,714.44	3,816.71	3,634.16	-	-	1,38,832.81	1,09,945.38
Inter-Segment Sales	2,636.22	3,230.94	-	-	(2,636.22)	(3,230.94)	-	-
Total Revenue	1,37,652.33	1,09,945.38	3,816.71	3,634.16	(2,636.22)	(3,230.94)	1,38,832.81	1,09,945.38
<b>2.RESULT</b>								
Segment Result	7,978.73	10,552.42	(247.60)	(291.73)	-	-	7,731.33	10,260.68
Finance Cost	10,563.68	8,811.83	-	-	-	-	10,563.68	8,811.83
Exceptional & Extra ordinary expenses	-	-	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-	3,052.75	(10,199.70)
Net profit	-	-	-	-	-	-	(5,885.11)	11,636.58
<b>3.OTHER INFORMATION</b>								
Segment Assets	89,796.19	87,374.61	23,399.89	24,347.99	-	-	1,13,196.08	1,11,722.60
Segment Liabilities	31,344.41	23,050.68	7,022.72	4,999.25	-	-	38,366.85	28,049.94
Additions to assets during the year	602.41	799.02	-	-	-	-	980.89	799.02
Depreciation and Amortisation expenses during the year	1,460.17	1,253.35	977.31	1,121.89	-	-	2,437.47	2,375.23

**3.36.3 Related Party Disclosures as per Ind AS 24 are as follows:**
**a) Names of related parties and relation with the Company:**
**i. Key Management Personnel:**

1. B. Satish Kumar- Chairman cum Managing Director
2. B. Suresh Kumar - Jt. Managing Director
3. B. Ramesh Kumar - Jt. Managing Director
4. B. Suresh - Director
5. B. Mohit Sai - Vice President (Commercial)
6. B. Bansidhar - Vice President (Operations)

**ii. Enterprise over which key management personnel/their relatives exercise significant influence:**

1. Vizag Profiles Private Limited
2. Umashiv Garments Private Limited
3. Simhadri Wires Private Limited
4. Simhadri Pellets India limited
5. Satyatej Vyaapar Private Limited
6. SAWP Steel Limited
7. Vizag Profiles Logistics Private Limited (formely known as VPL Integral CFS Private Limited)
8. Abhiram Enterprises
9. Vizag Profiles Education Society
10. Green City Apparels

**b) Particulars of transactions during the year:**

(₹ in Lakhs)

Nature of Transactions	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(i) Transactions with Key Management Personnel:</b>		
Sri B. Satish Kumar (Remuneration)	103.43	75.14
Sri B. Suresh Kumar (Remuneration)	72.00	60.00
Sri B. Ramesh Kumar (Remuneration)	63.00	60.00
Sri B. Mohit Sai (Remuneration)	28.80	28.80
Sri B. Bansidhar (Remuneration)	12.00	12.00
<b>(i) Transactions with enterprise over which key management personnel/their relatives exercise significant influence:</b>		
<b>M/s. Vizag Profiles Private Limited:</b>		
Sale	110.51	112.22
Lease Rental Income	6.00	2.50
Purchase	2,210.94	11.70
Interest & Other Services	1,510.67	932.15
Lease Rental Expenses	113.62	102.50
<b>M/s. SAWP Steel Limited:</b>		
Sale	812.85	2,265.93
Purchase	12,375.56	6,250.90
Lease Rental Income	7.80	7.80
<b>M/s. Vizag Profiles Logistics Private Limited:</b>		
Sale	-	37.29
Services	391.16	1,300.67
<b>M/s. Abhiram Enterprises:</b>		
Sale	6,125.43	-
<b>M/s. Vizag Profiles Education Society:</b>		
Sale	0.84	-

**c) Amount due from/ (due to) related parties at the year-end: (₹ in Lakhs)**

Nature of the Party	31st March, 2023	31st March, 2022
Enterprise over which key management personnel/their relatives exercise significant influence:		
M/s.Vizag Profiles Private Limited	(5,387.64,)	(13,570.94)
M/s. SAWP Steel Limited	2,710.04)	(233.55)
M/s. Vizag Profiles Logistics Private Limited:	(249.31)	(270.90)
M/s.Abhiram Enterprises	1,210.83	-
M/s.Vizag Profiles Education Society	53.16	-

**3.36.4 Earnings Per Share (EPS) as per Ind AS-33:**

Particulars	31st March, 2023	31st March, 2022
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(5,883.17)	11,636.58
Weighted Average Number of Shares for Basic EPS (in lakhs)	8,263.42	867.11
Add: Adjustment for Equity Share Warrants (in lakhs)	145.55	5.06
Weighted Average Number of Shares (in lakhs)	8,408.97	872.18
Add: Adjustment for Compulsorily Convertible Debentures (in lakhs)	758.00	-
Weighted Average Number of Shares for Diluted EPS (in lakhs)	9,166.97	872.18
Basic Earnings Per Share (₹)	(0.71)	13.42
Diluted Earnings Per Share (₹)	(0.71)	13.34
Nominal Value Per Share (₹)	1.00	10.00

**3.36.5 Accounting for Deferred Taxes as per Ind AS-12:**

Necessary details have been disclosed in note no.3.25 for FY 2022-223

**3.36.6 Provisions, Contingent Liabilities and Contingent Assets as per Ind AS-37:**

Necessary details in regard to provisions have been disclosed in note no.3.32

**3.36.7 General:**

- Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period are material.
- Some of the balances appearing under trade receivables, Trade payables, advances, security deposits and other payables are subject to confirmations.
- Figures for the previous year have been regrouped/ rearranged wherever considered necessary so as to confirm to the classification of the current year.



**3.36.8 Fair Value Measurement:**

Financial Instruments by category

(₹ in Lakhs)

	As at March 2023			As at March 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets:</b>						
Trade receivables	-	-	11,243.64	-	-	9,201.67
Cash and cash equivalents	-	-	1,129.14	-	-	1,426.86
Other bank balance	-	-	809.64	-	-	107.61
Other financial assets	-	-	2,312.33	-	-	3,480.61
<b>Total:</b>	-	-	<b>15,494.75</b>	-	-	<b>14,216.76</b>
<b>Financial Liabilities:</b>						
Borrowings	-	-	1,000.00	-	-	987.25
Trade payables	-	-	14,328.84	-	-	8,075.66
Other financial liabilities	-	-	15,841.48	-	-	13,529.92
<b>Total:</b>	-	-	<b>31,170.32</b>	-	-	<b>22,592.82</b>

\*FVTPL-Fair Value through Profit and Loss

\*FVTOCI -Fair Value through Other Comprehensive Income

- Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advanced paid and certain other receivables) as of 31st March 2023 and 31st March 2022 are not included.

Other liabilities that are not financial liabilities (such as statutory dues payable, advance from customers and certain other accruals) as of 31st March 2023 and 31st March 2022 are not included.

The carrying amount of above financial assets and liabilities are considered to be same as their fair values, due to their short term nature.

**3.36.9 Financial Risk Management :**
**Risk Management Framework**

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

**(a) Credit risk**

Credit risk is the risk that counter party will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company's is exposed to credit risk mainly from trade receivables and other financial assets.

**(i) Trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company's through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company's grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company's uses expected credit loss model to assess the impairment loss or gain. The Company's uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Concentrations of credit risk with respect to trade receivables are limited.

**Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:**

**- Year ended 31 March 2023**
**₹. in Lakhs**

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	7,818.88	2,194.12	1,084.01	454.58	258.24	368.66	12,178.49
Expected loss rate	0.91%	26.05%	4.14%	3.87%	12.80%	53.24%	7.68%
Expected credit losses (loss allowance provision)	71.50	571.54	44.92	17.59	33.04	196.26	934.85
Carrying amount of trade receivables (net of impairment)	7,747.39	1,622.58	1,039.09	436.99	225.19	172.40	11,243.64

**- Year ended 31 March 2022**
**₹. in Lakhs**

Ageing	0-30	30-60	60-90	90-120	120-180	>180	Total
Gross carrying amount	5,855.05	942.37	318.22	850.94	1,014.82	1,374.08	10,355.47
Expected loss rate	0.73%	14.48%	29.75%	17.31%	9.20%	46.54%	11.14%
Expected credit losses (loss allowance provision)	42.53	136.49	94.66	147.34	93.35	639.44	1,153.80
Carrying amount of trade receivables (net of impairment)	5,812.53	805.88	223.55	703.60	921.47	734.64	9,201.67

**Reconciliation of loss allowance provision-trade receivables:**
**₹. in Lakhs**

Loss allowance on 1st April 2021	(1,346.67)
Changes in loss allowance	192.88
Loss allowance on 31st March 2022	1153.79)
Changes in loss allowance	(218.95)
Loss allowance on 31st March 2023	(934.85)

**(ii) Other Financial Assets & loans:**

The company has limited credit risk arising from cash and cash equivalents as the deposits are maintained with banks and financial institutions with high credit rating. Further, other financial and current assets mainly comprise of purchase, expenses advance and balances with statutory authorities (GST input credit balances and direct tax receivable balances) which are recoverable from Government. Hence, these are low risk items and the Company's evaluates the recoverability of these financial assets at each reporting date and wherever required, a provision is created against the same.

**B. Liquidity risk**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk through cash generated from operations, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. As at 31st March, 2023, the Company's current assets exceed its current liabilities by ₹.75.41 Crores.

**(ii) Maturities of financial liabilities**

The table below summarise the maturity profile of the Company's financial liabilities:

**-Year ended 31 March 2023**
**₹. in Lakhs**

Ageing	Less than 3 months	More than 3 and up to 12 months	More than 1 year and up to 5 years	>5 years	Total
Trade payable	11,193.44	2,846.56	288.84	-	14,328.84
Non-current borrowings (Debentures)			22,874.99		22,874.99
Current borrowings	5,580.54	4,584.14	-	-	10,164.68
Other financial Liabilities	1,176.25	302.92	2,750.61		4,229.79

**-Year ended 31 March 2022**
**₹. in Lakhs**

Ageing	Less than 3 months	More than 3 and up to 12 months	More than 1 year and up to 5 years	>5 years	Total
Trade payable	5,741.71	1,171.49	1,162.46	-	8,075.66
Non-current borrowings (Banks)	-	-	34,370.02	-	34,370.02
Current borrowings		8,611.27			8,611.27
Other financial Liabilities	1,766.38	237.63	2,914.63		4,918.64

### C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### (i) currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies is minimal and hence no sensitivity analysis is presented.

#### (ii) Interest rate risk

a) 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's is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate.

The borrowings of the Companies are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company's has exposure to interest rate risk, arising principally on changes in base lending rate. The Company's uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings

b) The profile of the Company's' fixed and floating rate borrowings is given below: (₹. In lakhs)

Particulars	As at 31st March 2023	As at 31st march 2022
Variable interest rate	1,000	987.24
Fixed interest rate (including equity component of compounded financial instruments)	34,481.44	47,443.52

#### (iii) Commodity price risk

Commodity price risk arises due to fluctuation in prices of raw materials like iron ore, coal and scrap etc. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established trading operations and control processes.

### 3.6.10 Capital Management

#### (a) Risk management:

The primary objective of the Company's capital management is to maximise the shareholder value. The Company's objectives when managing the capital are to safeguard their ability to

continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Board'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 Board of Directors and senior management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders the Company has no external borrowings as on 31st March 2023.

**(b) Dividends:**

(₹. in Lakhs)

Particulars	31st March 2023	31st March 2022
(i).Equity Shares		
Final dividend for the year ended 31st March 2023 of Rs. Nil (31st March 2022 of Rs. Nil)	-	-

(₹. in Lakhs)

Particulars	31st March 2023	31st March 2022
Net Debt	33,039.67	42,981.29
Total Equity	54,879.85	49,107.12
Net debt to equity ratio	0.60	0.88

As per our report of even date  
For **BHAVANI & CO**  
Chartered Accountants  
Firm Reg. No:012139S

for and on behalf of the Board of Directors

**B. SATISH KUMAR**  
Chairman-cum-Managing Director  
DIN : 00163676

**B. SURESH KUMAR**  
Jt. Managing Director  
DIN : 00206473

**CA S Kavitha Padmini**  
Partner  
M.No. : 229966  
UDIN : 23229966BGXVUF3376

**A.SURESH BABU**  
Chief Financial Officer

**M.RAVEENDRA BABU**  
Company Secretary  
M. No. : A34409

Place: Hyderabad  
Date : 29.05.2023

# Simhadri TMT



**SMS Unit**



**Sponge Iron Unit**



**Railway Sliding**



**Location**



**Simhadri TMT**  
WORLD CLASS STEEL BARS



**STEEL EXCHANGE INDIA LIMITED**

**Regd. Office :** # Door No: 1-65/k/60, Abhis Hiranya, 1st Floor, Kavuri Hills, Hyderabad-500081.  
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