SKS ISPAT AND POWER LIMITED

Nineteenth Annual Report

BOARD OF DIRECTORS

Mr. Anil Gupta	Chairman & Managing Director
Mr. Deepak Gupta	Joint Managing Director
Mr. Devidas Kambale	Independent Director
Ms. Neeta Jain	Independent Director
Mr. Rajeev Sablok	Whole Time Director

BANKERS/ FINANCIAL INSTITUTIONS

State Bank of India
Bank of India
Syndicate Bank
IDBI Bank Ltd.
Phoenix ARC Pvt. Ltd.
L&T Finance Ltd.
Union Bank of India
Indian Overseas Bank
The Jammu & Kashmir Bank Ltd.
Punjab National Bank Ltd.
L&T Infrastructure Finance Company Ltd.
Standard Chartered Bank

AUDITORS

M/s. Kapoor & Parekh Associates
Chartered Accountants (FRN: 104803W)

Registered Office
501-B, Elegant Business Park,
Andheri - Kurla Road, J.B. Nagar,
Andheri (E), Mumbai – 400 059.
Tel: +91-22-30807000
Fax: +91-22-30807070/80
Email: corporateoffice@sksispat.com

Works
Near Siltara Industrial Area, Phase - II,
18th KM, Bilaspur Road, Siltara,
Raipur – 493111 (C.G.),
Tel: +91-9893694255 / 56 / 57 / 58
Fax: +91-7721-264377 / 78
Email: works@sksispat.com

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, we are happy to present the Nineteen Annual Report of the Company, along with the Balance Sheet, Profit and Loss Account and Audit report thereon for the year ended 31st March, 2019. Your Company is primarily engaged in the manufacture of Sponge Iron, Billets, Rolled products, Ferro alloys and Power

Financial Performance:-

Key highlights of financial performance of SKS Ispat and Power Limited and its financial result for the financial year 2018-19 are tabulated below:

Financial Highlights of the company are as under:-

(Amount in ₹ Lacs)

Particulars	**For the year ended**	
	31st March, 2019	**31st March, 2018**
Net Sales and Other Income	1,21,198.26	96,185.33
Profit before Depreciation, Interest, exceptional Items and Tax (EBDITA)	27,399.59	13,441.22
Less: Depreciation	3,498.70	3,596.02
Finance cost	5,201.57	6,656.31
Profit (Loss) before Prior Period, Exceptional, Extraordinary Items and Tax	18,699.32	3,188.89
Exceptional, Extraordinary Items	0.00	15,805.00
Profit (Loss) Before Tax (PBT)	18,699.32	(12,616.11)
Tax Expenses: Current Tax Add/Less: Deferred Tax	- 1,364.28	- 32.37
Profit after Taxation from Continuing Operation	20,063.60	(12,583.74)

Dividend:

Your Company in this financial year has attained profit of Rs. 20,063.60 Lacs as compared to previous year of Rs. (12,583.74). Your Directors opined to held back the profits for future purpose, due to which no dividend was declared during the year.

Reserves:

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review

Brief Description Of Company's Operations:

SKS Ispat and Power Limited, is an ISO 9001-2008, ISO 14001-2004 certified Steel conglomerate, having 6 Lakh tons per annum Integrated Steel Plant in Raipur, Chhattisgarh. A rich manufacturing experience of over 24 years in the Steel Industry enables us to understand and serve our valuable customers in a highly professional and cost effective manner. SKS Ispat & Power Limited is the leading manufacturer of Structural Steel & Wire Rod with integrated facilities like Power Plant, Steel Melting Shop, Sponge Iron, Rolling Mills and Ferro Alloys.

The company's products play a pivotal role in the construction of Infrastructure projects like Bridges and Dams, Industrial Establishments like Power Plants, Chemical Plants, Refinery Units, Cement Plants, Machinery manufacturing plants and all kinds of Structural Steel Sheds and Trusses.

Demand for Rolled products have improved as compared to last year (2018) and the Company has achieved the production targets and Sales targets for the year ended March 2019.With improvement in demand for rolled products, the Company has strengthened their cash flow, owing to which Company has made timely payment of interest and principle installments on outstanding debts to the lenders.

The Gross revenues from operations during the F.Y. 2018-19 has increased to Rs. 119,409.19 Lacs, during the year under review, as compared to Rs. 91,272.61 Lacs during the previous year owing to the production efficiency, which resulted in the Company achieving positive EBITDA of Rs. 27,399.59 Lacs as compared to Rs. 13,441.22 Lacs achieved during the previous year.

Change In Nature of Business:

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

State Of Affairs & Material Changes And Commitments:

There have been material changes which has an effect on the financial position of the company's affairs.

No Significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and company's operations in future.

Details of Subsidiary/Joint Ventures/Associate Companies/Significant Influence Entities:

Sr. No.	Name of Subsidiary/Joint Venture/ Associate Company	Type	Status
1	SKS Power Generation (Chhattisgarh) Limited	Subsidiary (Upto 13th June, 2018)	Active
2	SKS Power Generation (Madhya Pradesh) Limited	Subsidiary	Active
3	SKS Cements Limited	Subsidiary	Active
4	Fatehpur Coal Mining Company Private Limited	Subsidiary	Active
5	Surya Infraventure Private Limited	Associate	Active

The statement containing the salient features of the financial statement of each of the subsidiaries under first proviso to sub-section (3) of section 129 of the Act in Form AOC - I is attached as an Annexure-A as prescribed by the Companies Act, 2013.

Public Deposits:

During the year under review, the Company has not accepted any public deposits within the meaning of Section-73 or any other relevant provisions of the Companies Act, 2013.

Statutory Auditors:

M/s. Kapoor & Parekh Associates, Chartered Accountants (FRN: 104803W) have been appointed as Statutory Auditors of the Company for a period of 5 (Five) years, from the conclusion of 18th Annual General Meeting till the conclusion of 22nd Annual General Meeting by the shareholders of the Company.

Auditors Report

With respect Auditors Qualification:

a) *We draw reference to Note 42 of the financial statements regarding non provision of doubtful advances amounting to ₹ 5,046.98 lakhs. Accordingly, the Loss for the year would have been higher by ₹ 5,046.98 lakhs and assets and reserves would have been lower by ₹ 5,046.98 lakhs.*

b) *The Company has Compulsory Convertible Cumulative Preference Shares amounting to ₹ 27,725.32 lakhs to be converted into equity shares between March 31, 2020 to March 31, 2022 at fair market value determinable on the date of conversion. Such financial instruments needs to be classified as a Financial Liability in accordance with the provisions of IND AS 109 "Financial Instruments". However, the same are classified as "Instruments Entirely Equity in Nature" by the management. Consequent to the above, liabilities are understated by ₹ 27,725.32 lakhs and the equity has been overstated by the said amount. Further, consequential impact of fair value adjustments of above instrument on the financial statements, if any, is presently not ascertainable.*

c) *The disclosure requirement of Schedule III of the Companies Act, 2013 has not been properly adhered to in the presentation and disclosure of financial statements of the Company for matter stated in Point 2 above.*

d) *The managerial remuneration has been paid or provided in excess of limits specified in accordance with the requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 as reported in Para 2 (g) of "Report on Other Legal and Regulatory Requirements" of this Auditor's Report. Accordingly, had the said managerial remuneration not been paid or provided, profit for the year would have been higher by ₹ 37.61 lakhs and assets and reserves would have been higher by ₹ 37.61 lakhs*

Explanation by Directors

a) *As stated in said note no 42, Your directors have already taken step to recover the said amount spent on development of project and further, your Directors have utmost confidence in recovering the amount and therefore there is no reason in creation for any provision of doubtful advances. Further your directors state that if they fail to recover the debts they shall make arrangements for the provision of doubtful debts and advances at the appropriate time.*

b) *With respect to qualified opinion on Compulsory Convertible Cumulative Preference Shares amounting to Rs. 27,725.32 lakhs, the Directors hereby states that the Preference Shares are Compulsory Convertible into Equity Shares, hence it is classified as Instruments Entirely in Equity Nature.*

c) *Your Directors states that, they will cover the compliance part and will adhere to Schedule III of the Companies Act, 2013 at the earliest.*

d) *Your directors state that, they will make provisions for the same and comply with the provisions of Section 197 read with Schedule V to the Companies Act, 2013*

SHARE CAPITAL:

The paid up share capital of the Company as on 31.03.2019 was Rs. 75,651.82 lacs. There were changes in share capital during the financial year 2018 -19 as provided in the tabulated form below

Sr. No.	Name of Equity shareholders	Name of Cumulative Convertible Preference Share Holders (CCCPs)	Date of Allotment / Issuance	No. of Shares Allotted / Issued During The Year
1	Anil Gupta	-	14.06.2018	12,50,000
2	Deepak Gupta	-	14.06.2018	10,00,000
3	Gupta Steel Corporation Private Limited.	-	14.06.2018	38,53,535
4	Padma Ispat Private Limited	-	14.06.2018	40,23,000

Number of Equity Shares: : 47,92,64,995 Face value ₹ 10/-
Cumulative Convertible Preference Shares: 27,72,53,192 to lenders (CCCPs) (Face value ₹ 10/-)

General Information

Overview Of The Industry And Important Changes During Last Year :

FY 2018-19 was marked by steady growth in Structural Steel demand, led by an improvement in the overall economic environment in India. Over the next decade, the Indian economy is set to grow at a record pace and key enabler of this growth will be India's ability to fulfill its Infrastructure needs. We expect the growth momentum in the Indian Infrastructure sector to continue, led by government's infrastructure push and various structural policy reforms, which should augur well for the country's power demand growth.

Economic Overview

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 3rd largest producer of steel in 2015 as well as in 2016. The country was the largest producer of sponge iron or DRI in the world during the period 2003-2015 and emerged as the 2nd largest global producer of DRI in 2016 (after Iran). India is also the 3rd largest finished steel consumer in the world and maintained this status in 2016. Such rankings are based on provisional data released by the World Steel Association for the above year. In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector. In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The said Policy is an updated version of National Steel Policy 2005 which was released earlier and provided a long-term growth perspective for the domestic iron and steel industry by 2019-20. The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement. This policy seeks to accomplish PM's vision of 'Make in India' with objective of nation building and encourage domestic manufacturing and is applicable on all government tenders where price bid is yet to be opened. Further, the Policy provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

Outlook And Opportunities

India's steel consumption is anticipated to increase 230MT by 2030-31. Demand would be supported by growth in the domestic market. The industry is witnessing consolidation of players which has led to investments by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian Market. National Steel Policy implemented to encourage the industry to reach global benchmarks. Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.

Credit Rating

The Company has been rated by ACUITE Ratings for its Banking Facilities. During the year under review, there has been change in Company's Credit Rating.

Instrument	Rating Agency	Earlier Rating	Revised Rating	Date of Rating Letter
Long Term Bank Facilities	ACUITE	ACUITE D	ACUITE BB-	3rd June , 2019
Short Term Bank Facilities	ACUITE	ACUITE D	ACUITE A4+	3rd June , 2019

Energy Conservation, Technology Absorption, and Foreign Exchange Earnings and Outgo

The information in accordance with the provisions of Section 134 (3)(m) of the Companies Act, 2013:-

Technology absorption and Research and Development (R & D)

At present the Company does not have any technical collaboration with others and hence this is not applicable.

Foreign Exchange Income and Outflow

During the year foreign exchange outflow for operations was Rs 63, 26, 96, 631/- due to import of raw materials.

Expenditure On Corporate Social Responsibility Activities:

At SKS Ispat & Power Limited we define CSR as follows:

1. Conducting business in a socially responsible & ethical manner.
2. Optimum utilization & sustainable development of natural resources.
3. Promoting education, health care, sanitation & infrastructure facilities.
4. Promoting sports, cultural programs in consultation with communities and cultures with which we work.

CSR- Corporate Social Responsibility:

The Board has constituted a CSR Committee in accordance with the applicable law.

Composition of CSR Committee is as follows :

Sr. No	Name	Category
1	Mr. Anil Gupta	Managing Director
2	Mr. Devidas Kambale	Independent Director (Non-Executive)
3	Ms. Neeta Jain	Independent Director (Non-Executive)

Pursuant to the provisions of Section 135(5), the Company is required to spend in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years.

The average net profit of the Company made during the immediately three preceding financial years is negative. Hence, there is no minimum requirement for spending towards CSR activities pursuant to the Company's CSR Policy.

Directors & Key Managerial Personnel

IIn accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajeev Sabhlok, Whole Time Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered them for re-appointment and your Board recommends for their re-appointment.

However, to further broad base of the Board composition and to optimize and further enhance the corporate governance practices by your Company, your Board of Directors at its meeting held on 20th March, 2019 has appointed Mr. Gopal Garg as Chief Financial Officer on the Board of the Company under Section 203 of the Companies Act, 2013, w. e. f. 25th March, 2019. Further, Mr. Anil Gupta as Managing Director and Mr. Deepak Gupta as Joint Managing Director have ceased their tenure on 31st March, 2019 and being eligible, and recommended by Board of Directors, they are re-appointed on the said designation by the members in the Extra Ordinary General Meeting dated 15th May, 2019.

Further, Mrs. Rinky Pandey has resigned w.e.f 12th November, 2018 as "Company Secretary" and Mr. Viral Maru has been appointed as "Company Secretary" of the company w. e. f. 12th November, 2018.

Your Directors place on record their sincere appreciation of the valuable contribution made by Mrs. Rinky Pandey to the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company other than sitting fees and travel expenditure payable to them.

Number of Meetings of the Board of Directors

During the year, Twelve Board meetings were held dated 16.04.2018, 14.06.2018, 10.07.2018, 27.07.2018, 01.09.2018, 20.09.2018, 31.10.2018, 12.11.2018, 08.01.2019, 08.02.2019, 13.03.2019, and 20.03.2019, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board meetings held during the year are mentioned below

Sr. No.	Name of Director	Category of Director	No of Board Meetings attended
1	Mr. Anil Gupta	Managing Director	12
2	Mr. Deepak Gupta	Joint Managing Director	12
3	Mr. Devidas Kambale	Independent & Non-Executive Director	12
4	Ms. Neeta Jain	Independent & Non-Executive Director	12
5	Mr. Rajeev Sabhlok*	Whole Time Director	12
6	*Mr. Gopal Garg	Chief Financial Officer	1

***Appointed with effect from 25th March, 2019**

Audit Committee

The terms of reference of this committee covers matters specified under Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statues. The Committee comprises of three Directors, out of which two are Independent Directors. There were Six Audit Committee Meetings held during the financial year 2018-2019 dated 16th April, 2018, 14th June, 2018, 10th July, 2018, 01st September, 2018, 20th September, 2018 and 13th March, 2019.

Composition of committee as on 31st March, 2019 and member's attendance at the meetings during the year are as under

Sr. No.	Name of Director	Category	Designation	Meetings attended
1	Mr. Anil Gupta	Managing Director	Chairman	6
2	Mr. Devidas Kambale	Independent Director Non-Executive	Member	6
3	Ms. Neeta Jain	Independent Director Non-Executive	Member	6

Nomination and Remuneration Committee

The Committee has formulated Policy for Remuneration of Directors, KMP & other employees. As per the Policy, remuneration to Non-executive Independent Directors includes:

a. Fees for attending meetings of the Board as well as Committees of the Board have decided by the Board within the limits prescribed under the Companies Act.

b. Travelling and other expenses they incur for attending to the Company's affairs, including attending Committee, Board and General Meetings of the Company.

Further, as per the policy, remuneration to Executive Directors shall be fair and reasonable after taking into account, level of skill, knowledge and core competence of individual, functions, duties and responsibilities, Company's performance and achievements, compensation of peers and industry standard and other factors laid down in the policy. The details of remuneration of Managing or Whole time Director and other key managerial personnel are mentioned in the Extract of Annual Return (Annexure C).

Sr. No.	Name of Director	Category
1	Mr. Anil Gupta	Managing Director (Executive)
2	Mr. Devidas Kambale	Independent Director (Non-Executive)
3	Ms. Neeta Jain	Independent Director (Non-Executive)

In the Financial Year 2018 – 2019, two Nomination and Remuneration Committee ("NRC") meetings were held. Details of Nomination and Remuneration Committee are as under:

Sr. No.	Name of Director	No. of Meeting Held	No. of Meeting Attended
1	Mr. Anil Gupta	2	2
2	Mr. Devidas Kambale	2	2
3	Ms. Neeta Jain	2	2

Policy on Directors appointment & remuneration

Selection and appointment of Directors is done based on various criteria. The criteria inter alia includes, having qualified in any professional discipline or having proven track record of strong managerial capabilities; possessing knowledge and skills in one or more fields as per the requirement; possessing relevant experience at policy-making and at leadership position in large organizations; having high standards of integrity and probity etc. In case of Independent Directors, he/she must fulfill the criteria of independence attributes to bring independent judgment to Board's deliberations and decisions over and above other attributes.

Policy on formal annual evaluation:

I) **Performance evaluation criteria for Executive Directors inter alia include:** Level of skill, knowledge and core competence; performance and achievement vis-à-vis budget and operating plans; Evaluation criteria for performance evaluation of Chairman are: providing guidance and counsel in strategic matters; providing overall direction to Board towards achieving Company's objectives; maintaining critical balance between the views of different Board Members; ensuring maximum participation and contribution by each Board member; conducting Board and Shareholders meetings in effective and orderly manner etc.

ii) **Performance of Independent Directors is evaluated based on:** Providing independent judgment on strategy, performance and Board's deliberations; devotion of sufficient time for informed decision making; exercising duties in bona fide manner; safeguarding interests of all stakeholders;

iii) Committees of the Board are evaluated for their performance based on:

Effectiveness in discharging duties and functions conferred; setting up and implementation of various policies, procedures and plans, effective use of Committee's powers as per terms of reference, attendance and participation of committee members; providing strategic guidance to the Board on various matters coming under committee's purview etc.

Based on the criteria laid down in the Policy for evaluation of Board, Independent Directors and Committees, the Board carried out the annual performance evaluation of the above persons. The Board expressed its satisfaction on the process as well as performance of all Directors, committees and Board as a whole.

Cost Auditor

Pursuant to the provisions of Section 148(3) of Companies Act, 2013 read with the Rule 14 of Companies (Audit & auditors) Rules, 2015, the Company, has appointed M/s. Rakshit & Associates, Cost and Management Accountants, Shraddhanjali, Netaji Chowk, Pipe Factory Road, New Shantinagar, Raipur-492007, Chhattisgarh, as Cost Auditors of the Company for Audit of the cost accounting records for the financial year 2018-19. The Company will ensure to file the Cost Audit Report on or before the due date. M/s. Rakshit & Associates, Cost and Management Accountants, Raipur, are re-appointed as the Cost Auditor of the Company for the Financial Year 2019-20

Internal control systems:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Internal Audit Process adopted by the Company reviews its Internal Audit Plan and the same is approved by the Audit Committee every financial year and the same is reviewed on regular basis to improve its effectiveness. Our Internal Audit Control System ensures that the regular internal audits are conducted at both the factories and other functional areas. The findings are then taken up by audit committee along with management response for suitable action. The Company's Audit committee comprising of Independent Directors, which is a sub-committee of the Board, also reviews effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations. This Committee reviews all quarterly and yearly results of the Company and recommends them to the Board for approval.

Vigil Mechanism For Directors And Employees:

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report genuine concerns and irregularities, if any, in the Company noticed by them. The Employees of the Company have been made aware of the policy and its working structure in order to report any irregularities. The same is reviewed by the Audit Committee from time to time.

Particulars Of Loans, Guarantees Or Investment Under Section 186

Your Company has complied with the provisions of Section 186 of the Act, which are provided in detail in the Financial Statements.

Particulars Of Contracts Or Arrangements With Related Party:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Particulars of contracts of arrangements with Related Parties referred to in sub section 1 of Section 188 are attached in **Form No. AOC 2 as an Annexure-B**

Secretarial Auditor And Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Vaibhav Shah & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

A Secretarial Audit Report is annexed with the report as Annexure I.

Secretarial Auditor Qualifications

(I) *The Company has pending litigations and disputed cases with various authorities and individuals as mentioned in Annexure – II*

(ii) The Company has not complied with provisions of Section 178 of the Companies Act, 2013, which states that Company shall constitute a Nomination and Remuneration Committee.

(iii) The managerial remuneration has been paid or provided in excess of limits specified in accordance with the requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 as mentioned below:

Payment made to Managing Director / Whole Time Director	Amount paid/provided in excess of the limits prescribed	Amount due for recovery as at Balance Sheet date	Remarks
37,60,898	*37,60,898*	Nil	*Not recovered till the date of balance sheet*

Explanation:

1. *Your Directors state that the management is confident that decision of pending litigations will be in company's favour.*
2. *Your Directors state that since they have complied with the provision for appointment of Chief Financial Officer, they will also make provisions for the same and comply with the provisions of section 178 of the Companies Act 2013.*
3. *Your Directors state that they will make provision for the same and comply with the provisions of section 197 read with schedule v to the Companies Act 2013.*

Risk Management Policy

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. The Company is committed to adopt a proactive approach to risk management which is based on the following underlying principles:

1. To create risk awareness across the organization and to ensure that all material risk exposures of the Company are identified, assessed, quantified and appropriately mitigated;
2. To implement, review and monitor a uniform risk management policy, framework in all aspects of the business, to ensure compliance and assure business growth with financial stability.

Policy on sexual harassment of women at work place:

The Company has in place, policy on Prevention, Prohibition and Redressal of Sexual Harassment for women at workplace, in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants, whilst dealing with issues related to sexual harassment at the work place. All women employees are covered under this policy. The company has not received any complaints during the year..

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanation obtained by them, your directors make the following statements in terms of Section 134 (5) of the Companies Act 2013:

a) That in the preparation of the annual accounts for the year ended 31st March, 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) That such accounting policies as mentioned in the Annual Accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made, so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March, 2019 and of the loss of the Company for the year.

c) That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the company and to prevent and detect fraud and other irregularities.

d) That the annual accounts for the year ended 31st March, 2019 has been prepared on a going concern basis.

e) 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.

Acknowledgment

The Directors wish to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the year under report by the bankers, customers, suppliers and Government agencies. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

For and on behalf of Board of Directors

Sd/-
Anil Gupta
Chairman & Managing Director
(**DIN:0046213)**
Address:
4th Floor, Nirmal Prabhu,
Road No. 7, J.V.P.D. Scheme,
Vile Parle (West), Mumbai-400 049

Place: Mumbai
Date: 3rd June, 2019

ANNEXURE - A
TO THE DIRECTORS' REPORT
FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)]
Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in (₹)

1	Sr. No.	01	03	04
2	Name of the subsidiary	SKS Power Generation (Madhya Pradesh) Limited	SKS Cements Limited	Fatehpur Coal Mining Company Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Subsidiary (₹)	Indian Subsidiary (₹)	Indian Subsidiary (₹)
5	Share Capital	5,00,000/-	10,127,000/-	12,00,000/-
6	Reserves and surplus	(29,96,152/-)	(5,21,710/-)	(13,59,008.50/-)
7	Total assets	52,131,569/-	35,827,093/-	50,194,771.50/-
8	Total liabilities	54,627,721/-	26,221,803/-	50,353,780/-
9	Investments	4,93,389/-	0/-	0/-
10	Turnover	0/-	0/-	0/-
11	Profit/Loss before taxation	(62,848)	9,314/-	(4,69,847/-)
12	Provision for taxation / Tax Expense	7,749	3,134/-	0/-
13	Profit/Loss after taxation	(55,099)	6,180/-	(4,69,847/-)
14	Interim Dividend	0/-	0/-	0/-
15	Proposed Dividend	0/-	0/-	0/-
16	% of shareholding	100/-	100/-	61.54%
17	Names of subsidiaries which are yet to commence operations	None		
18	Names of subsidiaries which have been liquidated or sold during the year	SKS Power Generation (Chhattisgarh) Limited ceased from 13th June, 2018		

For and on behalf of Board of Directors

Sd/-
Anil Gupta
Chairman & Managing Director
(**DIN:0046213)**

Place: Mumbai
Date: 3rd june, 2019

Part "B": Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures		Surya Infra Venture Private Limited
1	Latest audited Balance Sheet Date		31.03.2019
2	Shares of Associate/ Joint Ventures held by the company on the year end	No	1,35,000
		Amount of Investment in Associates/Joint Venture	1,35,00,000
		Extend of Holding %	25%
3	Description of how there is significant influence		Significant influence as per shares held by the Company is 25%
4	Reason why the associate/joint venture is not consolidated		Management decisions based on rules and laws applicable to the Company

For and on behalf of Board of Directors

Sd/-
Anil Gupta
Chairman & Managing Director
(**DIN:0046213)**

Place: Mumbai
Date: 3rd June, 2019

ANNEXURE - B
TO THE DIRECTORS' REPORT
FORM AOC - 2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with 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 Section 188(1) of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No	Name (s) of the related party & nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board	Amount paid as advances, if any
a)	**SKS Power Generation (Chhattisgarh) Limited**	Purchases of Materials & Sale of Goods	N. A.	In the Ordinary Course of business	16/04/2018	N. A.
b)	**Mrs. Sangita Gupta (Wife of Mr. Anil Gupta)**	Remuneration	12 Months	In the Ordinary Course of business	16/04/2018	N. A.
c)	**Ms. Ridhi Gupta (Daughter of Mr. Anil Gupta)**	Remuneration	12 Months	In the Ordinary Course of business	16/04/2018	N. A.
d)	**Shree Krishna Strutures Private Limited**	Rent	3 Months	In the Ordinary Course of business	16/04/2018	N. A.
e)	**Premlata Gupta (At Delhi & Mumbai)**	Rent	3 Months	In the Ordinary Course of business	16/04/2018	N. A.
f)	**Padma Ispat Private Limited**	Loan	Ongoing	Unsecured Loan	16/04/2018	N. A.
g)	**Deepak Gupta Joint Managing Director**	Remuneration and Loan	12 Months & Ongoing	N. A.	16/04/2018	N. A.
h)	**Gupta Steel Corporation Private Limited**	Rent Paid, Loan, Service Rendered	Ongoing	Unsecured Loan	16/04/2018	N. A.
I)	**Anil Gupta Managing Director**	Remuneration and Loan	12 Months & Ongoing	N. A.	16/04/2018	N. A.
j)	**Anish Gupta (Son of Mr. Anil Gupta)**	Remuneration	12 Months	N. A.	30/07/2018	N. A.

For and on behalf of Board of Directors

Place: Mumbai
Date: 3rd June, 2019

Sd/-
Anil Gupta
Chairman & Managing Director
(**DIN:0046213)**

Address:
4th Floor, Nirmal Prabhu,
Road No. 7, J.V.P.D. Scheme,
Vile Parle (West), Mumbai - 400 049.

FORM NO.MGT-9

Extract of Annual Return

As on the financially earended on 31ST MARCH, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

CIN	U27100MH2000PLC125893
Registration Date	17th April 2000
Name of the Company	SKS ISPAT AND POWER LIMITED
Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/NON-GOVT.COMPANY
Address of the registered office and Contact details	501/B, ELEGANT BUSINESS PARK, ANDHERI KURLA ROAD, J.B. NAGAR, ANDHERI EAST, MUMBAI-400 059. Tel No: 022-30807000
Whether Listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	**ADROIT CORPORATE SERVICES PVT LTD.** RAMESH GAWDE - Manager – R & T 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400 059 Tel: +91 (0) 22 42270400/423.

II. Principal Business Activities of the Company

All the business activities contributing10% or more of the total turnover of the company shall be stated:-

Name & Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
Structural Steel	5132	99.67

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

III. Particulars of Holding, Subsidiary & Associate Companies

Name & Address of Company	CIN/GLN	Holding/ subsidiary/ Associate	% of Shares Held	Applicable Section
***Citywings Agencies Private Limited** Add: 20B, British Indian Street, 5THFloor Kolkata-WB-700069	U51109WB2006PTC108331	Holding	11.55	2(46)
Fatehpur Coal Mining Company Private Limited; Add: Flat No. 302, Govardhan Tower, Chaytanya Nagar, Dhimrapur Road, Raigarh - 496001.	U10100CT2008PTC020663	Subsidiary	61.54	2(87)
SKS Cements Limited; Add: 501-B, Elegant Business Park, Andheri Kurla Road, J.B. Nagar, Andheri East, Mumbai - 400059.	U26940MH2008PLC180732	Subsidiary	100	2(87)
SKS Power Generation (Madhya Pradesh) Limited; Add: 501-B, Elegant Business Park, Andheri Kurla Road, J.B. Nagar, Andheri East, Mumbai - 400059.	U40101MH2008PLC180729	Subsidiary	100	2(87)
Surya Infraventure Private Limited; Add: 876/9, Nanda Nagar, Above Keshav Kirana stores, Indore, Madhya Pradesh - 452011	U24232MP1995PTC009740	Associate	25.23	2(6)

SKS Power Generation Chhattisgarh Ceased to be subsidiary with effect from 13.06.2018

***Citywings Agencies Private Limited's direct shareholding is 11.55%**
***Citywings Agencies Private Limited's share holdings through following Companies are as follows:**

Name & Address of Company	CIN/GLN	% of Shares held
Lambodar Ispat Private Limited	U27109WB2005PTC103270	98.91
Shree Krishna Structures Private Limited	U27101CT1995PTC009316	97.79
Vighnesh Steels Private Limited	U27109WB2005PTC103280	99.30
SKS Minerals & Mining Company Private Limited	U27109WB2005PTC103281	98.96
Indo Emirates Building Solutions Private Limited	U27109WB2005PTC103275	98.94
Gupta Steel Corporation Private Limited	U27109CT2004PTC016489	99.59
Padma Ispat Private Limited	U27109WB2005PTC103269	99.33

IV. SHAREHOLDING PATTERN (Equity Share Capital as percentage of Total)
i) Category-wise Share holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters **1) Indian**									
a) Individual/HUF	5,85,53,000	-	5,85,53,000	12.48	35396333	-	35396333	7.39	(5.09)
b) Central or State Govt.	-	-	-	-	-	-	-	-	-
c) Body Corporates**	37,66,53,630	-	37,66,53,630	80.29	409936832	-	409936832	85.53	5.09
d) Bank/FI	3,39,31,830	-	3,39,31,830	7.23	33931830	-	33931830	7.8	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**46,91,38,460**	-	**46,91,38,460**	**100.00**	**479264995**	-	**479264995**	**100.00**	-
2) Foreign (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A= A1+A2	46,91,38,460	-	46,91,38,460	100.00	479264995	-	479264995	100.00	-
B) Public Shareholding	-	-	-	-	-	-	-	-	-
C) Share held by custodian for GDR's & ADR's	-	-	-	-	-	-	-	-	-
D) Total (I)	**46,91,38,460**	**-**	**46,91,38,460**	**100.00**	**479264995**	**-**	**479264995**	**100.00**	

IV(ii)SHAREHOLDING PATTERN (CCCPs) (Preference Capital Breakup as percentage of Total)
i) Category-wise Share holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters **1) Indian**									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central or State Govt.	-	-	-	-	-	-	-	-	-
c) Body Corporates**	-	-	-	-	-	-	-	-	-
d) Bank/FI	27,72,53,192	-	27,72,53,192	100.00	27,72,53,192	-	27,72,53,192	100.00	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**27,72,53,192**	-	**27,72,53,192**	100.00	**27,72,53,192**	-	**27,72,53,192**	100.00	-
2) Foreign (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A= A1+A2	-	-	-	-	-	-	-	-	-
B) Public Shareholding	-	-	-	-	-	-	-	-	-
C) Share held by custodian for GDR's & ADR's	-	-	-	-	-	-	-	-	-
D) Total (II)	**27,72,53,192**	**-**	**27,72,53,192**	**100.00**	**27,72,53,192**	**-**	**27,72,53,192**	**100.00**	**-**
Total Share Capital (D=I+II)	**74,63,91,652**	**-**	**74,63,91,652**	-	**75,65,18,187**	**-**	**75,65,18,187**	-	**-**

IV. Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No of Share	% of Total Shares	% of Shares Pledged	No of Share	% of Total Shares	% of Shares Pledged
1	**Anil Gupta**						
	At the beginning of the year	5,65,50,750	12.05	12.05	-	-	-
	Issue shares on 14.06.2018	12,50,000	-	-	-	-	-
	Transfer of Shares	(5,26,34,650)	-	-	-	-	-
	At the end of the year	-			51,66,100	1.08	1.08
		-	-	-	-	-	-
2	**Deepak Gupta**	-	-	-	-	-	-
	At the beginning of the year	9,39,000	0.21	0.03	-	-	-
	Issue shares on 14.06.2018	10,00,000	-	-	-		
	At the end of the year	-	-	-	19,39,000	0.40	0.03

Note 1: There have been changes in Promoters Shareholding during the period under review.

IV. (I) Shareholding Pattern of top 10 Shareholders: (Equity Share Holders)

Sr. No.	Shareholders Name	Shareholders at the beginning of the year		Shareholders at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	**Shree Krishna Structures Pvt. Ltd.****				
	At the beginning of the year	15,46,71,866	32.97	-	-
	Issue shares Credited	-	-	-	-
	Transfer of Shares	(98,57,055)	(2.75)	-	-
	At the end of the year	-	-	14,48,14,811	30.22
2	**Citywings Agencies Private Limited**				
	At the beginning of the year	5,53,48,875	11.55	-	-
	At the end of the year	-	-	5,53,48,875	11.55
3	**Tata Capital Financial Services Ltd**				
	At the beginning of the year	3,39,31,830	7.08	-	-
	At the end of the year	-	-	3,39,31,830	7.08
4	**Gupta Steel Corporation Private Limited**				
	At the beginning of the year	5,88,53,670	12.55	-	-
	Issue shares Credited on 14.06.2018	38,53,535	-	-	-
	Transfer of Shares	(5,32,21,480)		-	-
	At the end of the year	-		94,85,725	1.98
5	**Padma Ispat Private Limited**				
	At the beginning of the year	3,53,68,875	7.54	-	-
	Issue shares Credited on 14.06.2018	40,23,000	-	-	-
	Transfer of Shares	(2,09,14,000)	-	-	-
	At the end of the year	-	-	1,84,77,875	3.86
6	**Vighnesh Steels Private Limited**			-	-
	At the beginning of the year	2,30,40,000	4.91	-	-
	Issue shares Credited	-	-	-	-
	Transfer of Shares	(34,40,865)	-	-	-
	At the end of the year	-	-	1,95,99,135	4.09
7	**Radha Krishna Roadways Private Limited**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	38,65,49,94	8.07
8	**Krishnapriya Infradev Llp**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	2,56,46,667	5.35
9	**Longrange Securities Private Limited**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	2,15,46,667	4.50

Sr. No.	Shareholders Name	Shareholders at the beginning of the year		Shareholders at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
10	**Sangita Gupta**				
	At the beginning of the year	1,20,750	0.03	-	-
	Transfer of Shares	2,72,27,983	-	-	-
	At the end of the year	-	-	2,73,48,733	5.71
11	**Labheshwari Agencies Limited**				
	At the beginning of the year	1,73,34,844	3.70	-	-
	At the end of the year	-	-	1,73,34,844	3.62
12	**Anil Gupta**				
	At the beginning of the year	5,65,50,750	12.05	-	-
	Issued shares Credited on 14.06.2018	12,50,000	-	-	-
	Transfer of Shares	(5,26,34,650)	-	-	-
	At the end of the year	-	-	51,66,100	1.08
13	**Deepak Gupta**				
	At the beginning of the year	9.39.000	0.20	-	-
	Issued shares Credited on 14.06.2018	10,00,000	-	-	-
	At the end of the year	-	-	19,39,000	0.40

IV. (ii) Shareholding Pattern of top 10 Shareholders: (CCCPs) Preference Shareholders)

Sr. No.	Shareholders Name	Shareholders at the beginning of the year		Shareholders at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	**State Bank of India****				
	At the beginning of the year	16,99,26,014	61.29	-	-
	At the end of the year	-	-	169926014	61.29
2	**Syndicate bank**				
	At the beginning of the year	2,45,01,219	8.84	-	-
	At the end of the year	-	-	24501219	8.84
3	**Bank of India**				
	At the beginning of the year	2,44,49,829	8.82	-	-
	At the end of the year	-	-	24449829	8.82
4	**Union Bank of India**				
	At the beginning of the year	2,40,98,977	8.69	-	-
	At the end of the year	-	-	24098977	8.69
5	**L & T Infrastructure Finance**				
	At the beginning of the year	97,73,621	3.53	-	-
	At the end of the year	-	-	9773621	3.53
6	**Punjab National Bank**				
	At the beginning of the year	38,86,703	1.40	-	-
	At the end of the year	-	-	3886703	1.40
7	**The Jammu & Kashamir Bank Limited**				
	At the beginning of the year	14,97,233	0.54	-	-
	At the end of the year	-	-	1497233	0.54
8	**Indian Overseas Bank**				
	At the beginning of the year	1,91,19,596	6.90	-	-
	At the end of the year	-	-	19119596	6.90
	Total	**27,72,53,192**	**100**	**27,72,53,192**	**100**

Note: - **State Bank of India Merged with State Bank of Patiala and State Bank of Travancore

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No of Share	% of Total Shares	% of Shares Pledged	No of Share	% of Total Shares	% of Shares Pledged
1	**Anil Gupta**						
	At the beginning of the year	5,65,50,750	12.05	12.05	-	-	-
	Issued shares on 14.06.2018	12,50,000	-	-	-	-	-
	Transfer of Shares	(5,26,34,650)	-	-	-	-	-
	At the end of the year	-			51,66,100	1.08	1.08
2	**Deepak Gupta**						
	At the beginning of the year	939000	0.21	0.03	-	-	-
	Issued shares on 14.06.2018	1000000	-	-	-	-	-
	At the end of the year	-	-	-	19,39,000	0.40	0.03
3	**Devidas Kashinath Kamble**						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
4	**Rajeev Sabhlok**						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
5	**Neeta Mithalal Jain**						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-

V. Indebtness

(₹ in Lacs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the year				
I)Principal Amount	**37,335.42**	**802.65**	**Nil**	**38,138.07**
ii) Interest due but not paid	0	0	0	0
iii)Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**37,335.42**	**802.65**	**Nil**	**38,138.07**
Change during the year				
Additions	0	0	0	0
Reductions	12,997.62	802.65		13,800.27
Net Change	**12,997.62**	**802.65**	**0**	**13,800.27**
Indebtness at the end of the year				
I)Principal Amount	24,337.80	0	0	24,337.80
ii) Interest due but not paid	0	0	0	0
iii)Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**24,337.80**	**0**	**0**	**24,337.80**

VI. Remuneration of Directors & KMP

A. Remuneration to MD, WTD / or Manager / Director

Sr. No.	Particulars of Remuneration	Name of Managing Director		Name of Whole-time Director	Total Amount
		Mr. Anil Gupta	Mr. Deepak Gupta	Mr Rajeev Sabhlok	
1	Gross Salary				
	a) Salary as per provisions contained in sec 17(1) of Income Tax act 1961.	20,00,000	11,50,020	6,10,878	37,60,898
	b) Value of Perquisites u/s 17(2) of the income tax act 1961.	-	-	-	-
	c) Profits in lieu of salary under section 17(3) of the income tax act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others	-	-	-	-
	Total	**20,00,000**	**11,50,020**	**6,10,878**	**37,60,898**

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of the Director	
1	Independent Director	**Mr. Devidas Kamble**	**Ms. Neeta Jain**
	a) Fee for attending board committee Meetings	6,00,000	1,80,000
	b) Commission	-	-
	c) Others	-	-
	Total (1)	6,00,000	1,80,000
2	Other Non- Executive Director	-	-
	a) Fee for attending board committee Meetings	-	-
	b) Commission	-	-
	c) Others	-	-
	Total (2)	-	-
	Total (1+2)	6,00,000	1,80,000
	Total Managerial Remuneration	6,00,000	1,80,000

C. Remuneration to KMP

Sr. No.	Particulars of Remuneration	CFO	Company Secretary	Company Secretary
		Mr. Gopal Garg* **	**Mrs. Rinky Pandey** **	**Mr. Viral Maru***
1	Gross Salary	17,01,752	2,76,236	1,36,072
	a) Salary as per provisions contained in sec 17(1) of Income Tax act 1961.	-	-	-
	b) Value of Perquisites u/s 17(2) of the income tax act 1961.	-	-	-
	c) Profits in lieu of salary under section 17(3) of the income tax act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others	-	-	-
	Total	17,01,752	2,76,236	1,36,072

*** Appointment with effect from 12th November, 2018**
****Resignation with effect from 12th November, 2018**
*****Appointment with effect from 25th March, 2019**

VII. Penalties/Punishments/Compounding of offenses.

Type	Section of Companies Act	Brief Description	Details of Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any
A. Company Penalty Punishment Compounding	NIL				
B. Directors Penalty Punishment Compounding	NIL				
C. Other officers in default Penalty Punishment Compounding	NIL				

FORM No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2019

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

To,

The Members,
SKS Ispat and Power Limited

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

Based on our verification of SKS Ispat and Power Limited'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 authorised representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 generally 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 made available to us and maintained by SKS Ispat and Power Limited for the financial year ended on 31st March, 2019, as per the provisions of the statutes listed hereunder to the extent applicable to it:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The other regulations of the Securities and Exchange Board of India as may be applicable to the Company.

(vi) Other laws applicable to the Company as per the representations made by the Company.

During the period under review and subject to the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to following observation:

(I) the Company has pending litigations and disputed cases with various authorities and individuals as mentioned in Annexure – II.

(ii) The Company has not complied with provisions of Section 178 of The Companies Act, 2013, which states that Company shall constitute a Nomination and Remuneration Committee.

(iii) The managerial remuneration has been paid or provided in excess of limits specified in accordance with the requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 as mentioned below:

Payment made to Managing Director / Whole Time Director	Amount paid/provided in excess of the limits prescribed	Amount due for recovery as at Balance Sheet date	Remarks
37,60,898	*37,60,898*	Nil	*Not recovered till the date of balance sheet*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices have been given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **Vaibhav Shah & Co.**
Practising Company Secretary

Sd/-
Vaibhav P. Shah
Proprietor
C.P. No. : 9368
ACS No. : 26121

Place: Mumbai
Date: 3rd June, 2019

This Report is to be read with our letter of even date which is annexed as Annexure I and Forms an integral part of this report.

'Annexure I'

To,
The Members
SKS Ispat and Power Limited

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 process 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. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of 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.

For **Vaibhav Shah & Co.**
Practising Company Secretary

Sd/-
Vaibhav P. Shah
Proprietor
C.P. No. : 9368
ACS No. : 26121

Place: Mumbai
Date: 3rd June, 2019

'Annexure II'

Sr. No.	Name of Party	Nature of Suit
1	Mahima Construction Company	Civil suit for recovery of ₹ 4,85,898/- has been filed by Mahima Const.
2	Oripol Industries	Civil suit for recovery of ₹ 3,68,200/-
3	Krishaping Alloys Pvt Ltd.	Appeal filed for ₹ 2,54,99,362
4	Milstone Engineering Pvt Ltd	Civil suit for recovery of ₹ 19,29,333/-
5	Didwaniya Exim p .Ltd	Civil suit for recovery of ₹ 2,08,870/-
6	Laxmi Ore Minerals Pvt. Ltd. 12	Civil suit for Compensation of ₹ 3,03,420/-
7	Hari Machine Limited	Arbitration Petition filed by Hari machines against SKSIPL for claim of ₹ 6, 78,65,811 against invoices and purchase order.
8	Central Bureau of Investigation	Investigation of Coal Block Allocation *Mentioned below
9	Karyalay Karyapalan Abhiyanta, Jal Sansthadhan Sambhag, Raipur (CG)	₹ 51,59,801/-
10	CSEB (Cummulative Surcharge in Arrear)	₹ 5,37,57,472/-
11	CSEB (Parallel Operating Charges)	₹ 3,21,30,000/-
12	Railway Siding (Land License Fee)	₹ 39,42,241/-

***CBI Investigation of Coal Block Allocation :**

The Honorable Supreme Court on 24.09.2014 declared all the Coal Blocks allocations from the year 1993 till the year 2011 as illegal. During this period, the Company was allocated 3 coal blocks as below :

1) Ravanwara Coal Block
2) Vijay Central Coal Block
3) Fatehpur Coal Block (held jointly with Prakash Industries Ltd having 38% share & SKS Ispat & Power Ltd having 62% share)

It is alleged that the Company has not made appropriate representation with respect to the area of land in its possession for the Steel / Power Projects. The Company made several representations to protect its interests in this regard to the concerned ministries, either directly or through various trade associations like SIMA, CPA, APP etc. and contest the same at the appropriate forum.

In this regard, the Company and its promoters have submitted all the required information as sought by the CBI / Central Govt officials during enquires and all cooperation is being extended to the investigating authorities, in order to restore the Company's credibility in this regard.

For **Vaibhav Shah & Co.**
Practising Company Secretary

Sd/-
Vaibhav P. Shah
Proprietor
C.P. No. : 9368
ACS No. : 26121

Place: Mumbai
Date: 3rd June, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SKS Ispat and Power Limited

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **SKS ISPAT & POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2019,** the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us *except for the effects of the matter described in the Basis for Qualified Opinion paragraph section of our report* the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1) We draw reference to Note 41 of the financial statements regarding non provision of doubtful advances amounting to ₹ 5,046.98 lakhs. Accordingly, the Profit for the year would have been lower by ₹ 5,046.98 lakhs and assets and reserves would have been lower by ₹ 5,046.98 lakhs.
2) The Company has Compulsory Convertible Cumulative Preference Shares amounting to ₹ 27,725.32 lakhs to be converted into equity shares between March 31, 2020 to March 31, 2022 at fair market value determinable on the date of conversion. Such financial instruments need to be classified as a Financial Liability in accordance with the provisions of IND AS 109 "Financial Instruments". However, the same are classified as "Instruments Entirely Equity in Nature" by the management. Consequent to the above, liabilities are understated by ₹ 27,725.32 lakhs and the equity has been overstated by the said amount. Further, consequential impact of fair value adjustments of above instrument on the financial statements, if any, is presently not ascertainable.
3) The disclosure requirement of Schedule III of the Companies Act, 2013 has not been properly adhered to in the presentation and disclosure of financial statements of the Company for matter stated in Point 2 above.
4) The managerial remuneration has been paid or provided in excess of limits specified in accordance with the requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 as reported in Para 2 (g) of "Report on Other Legal and Regulatory Requirements" of this Auditor's Report. Accordingly, had the said managerial remuneration not been paid or provided, profit for the year would have been higher by ₹ 37.61 lakhs and assets and reserves would have been higher by ₹ 37.61 lakhs

We conducted our audit of financial statements 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(If the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

d) in our opinion, *except for the effects of the matter described in the Basis Of Qualified Opinion,* the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) on the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and according to the information and explanation given to us, the managerial remuneration has been paid or provided in excess of limits specified in accordance with the requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 as mentioned below

Payment made to Managing Director / Whole Time Director	Amount paid/provided in excess of the limits prescribed	Amount due for recovery as at Balance Sheet date	Remarks
₹ 37.61 lakhs	₹ 37.61 lakhs	₹ 37.61 lakhs	Not recovered till the date of balance sheet

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, 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, if any, of pending litigations as at 31st March, 2019, on its financial position in its financial statements – Refer Note 34 to the financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and

iii. there were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For, Kapoor & Parekh Associates
Chartered Accountants
ICAI FRN 104803W

Sd/-
Nilesh Parekh
Partner
M. No. 33528

Place: Mumbai
Date: 3rd June 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1. In respect of its Property Plant & Equipment:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
   b) The Company has a policy of physically verifying Property Plant & Equipment in a phased manner over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification and the same has been properly dealt with in the books of account.
   c) The title deeds of all the immovable properties are held in the name of the Company.

2. The inventories have been physically verified by the management at reasonable intervals during the year except for stocks in transit. No material discrepancies were noticed on such physical verification between physical stock and book records.

3. The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

4. The Company has not granted any loan to the parties covered under section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the loans and guarantees given and investments made.

5. The Company has not accepted any deposit from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013. No order has been passed by Company Law Board or National Company Tribunal or Reserve Bank of India or any Court or any other Tribunal.

6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, made a detailed examination of the records with a view to determine whether they are accurate and complete..

7. a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and other material
   statutory dues applicable to it with the appropriate authorities during the year. No undisputed amounts payable in respect
   b) There are no unpaid disputed amounts in respect of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Services Tax and Cess as at 31st March, 2019 except the following;

Name of the statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which amounts relate (Financial Year)	Forum where dispute is Pending
Central Excise Act, 1944	Excise Duty	70.75	2006-07 to 2012-13	Appellate Tribunal
	Excise Duty	8.78	2012-13 to 2013-14	Appellate Tribunal
	Excise Duty	193.94	2015-16 to 2017-18	Appellate Tribunal
	Excise Duty	625.91	2004-05 to 2011-12	Commissioner of Central Excise
	Excise Duty	360.84	2008-09 to 2015-16	Additional Commissioner
	Excise Duty	65.45	2010-11 to 2017-18	Assistant Commissioner
	Excise Duty	15.53	2015-16 to 2017-18	Superintendent of Excise

▪ The above amounts include pre-deposit amounting to ₹ 48.91 lacs.

8. The Company has not defaulted in repayment of dues to financial institutions, banks, Government, except for the loans,borrowings & dues mentioned in the below table. The Company has neither outstanding debenture at the beginning ofthe year nor has issued any debentures during the year.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Lender Name	Amount of Default (in ₹)		Total (in ₹)	Period of Default
	Principal	Interest		
Banks & Financial Institutions				
Life Insurance Corporation of India	-	110.34	110.34	1 - 789 days

9. The Company has not raised any moneys by way of initial public offer or further public offer and has not taken any term loan during the year.

10. We have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. The managerial remuneration has been paid or provided in excess of limits specified in accordance with the requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 as mentioned below:

Payment made to Managing Director / Whole Time Director	Amount paid/provided in excess of the limits prescribed	Amount due for recovery as at Balance Sheet date	Remarks
₹ 37.61 lakhs	₹ 37.61 lakhs	₹ 37.61 lakhs	Not recovered till the date of balance sheet

12. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13. The company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard-24 “Related Party Disclosure”.

14. The company has made preferential allotment under section 62(3) of the Companies Act, 2013. The company has not made private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

15. The Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For, Kapoor & Parekh Associates
Chartered Accountants
ICAI FRN 104803W

Sd/-
Nilesh Parekh
Partner
M. No. 33528

Place: Mumbai
Date: 3rd June 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in para 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **SKS ISPAT & POWER LIMITED** on the financial statements for the year ended 31st March, 2019.)

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

We have audited the internal financial controls over financial reporting of **SKS ISPAT & POWER LIMITED** ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the above mentioned Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in para 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of **SKS ISPAT & POWER LIMITED** on the financial statements for the year ended 31st March, 2019.)

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For, Kapoor & Parekh Associates
Chartered Accountants
ICAI FRN 104803W

Sd/-
Nilesh Parekh
Partner
M. No. 33528

Place: Mumbai
Date: 3rd June 2019

SKS ISPAT AND POWER LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	₹ in Lacs As At 31.03.2019	31.03.2018
ASSETS:			
Non - Current Assets:			
Property, Plant and Equipment	6	59,462.47	62,481.52
Capital Work-in-Progress	6	240.11	240.11
Intangible Assets	6	1.33	1.33
Intangible Asset - Under Development	6	50.00	-
Financials Assets:			
Investments	7	236.27	236.27
Other Financial Assets	8	5,322.37	5,142.39
Non Current Tax Assets (Net)		160.20	149.82
Deferred tax Assets (Net)		2,386.72	1,020.40
Other Non-Current Assets	9	582.75	213.48
Current - Assets:			
Inventories	10	17,863.44	16,100.58
Financial Assets:			
Trade Receivables	11	5,337.56	6,387.73
Cash and Cash Equivalents	12	393.12	565.33
Other Bank Balances	13	747.63	1,864.13
Other Financial Assets	14	1,634.88	1,374.64
Other Current Assets	15	4,420.41	5,795.83
Total Assets		**98,839.26**	**101,573.56**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	16A	47,926.50	46,913.85
Instruments entirely Equity in Nature	17	27,725.32	27,725.32
Other Equity	16B	(18,417.37)	(38,474.48)
Liabilities			
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	18	12,343.44	23,590.18
Other Financial Liabilities	19	-	21.10
Other Non-Current Liabilities	20	273.20	-
Provisions	21	323.79	245.88
Current-Liabilities:			
Financial Liabilities:			
Borrowings	22	11,994.36	14,547.89
Trade Payables	23		
Total outstanding dues of micro enterprises and small enterprises		2.31	1.90
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,602.74	15,289.21
Other Financial Liabilities	24	8,217.70	9,328.23
Other Current Liabilities	25	1,792.84	2,322.07
Provisions	26	54.43	62.42
Total Equity and Liabilities		**98,839.26**	**101,573.56**

The accompanying notes are integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Sd/-
Nilesh Parekh
Partner

Place: Mumbai
Date: 3rd June, 2019

Sd/-
Anil Gupta
Managing Director
DIN - 00046213

Sd/-
Deepak Gupta
Joint Managing Director
DIN - 00645211

Sd/-
Viral Maru
Company Secretary

Sd/-
Gopal Garg
Chief Financial Officer

SKS ISPAT AND POWER LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No.	₹ in Lacs Year Ended 31.03.2019	Year Ended 31.03.2018
INCOME:			
Revenue from Operations	27	119,409.19	91,272.61
Other Income	28	1,789.07	4,912.72
		121,198.26	**96,185.33**
EXPENSES:			
Cost of Raw Materials Consumed		79,249.41	64,213.95
Purchase of Stock-in-Trade		2,066.60	516.57
Change in Inventories of Finished Goods & Stock-in-Trade	29	(4,306.91)	(1,537.71)
Excise Duty on Sales		-	2,402.25
Employees Benefit Expense	30	3,785.03	3,325.82
Finance Cost	31	5,201.57	6,656.31
Depreciation & Amortization Expense	32	3,498.70	3,596.02
Other Expenses	33	13,004.54	13,823.23
		102,498.94	**92,996.44**
Profit Before Exceptional Items and Tax		**18,699.32**	**3,188.89**
Exceptional Items			
Provision for Impairment of Investment in Subsidiary (Refer Note 41)		-	15,805.00
Provision for Impairment of Investment in Subsidiary written back (Refer Note 41)		(14,764.53)	-
Loss on account of guarantee given for subsidiary		14,764.53	-
Profit (Loss) Before Tax		**18,699.32**	**(12,616.11)**
Tax Expenses			
Current Tax		-	-
Deferred tax		(1,364.28)	(32.37)
Profit (Loss) for the Year		**20,063.60**	**(12,583.74)**
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to profit or loss in subsequent years:			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains (losses) on defined benefits plans		(6.56)	(19.81)
Income Tax Effect on above		2.05	6.18
Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years		(4.51)	(13.63)
Other Comprehensive Income for the year, net of tax		(4.51)	(13.63)
Total Comprehensive Income for the year, net of tax		**20,059.09**	**(12,597.37)**
There are no Discontinuing Operations			
Earnings (Deficit) per share of Face Value of ₹ 10/- each			
Basic (₹)	36	3.49	(3.41)
Diluted (₹)		0.01	(3.41)

The accompanying notes are integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

Sd/-
Nilesh Parekh
Partner

Place: Mumbai
Date: 3rd June, 2019

Sd/-
Anil Gupta
Managing Director
DIN - 00046213

Sd/-
Deepak Gupta
Joint Managing Director
DIN - 00645211

Sd/-
Viral Maru
Company Secretary

Sd/-
Gopal Garg
Chief Financial Officer

SKS ISPAT AND POWER LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	31.03.2019	31.03.2018
	₹ in Lacs	₹ in Lacs
Cash Flow From Operating Activities:		
Net Profit Before Tax	18,699.32	(12,616.11)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation/Amortisation	3,498.70	3,596.02
Loss/(Profit) On Sale Of Tangible Assets (Net)	(1.21)	(170.56)
Loss on Discard of asset	2.20	-
Net Gain on Derivative Contracts measured at FVTPL	-	(10.50)
Loss /(Profit) On Sale Of Investment	-	2.45
Written Back on One Time Settlement with Lenders	(1,301.98)	(4,476.12)
Finance Cost	5,201.57	6,656.31
Interest Income	(117.51)	(179.84)
Foreign Exchange Variations (Net)	-	39.98
Provision for impairment of investment in a subsidiary written off /(back)	(14,764.53)	15,805.00
Loss on account of guarantee given for subsidiary	14,764.53	-
Provision for Dimunition in Value of Investments	-	7.39
Sundry Balances Written Off / (back) (Net)	(162.13)	130.06
Provision for Doubtful Debts Written back	(179.00)	-
Provision for Doubtful Debts	4.41	3,912.10
Operating Profit Before Working Capital Changes	**25,644.37**	**12,696.18**
Adjustments For Changes In Working Capital:		
(Increase)/Decrease In Other Non Current Financial Assets	(180.48)	(0.77)
(Increase)/Decrease In Other Non Current Assets	(369.26)	312.43
(Increase)/Decrease In Trade Receivables	1,228.50	(1,583.53)
(Increase)/Decrease In Other Current Financial Assets	(261.69)	2,043.42
(Increase)/Decrease In Other Bank Balances other than Cash and Cash Equivalents	1,116.49	14.72
(Increase)/Decrease In Other Current Assets	1,375.42	(5,431.27)
(Increase)/Decrease In Inventories	(1,769.20)	(1,762.74)
Increase/ (Decrease) In other Non Current Fiancial Liabilities	(21.10)	3.47
Increase/(Decrease) In Non Current Provisions	77.91	41.12
Increase/(Decrease) In Non Current Tax Assets (Net)	14.09	27.87
Increase/ (Decrease) In Other Current Financial Liabilities	39.98	(97.62)
Increase/(Decrease) In Other Current Liabilities	(528.68)	(218.37)
Increase/(Decrease) In Other Non-Current Liabilities	273.20	-
Increase/(Decrease) In Current Provision	(14.56)	25.10
Increase/(Decrease) In Trade Payables & Others	(8,516.41)	3,648.52
Increase/ (Decrease) In Working Capital	(1,750.88)	573.21
	(9,286.67)	(2,404.44)
Cash Generated From Operations	**16,357.70**	**10,291.74**
Direct Tax (Paid)/Refund (Net)	(24.46)	(29.42)
Net Cash Generated From Operating Activities (A)	**16,333.24**	**10,262.32**
Cash Flow From Investing Activities:		
Purchase Of Property, Plant & Equipment	(502.25)	(302.93)
(Purchase)/ Sale of Intangible Asset - Under Development	(50.00)	-
Sale of Property Plant and Equipment	21.04	223.58
Interest Received	114.56	174.22
(Purchase)/ Sale of Non Current Investment	-	2.55
Net Cash Generated From Investing Activities (B)	**(416.65)**	**97.42**

SKS ISPAT AND POWER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	31.03.2019 ₹ in Lacs	31.03.2018 ₹ in Lacs
Cash Flow From Financing Activities:		
Repayment of Borrowings	(11,354.06)	(4,201.80)
Proceeds From Equity Share Application Money	1,012.65	-
Share Issue Expenses	(1.93)	(2.12)
(Repayment)/Proceed of Unsecured Borrowings	(802.65)	802.65
Interest Paid	(4,942.81)	(6,473.32)
Net Cash Generated From Financing Activities (C)	**(16,088.81)**	**(9,874.59)**
Cash Flow From Financing Activities:		
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(172.22)	485.15
Cash And Cash Equivalents As At The Beginning Of The Year	565.33	80.18
Cash And Cash Equivalents at the end of the year	**393.11**	**565.33**
Components Of Cash And Cash Equivalents		
Cash in hand	23.60	10.48
With Banks in Current Account	369.51	554.85
Cash and cash equivalents as per note 12	**393.11**	**565.33**

Note: 1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
2) Reconciliation of liabilities arising from financial activities:

PARTICULARS	As on 01.04.2018	Cash Flow	Non - Cash Changes	As on 31.03.2019
Non Current Borrowings				
Secured				
From Bank				
Term Loans from CDR Lenders	19,485.78	(8,764.21)	(1,222.48)	9,499.10
Others:				
Term Loan from CDR Lenders	3,024.90	(864.90)	-	2,160.00
Term Loan from Non - CDR Lenders	1,079.50	(315.66)	(79.50)	684.34
Current Maturities of Long Term borrowings	8,858.26	(1,226.32)	-	7,631.94
Current Borrowings				
Unsecured:				
Loans from Related Parties	802.65	(802.65)	-	-
Interest Accrued but not due on Borrowings	-	148.43	-	148.43
Interest Accrued and due on Borrowings	182.99	75.78	-	258.77
Total Liabilities from Financial Activities	**33,434.07**	**(11,749.52)**	**(1,301.98)**	**20,382.58**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Nilesh Parekh
Partner

Sd/-
Anil Gupta
Managing Director
DIN - 00046213

Sd/-
Deepak Gupta
Joint Managing Director
DIN - 00645211

Place: Mumbai
Date: 3rd June, 2019

Sd/-
Viral Maru
Company Secretary

Sd/-
Gopal Garg
Chief Financial Officer

SKS ISPAT AND POWER LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL ₹ in Lacs

PARTICULARS	Balance as at 01.04.2017	Changes in Equity Share Capital during the year	Balance as at 31.03.2018	Changes in Equity Share Capital during the year	Balance as at 31.03.2019
Authorised	70,000.00	-	70,000.00	-	70,000.00
Issued, Subscribed & Paid up	44,886.84	2,027.00	46,913.85	1,012.65	47,926.50

B. INSTRUMENT ENTIRELY EQUITY IN NATURE ₹ in Lacs

PARTICULARS	Balance as at 01.04.2017	Changes in Equity Share Capital during the year	Balance as at 31.03.2018	Changes in Equity Share Capital during the year	Balance as at 31.03.2019
Authorised	40,000.00	-	40,000.00	-	40,000.00
Issued, Subscribed & Paid up	27,725.32	-	27,725.32	-	27,725.32

C. OTHER EQUITY ₹ in Lacs

PARTICULARS	Share Application on Money Pending Allotment	Securities Premium Account	Retained Earnings	Other Items of other Comprehensive income (Re-measurement gains (losses) on defined benefits plans)	Total Equity
As at 01.04.2017	**2,027.00**	**133.02**	**(26,024.81)**	**16.74**	**(23,848.05)**
Allotment of Equity Shares	**(2,027.00)**	-	**-**	-	(2,027.00)
Loss for the Year	-	-	(12,583.74)	-	(12,583.74)
Other Comprehensive Income	-	-	-	(13.63)	(13.63)
Total Comprehensive Income	-	**133.02**	**(38,608.55)**	**3.11**	**(38,472.42)**
Less: Share Issue Expenses	-	-	(2.12)	-	(2.12)
As at 31.03.2018	-	**133.02**	**(38,610.66)**	**3.11**	**(38,474.53)**
Loss for the Year	-	-	**20,063.60**		20,063.60
Other Comprehensive Income	-	-	**-**	**(4.51)**	(4.51)
Total Comprehensive Income	-	**133.02**	**(18,547.06)**	**(1.40)**	**(18,415.44)**
Less: Share Issue Expenses	-	-	**(1.93)**	-	(1.93)
As at 31.03.2019	-	**133.02**	**(18,548.99)**	**(1.40)**	**(18,417.37)**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Nilesh Parekh
Partner

Sd/-
Anil Gupta
Managing Director
DIN - 00046213

Sd/-
Deepak Gupta
Joint Managing Director
DIN - 00645211

Place: Mumbai
Date: 3rd June, 2019

Sd/-
Viral Maru
Company Secretary

Sd/-
Gopal Garg
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

1. Corporate Information

SKS Ispat and Power Limited is a closely held public limited company incorporated and domiciled in India. The registered office of the company is located B-501, Elegant Business Park, Andheri Kurla Road, J.B. Nagar, Andheri East, Mumbai, Maharashtra 400059.

Company is engaged in business of manufacturing and trading of Sponge Iron, Billets, Rolled Products, Ferro alloys and generation of Power.

The financial statements for Company for the year ended 31st March 2019 are approved for issue by the Company's Board of Directors on 3rd June, 2019.

2. Basis of preparation

These financial statements of Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on an accrual basis and going concern basis and under the historical cost basis unless otherwise indicated.

The financial statements are prepared in Indian Rupees ('INR or 'Rupees' or 'Rs.' or 'R') which is the functional currency for Company.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs. Amount less than ₹ 500/- are shown as actual.

3. Current versus non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expeted to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability fo atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non-current

Deferred tax assets and liabilities, as applicable are classified as non-current assets and liabilities respectively.

4. Significant Accounting Policies

Additional information

4.1 Property, plant and equipment

a) Recognition and measurement:

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self- constructed item of property, plant and equipment comprises the cost of materials and direct labour, and other cost directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

All identifiable Revenue expenses including interest incurred in respect of various projects/ expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss

b) Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

c) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

d) Depreciation :

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives prescribed under Schedule II to the Companies Act, 2013 using the straight line method, and is recognised in the statement of profit or loss. Freehold land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is ready for use (disposed of).

4.2 Intangible Assets

a) Recognition and measurement:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the relatedexpenditure is reflected in profit or loss in the period in which the expenditure is incurred.

b) Amortisation:

Software is amortised over its useful life on straight line basis from the date they are available for intended use, subject to impairment test. Rights of way are amortised over the period of agreement of right to use.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

c) De-recognition:

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is de-recognised.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

(d) Transition to Ind AS

On transition to Ind AS, Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

4.3 Financial Instruments:

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

Financial Assets:

Classification:

Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.**Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

• Financial assets at fair value (FVTPL /FVTOCI)

• Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at amortised cost (net of any write down for impairment, if any):

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at Fair Value through Profit or Loss ("FVTPL"): Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Financial Assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost as per Ind AS 27. In the financial statements, investment in subsidiary companies is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

De-recognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or Company has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind - AS 109, Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

Financial Liabilities:

Classification:

Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of Financial Liabilities:

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

Derivative Financial Instrument:

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

. 4.4 Impairment of Non-Financial Assets

Intangible Assets and Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) has no impairment loss been recognised for the asset in prior years.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

4.5 Inventories:

Raw materials are valued at cost or estimated net realisable value. Cost for this purpose includes basic cost of materials and all identifiable direct cost and includes taxes and duties and is net of eligible credits under CENVAT/VAT/GST schemes.

Finished goods are valued at lower of cost or estimated net realisable value. Cost for this purpose comprises of Raw Material cost and proportionate overheads allocated on the assumption of normal operating capacity.

Traded goods are valued at lower of cost or estimated net realisable value.

Stores, spares and fuels are valued at cost.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

4.6 Cash and Cash Equivalent:

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.7 Cash Flow Statements:

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

4.8 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Date of transaction for determining the exchange rate for translation would be earlier of:

- The date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration, and
- The date that the related item is recognised in the financial statements.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss except for;

4.9 Revenue Recognition:

Revenue from contracts with customers for sale of goods and provision of services. Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Variable consideration includes volume discounts, price concessions, liquidity damages, incentives, etc. The Company estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Company adjust estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

Sale of Products:

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognized when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. The Company collects GST on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is disclosed net of discounts, incentives and returns, as applicable.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

Dividend income is recognised when right to receive dividend is established. Interest income is recognised on effective interest method. Insurance and other claims are recognised as a revenue on certainty of receipt on prudent basis. .

4.10 Employee Benefits:

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex gratia are recognised during the period in which the employee renders related service

(i) Defined benefit plans

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 Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. The effect of any plan amendments are recognized in the statement of profit and loss.

(ii) Defined contribution plans:

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. Company pays provident fund contributions to publicly administered provident funds as per local regulations. Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Compensated absences:

Company has a policy on compensated absences which are both accumulating and non-accumulating in nature.The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised liability at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

4.11 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.12 Lease:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

4.13 Earnings Per Equity Share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

4.14 Income Taxes:

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance - sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. 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 settle the liability simultaneously.

4.15 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If there is any expectation that some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provisiondue to thepassage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

• Possible obligation which will be confirmed only by future events not wholly within the control of the Company, or

• Present obligations arising from past events where it is probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Provisions , contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

4.16 Fair Value:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or,

• In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3- Inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.17 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

4.18 Government Grants:

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight line basis over the expected lives of related assets and presented within other income.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

5. Use of Estimates and Judgements:

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Measurement of defined benefit obligations (Refer note 4.10)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 4.15)
- Recognition of deferred tax assets (Refer note 4.14)
- Useful lives of property, plant, equipment and intangibles (Refer note 4.1 & 4.2)
- Impairment of Intangibles (Refer note 4.2)
- Impairment of financial assets (Refer note 4.3)

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

6 PROPERTY PLANT & EQUIPMENT, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE UNDER DEVELOPMENT

CURRENT YEAR

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK CLOSING
	OPENING	ADDITIONS	DEDUCTION/ ADJUSTMENTS	CLOSING	OPENING	FOR THE YEAR #	DEDUCTION/ ADJUSTMENTS	CLOSING	
(A) Property, Plant and Equipment:									
Freehold Land	1,888.43	-	-	1,888.43	-	-	-	-	1,888.43
Buildings	16,841.54	-	-	16,841.54	1,247.05	626.08	-	1,873.13	14,968.41
Roads	1,622.06	-	-	1,622.06	680.06	242.15	-	922.21	699.85
Plant & Machineries	45,753.19	66.00	8.08	45,811.11	4,215.40	2,088.82	1.56	6,302.66	39,508.45
Furnitue & Fixtures	78.28	2.30	-	80.58	23.20	6.93	-	30.13	50.43
Vehicles	564.23	401.08	54.75	910.56	52.37	108.56	39.73	121.20	789.35
Railway Siding	673.38	-	-	673.38	167.04	83.52	-	250.56	422.82
Office Equipments	60.38	27.04	-	87.42	22.70	13.08	-	35.78	51.64
Computers	24.71	5.84	-	30.55	10.39	8.16	-	18.55	11.98
Electrical Installation	2,377.38	-	-	2,377.38	984.88	321.40	-	1,306.28	1,071.10
Sub-Total	**69,883.58**	**502.25**	**62.83**	**70,323.00**	**7,403.09**	**3,498.70**	**41.29**	**10,860.50**	**59,462.47**
(B) Intangible Asset:									
Software	1.33	-	-	1.33	-	-	-	-	1.33
Sub-Total	**1.33**	-	-	**1.33**	-	-	-	-	**1.33**
Total (A) + (B)	**69,884.91**	**502.25**	**62.83**	**70,324.33**	**7,403.09**	**3,498.70**	**41.29**	**10,860.50**	**59,463.80**
(C) Capital Work in Progress									240.11
(D) Intangible Assets Under Development	-	50.00	-	50.00		-	-		50.00
Total Fixed Assets (A) +(B)+(C)+(D)	**69,884.91**	**552.25**	**62.83**	**70,374.33**	- **7,403.09**			- **10,860.50**	**59,753.91**

PROPERTY PLANT & EQUIPMENT, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE UNDER DEVELOPMENT

PREVIOUS YEAR

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK CLOSING
	OPENING	ADDITIONS	DEDUCTION/ ADJUSTMENTS	CLOSING	OPENING	FOR THE YEAR #	DEDUCTION/ ADJUSTMENTS	CLOSING	
(A) Property, Plant and Equipment:									
Freehold Land	1,888.43	-	-	1,888.43	-	-	-	-	1,888.43
Buildings	15,869.86	995.96	24.28	16,841.54	621.52	630.47	4.94	1,247.05	15,594.49
Roads	1,622.06	-	-	1,622.06	401.53	278.53	-	680.06	942.00
Plant & Machineries	45,424.47	328.72	-	45,753.19	2,125.77	2,089.62	-	4,215.40	41,537.80
Furnitue & Fixtures	78.10	0.18	-	78.28	14.22	8.98	-	23.20	55.09
Vehicles	451.92	213.16	100.84	564.23	37.89	81.65	67.16	52.37	511.86
Railway Siding	673.38	-	-	673.38	83.52	83.52	-	167.04	506.35
Office Equipments	56.34	5.11	1.07	60.38	13.97	9.80	1.07	22.70	37.68
Computers	25.28	1.68	2.25	24.71	5.27	7.37	2.25	10.39	14.32
Electrical Installation	2,360.55	16.83	-	2,377.38	578.80	406.08	-	984.88	1,393.50
Sub-Total	**68,450.39**	**1,561.64**	**128.44**	**69,883.58**	**3,882.49**	**3,596.02**	**75.42**	**7,403.09**	**62,481.52**
(B) Intangible Asset:									
Software	1.33	-	-	1.33	-	-	-	-	1.33
Sub-Total	**1.33**	-	-	**1.33**	-	-	-	-	**1.33**
Total (A) + (B)	**68,451.72**	**1,561.64**	**128.44**	**69,884.91**	**3,882.49**	**3,596.02**	**75.42**	**7,403.09**	**62,482.85**
(C) Capital Work in Progress									240.11
Total Fixed Assets (A) +(B)+(C)									**62,722.96**

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

	Face Value	No. Of. Shares	₹ in Lacs As at 31.03.2019	₹ in Lacs As at 31.03.2018
7 NON CURRENT INVESTMENTS:				
1. Investment measured at Cost				
In Equity Shares of Subsidiary Companies, Unquoted				
SKS Power Generation (Chhattisgarh) Limited *	10	- (147,645,300)	-	-
SKS Power Generation (Madhya Pradesh) Limited **	10	50,000 (50,000)	-	-
SKS Cements Limited	10	1,012,700 (1,012,700)	101.27	101.27
Fatehpur Coal Mining Company Private Limited	10	73,850 (73,850)	7.39	7.39
In Preference Shares of Subsidiary Companies, Unquoted SKS Power Generation (Chhattisgarh) Limited *	1000	103,547 (103,547)	-	-
In Equity Shares of Associate Company, Unquoted Surya Infraventure Private Limited	100	135,000 (135,000)	135.00	135.00
Less: Provision for Dimunition in Value of Investments			(7.39)	(7.39)
			236.27	**236.27**

7.1 Investment given as security

* Nil (Pr. Yr. 14,76,45,300), equity shares were pledged with banks against loans given to SKS Power Generation (Chhattisgarh) Limited which was invoked by SBI Cap Trustee Company Limited on 13th June, 2018 and the entire shareholding is transferred to SBI Cap Trustee Company Limited. Nil (Pr. Yr. 1,03,547), Preference shares are pledged with banks against loans given to SKS Power Generation (Chhattisgarh) Limited.

** Nil (Pr. Yr. 50,000), equity shares pledged in favour of Lenders of SKS Power Generation (Chhattisgarh) Limited.

7.2 50,000 (Pr. Yr. 50,000), equity shares of Face Value of ₹10 each of SKS Power Holdings Limited (Investee Company) held by the Company are written off in the books of accounts. The Investee Company has applied for voluntary striking off, pending approval the same are appearing in the name of the Company.

	31.03.2019	31.03.2018
8 NON-CURRENT FINANCIAL ASSETS:		
(Unsecured, Considered Good)		
Security Deposit	95.39	94.91
Claim with Ministry of Coal (Refer Note 41)	5,046.98	5,046.98
Deposits with original maturity more than 12 months		
- Under Lien	180.00	0.50
	5,322.37	**5,142.39**
9 OTHER NON-CURRENT ASSETS:		
(Unsecured, Considered Good)		
Balance with Government Authorities	545.42	193.02
Prepaid Expenses	37.33	20.46
	582.75	**213.48**

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

	₹ in Lacs	
	As at	**As at**
	31.03.2019	**31.03.2018**
10 INVENTORIES:		
Raw Materials	4,622.50	3,714.37
Raw Materials in Transit	1,188.59	4,033.44
Finished Goods	10,393.89	6,086.98
Stores & Spares	1,658.46	2,265.79
	17,863.44	**16,100.58**
11 TRADE RECEIVABLE:		
Unsecured		
Considered good	5,337.56	6,387.73
Significant Increase in Credit Risk	1,842.02	2,021.02
Less: Allowance for doubtful debts	(1,842.02)	(2,021.02)
	5,337.56	**6,387.73**
12 CASH & CASH EQUIVALENTS: (as per IND AS- 7 - "Statement of Cash Flows")		
Balance with Banks:		
In Current Account	367.99	394.52
Deposit with original maturity upto 3 months	1.53	160.33
Cash on hand	23.60	10.48
	393.12	**565.33**
13 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS:		
Deposit with original maturity for more than 3 months and upto 12 months.		
- Under Lien	746.63	1,864.13
Deposits with original maturity more than 12 months		
- Under Lien	1.00	-
	747.63	**1,864.13**
14 CURRENT FINANCIAL ASSETS - OTHERS:		
(Unsecured, Considered Good unless otherwise stated)		
Security Deposit	332.90	75.35
Advances to Subsidiaries		
- Considered Good	799.49	798.78
- Significant increase in Credit Risk	310.72	306.31
- Less: Provision for Doubtful Advances	(310.72)	(306.31)
	799.49	**798.78**
Advances to Associate	50.50	50.50
Advance Recoverable		
- Considered Good	439.73	444.39
- Significant Increase in Credit Risk	1,448.94	1,448.94
- Less: Provision for Doubtful Advances	(1,448.94)	(1,448.94)
	439.73	**444.39**
Interest Receivables	2.95	5.62
Others	9.31	-
	1,634.88	**1,374.64**
15 OTHER CURRENT ASSETS:		
Advances for Supply of Goods	4,189.17	5,602.03
Advances to Employee	23.90	12.42
Balance with Government Authorities	175.77	129.64
Prepaid Expenses	31.57	51.74
	4,420.41	**5,795.83**

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

	31.03.2019		31.03.2018	
16A SHARE CAPITAL:	**No. of Shares of FV ₹ 10**	**In Lacs**	**No. of Shares of FV ₹ 10**	**In Lacs**
Authorised:				
Equity Shares	700,000,000	70,000.00	700,000,000	70,000.00
		70,000.00		**70,000.00**
Issued, Subscribed and fully paid up:				
Equity Shares - Fully Paid Up	479,264,995	47,926.50	469,138,460	46,913.85
		47,926.50		**46,913.85**

Of the above Equity Shares

a) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10 each. Each holder of Equity Share is entitled to one vote per share.

If the Company declares and pays dividend it shall be in Indian Rupees. Any dividend proposed by the Board of Directors shall be subject to the approval of the shareholders.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year.

Equity Shares	**As at 31.03.2019**		**As at 31.03.2018**	
	No. of shares held	**In Lacs**	**No. of shares held**	**In Lacs**
Equity Shares outstanding at the beginning of the year	469,138,460	46,913.85	4488,68,460	44,886.85
Issued during the year	10,126,535	1,012.65	202,70,000	2,027.00
Equity Shares outstanding at the end of the year	**479,264,995**	**47,926.50**	**4691,38,460**	**46,913.85**

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

Sr. No.	**Name of Equity shareholders**	**As at 31.03.2019**		**As at 31.03.2018**	
		No. of shares held	**% of holding in the class**	**No. of shares held**	**% of holding in the class**
a)	Shree Krishna Structures Private Limited	144,814,811	30.22	154,671,866	32.97
b)	Citywings Agencies Private Limited	55,348,875	11.55	55,348,875	11.80
c)	Tata Capital Financial Services Limited	33,931,830	7.08	33,931,830	7.23
d)	Radha Krishna Roadways Private Limited	38,654,994	8.07	-	-
e)	Sangita Anil Gupta	27,348,733	5.71	-	-
f)	Krishnapriya Infradev LLP	25,646,667	5.35	-	-
g)	Gupta Steel Corporation Private Limited	9,485,725	1.98	58,853,670	12.55
h)	Anil Gupta	6,108,600	1.27	56,550,750	12.05
i)	Padma Ispat Private Limited	18,477,875	3.86	35,368,875	7.54
j)	Others	119,446,885	24.92	74,412,594	15.86
		479,264,995	**100.00**	**469,138,460**	**100.00**

d) Citywings Agencies Private Limited is an Ultimate Holding Company, holds shares of the company together with its subsidiaries.

e) 35,44,24,395 Equity Shares of ₹10 each/- have been allotted as fully paid-up bonus shares during the period of five years immediately preceding balance sheet date.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

	₹ in Lacs	
	As at	As at
16B OTHER EQUITY:	**31.03.2019**	**31.03.2018**
Securities Premium Account	133.02	133.02
Retained Earnings	(18,548.99)	(38,610.66)
Other Items of other Comprehensive income (Re-measurement gains (losses) on defined benefits plans)	(1.40)	3.11
	(18,417.37)	**(38,474.53)**

Securities Premium
Securities Premium is created due to premium on issue of shares.

Retained Earnings
Retained Earnings are the Profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Other Items of other Comprehensive income(Re-measurement gains (losses) on defined benefits plans)
Differnces between the interest income on plan assets and the return actually achieved, and any changes in liability over the year due to changes in acturial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the statement of Profit and loss.

	31.03.2019		31.03.2018	
	No. of Shares of FV ₹ 10	**In Lacs**	**No. of Shares of FV ₹ 10**	**In Lacs**
17 INSTRUMENTS ENTIRELY EQUITY IN NATURE:				
Authorised:				
Compulsory Convertible Cumulative Preference Shares	400,000,000	40,000.00	400,000,000	40,000.00
		40,000.00		**40,000.00**
Issued, Subscribed and fully paid up:				
12.20% Compulsory Convertible Cumulative Preference Shares - Fully Paid Up	277,253,192	27,725.32	277,253,192	27,725.32
		27,725.32		**27,725.32**

a) Terms / Rights attached to Compulsory Convertible Cumulative Preference Shares (CCCPS)

These shares have a par value of ₹ 10 per share and shall confer on the holders thereof, the right to a preferential dividend from the date of allotment on the capital for the time being paid up or credited as paid up thereon. Such shares shall rank for repayment of capital in a winding up, paripassu inter se and in priority to the equity Shares of the Company. The holders of such Shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof. These Shares are compulsorily convertible into Equity Shares at any time at the option of the Investor but 11,72,91,608 shares not later than 31st March, 2020 and balance 15,99,61,583 shares not later than 31st March, 2022.

	₹ in Lacs	
	As at	As at
18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS:	**31.03.2019**	**31.03.2018**
Secured		
From Bank		
Term Loans from CDR Lenders	9,499.10	19,485.78
Others		
Term Loan from CDR Lenders	2,160.00	3,024.90
Term Loan from Non - CDR Lenders	684.34	1,079.50
	12,343.44	**23,590.18**

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

Security conditions

A) Term loans sanctioned by all CDR lenders are secured by:

i) Pari-passu first charge on the fixed assets and pari-passu second charge on the current assets of the company.

ii) 2,24,62,258 equity shares of the company held by directors and associate companies as at 31st March 2019 are pledged in favour of all the CDR lenders on joint basis.

iii) Pledge of 51,00,100; 12,32,020; 32,85,386, equity shares of the company held by directors and/or associate companies, exclusively for State Bank of India, Phoenix ARC Private Limited and L & T Infrastructure Company Limited respectively.

iv) Union Bank of India has an exclusive charge on a property owned by the Company which is situated at Raipur of the director.

B) Security for Other loans sanctioned by the Non CDR lenders:

i) Credit facilities received from Standard Chartered Bank is secured by pari-passu first charge on the fixed assets and pari-passu second charge on the current assets of the company along with the CDR Lenders.

ii) Credit facilities received from L & T Finance Limited is secured by pari-passu second charge on the fixed assets of the company and exclusive pledge of 20,00,000 equity shares of the company held by an associate company.

iii) Credit facilities received from SREI Equipment Finance Private Limited is secured by subservient charge on plant & machineries of the Company.

Additional information

I Corporate Debt Restructuring (CDR) proposal of the Company, having 1st April 2013 as the cut-off date has been approved by the CDR EG vide its Letter of Approval (LOA) dated 27th September 2013. Master Restructuring Agreement (MRA) stating the restructuring terms, is executed on 30th September 2013 and the effect of CDR Scheme has been given in the financial statements as per the MRA.
MRA among other terms and conditions, provide for:
a. Additional fund, non-fund based assistance from the CDR lenders;
b. Promoters to bring further contributions
c. Reporting and other compliances by the Company; and
d. CDR lenders shall have right to convert into equity, entire/ part of defaulted interest and principal amount or 20% of the term debt outstanding beyond seven years as per SEBI pricing formula in the event of default. The conversion option into equity in respect of WCTL and FITL would be available at any time during the restructuring period.

ii) In line with the terms of CDR EG Letter of Approval dated 27th September 2013, supermajority of the CDR lenders, under the umbrella of "Joint Lender Forum" decided to convert their respective outstandings under Funded Interest Term Loan (FITL) & Working Capital Term Loan (WCTL) into Compulsory Convertible Cumulative Preference Shares (CCCPS) and accordingly a revised/amended "Master Restructuring Agreement" was executed by all the Lenders on 22nd February 2016. Accordingly, 10 CDR Lenders (out of 12 CDR lenders) converted their portion of FITL/WCTL into CCCPS on or before 31st March 2017. The terms and conditions of the CCCPS are stated in the amended MRA dated 22nd February 2016 and in the Information Memorandum circulated in that regard. However, 2 CDR lenders (ICICI Bank & IDBI Bank) did not convert their part of FITL/WCTL into CCCPS. During the year FY 2018-2019, the FITL/WCTL of the ICICI Bank Limited were assigned to Phoenix ARC Private Limited. Further, the FITL/WCTL of the IDBI Bank Limited was fully repaid under One Time Settlement and No due certificate is obtained.

iii) The Term loans from the CDR lenders includes Rupee Term Loan (RTL), WCTL and FITL (except FITL/WCTL of CDR lenders who have already converted the same into CCCPS) which are repayable in 32, 28 and 20 structured quarterly instalments commencing from quarter ending 30th June 2015 and ending on or before 31st March 2023, respectively.

iv) The rate of interest on Term loans and Working Capital facilities sanctioned by State Bank of India, lead Bank is 11.50% p.a. upto 31st January 2019 and fixed at 12.55% p.a. w.e.f. 1st February, 2019 till 31st January 2020 and thereafter it shall be subject to review and reset at every year. The rate of interest on Term loans and Working Capital facilities with other consortium Bankers are fixed at 11.50% p.a. as on 31st March , 2019.

v) The credit facilities received from Standard Chartered Bank repayable in 18 structured quarterly instalments starting from 30th June 2015 to 30th September 2019 and the rate of interest is at 10.95% p.a. However, the Company has, during the financial year 2017-2018, entered into "One Time Settlement", whereby the entire dues of the Bank is settled at ₹ 2,207.30 lacs, to be payable in 22 monthly installments starting from October, 2017. Outstanding dues as at 31st March, 2019 amounts to ₹ 400 lacs.

vi) The credit facilities received from SREI Equipment Finance Limited repayable in 16 structured quarterly instalments starting from 15th May 2016 to 28th February 2020 and rate of interest is at 11.50% p.a. However, the Company has, during the financial year 2017-2018, entered into "One Time Settlement" with the Institution. Outstanding dues as at 31st March, 2019 amounts to ₹ Nil (Pr. Yr. ₹ 79.50 lacs).

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

vii) The credit facilities received from L & T finance Limited repayable in 20 equal quarterly instalments starting from 30th June 2014 to 31st March 2019 and Rate of interest is fixed at 12% p.a.

viii) Credit facilities are additionally secured by personal guarantee of the promoter directors of the company.

ix) Non CDR Lenders' balances are subject to confirmation.

	₹ in Lacs	
	As at 31.03.2019	**As at 31.03.2018**
19 NON-CURRENT OTHER FINANCIAL LIABILITIES:		
Security Deposits (Against performance of contracts)	-	21.10
	-	**21.10**
20 NON-CURRENT OTHER LIABILITIES:		
Government Grants #	273.20	-
	273.20	**-**
# Represents unammortised portion of Infrastructure Cost Subsidy as refered to in note 49.		
21 NON-CURRENT PROVISIONS:		
Provision for Employee Benefits (Refer Note 38)		
For Gratuity	274.59	196.99
For Compensated Absences	49.20	48.89
	323.79	**245.88**
22 BORROWINGS:		
Secured:		
Working Capital Loan from Banks	11,994.36	13,745.24
Unsecured:		
Loans from Related Parties (Refer Note 48)		802.65
	11,994.36	**14,547.89**
The Working Capital Loan from Banks are secured by first pari passu charge on current assets of the company and second pari-passu charge on fixed assets of the company (Additional Information - Refer Note 18)		
23 TRADE PAYABLES: (Refer Note 40)		
Total outstanding dues of micro enterprises and small enterprises	2.31	1.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,602.74	15,289.21
	6,605.05	**15,291.11**
24 OTHER CURRENT FINANCIAL LIABILITIES:		
Security deposit (Against performance of contractors)	1.20	-
Current Maturities of Long Term borrowings (secured) (Refer Note 18)	7,631.94	8,858.26
Interest Accrued and due on Borrowings	110.34	182.99
Interest Accrued but not due on Borrowings	148.43	-
Other Liabilities	325.79	286.98
	8,217.70	**9,328.23**
25 OTHER CURRENT LIABILITIES:		
Advance Received from Customers	539.46	656.60
Statutory dues Payable	1,253.38	1,665.47
	1,792.84	**2,322.07**
26 CURRENT PROVISIONS:		
Provision for Employee Benefits (Refer Note 38)		
For Gratuity	36.64	45.44
For Compensated Absences	17.78	16.98
	54.42	**62.42**

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

	₹ in Lacs	
	Year Ended	**Year Ended**
	31.03.2019	**31.03.2018**
27 REVENUE FROM OPERATIONS:		
Sale of Steel Products		
Finished Goods	116,789.71	90,444.09
Traded Goods	2,217.07	514.03
Sale of Power	402.41	314.49
	119,409.19	**91,272.61**
28 OTHER INCOME:		
Interest Income		
On Bank deposits	113.86	175.96
Others	3.65	3.87
Written Back on One Time Settlement with Lenders	1,301.98	4,476.12
Sundry Balances Written Back (Net)	162.13	-
Provision for Doubtful Debts Written back	179.00	-
Profit on Sale of Property, Plant and Equipments (Net)	1.21	170.56
Net Gain on Derivative Contracts measured at FVTPL	-	10.50
Miscellaneous Income	27.24	75.71
	1,789.07	**4,912.72**
29 CHANGE IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE:		
Inventories at the beginning of the year		
Finished goods	6,086.98	5,167.65
Traded godds	-	1.65
	6,086.98	**5,169.30**
Inventories at the end of the year		
Finished goods	10,393.89	6,086.98
Traded godds	–	-
	10,393.89	**6,086.98**
Less: Excise duty on account of increased / (decreased) on stock of finished goods	-	(620.03)
Change In Inventories Of Finished Goods & Stock-In-Trade	**(4,306.91)**	**(1,537.71)**
30 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages Bonus & Allowances	3,445.32	3,007.80
Contribution to Provident and other fund	244.22	236.34
Defined Benefit Obligation Expenses (Refer Note 38)	66.38	54.65
Staff Welfare Expense	29.11	27.03
	3,785.03	**3,325.82**
31 FINANCE COSTS		
Interest		
On Term loans	2,841.84	4,015.22
On Working capital	1,512.08	1,729.53
Others	569.53	495.27
Other Borrowing Cost	278.12	416.29
	5,201.57	**6,656.31**
32 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Property Plant and Equipment	3,498.70	3,596.02
	3,498.70	**3,596.02**

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

	₹ in Lacs	
	Year Ended	**Year Ended**
	31.03.2019	**31.03.2018**
33 OTHER EXPENSES		
Consumption of Stores and spares	6,661.52	4,817.93
Other Manufacturing Expenses	2,217.25	1,828.34
Power & Fuel	212.38	299.92
Rent	122.82	153.73
Rates & taxes	57.13	135.54
Insurance charges	133.07	130.96
Repair and maintenance - Plant and Machinery	445.90	380.14
Repair and maintenance - Building	28.16	22.93
Repair and maintenance - Others	91.23	110.22
Travelling and Conveyance	50.30	45.68
Legal and Professional fees	336.25	308.36
Freight and forwarding charges	1,377.23	806.80
Loss on Sale of Investments	-	2.45
Loss on Discard of Assets	2.20	4.44
Sundry Balances Written Off (Net)	-	130.06
Provisions for Doubtful Debts/ Advances	4.41	3,912.10
Provision for Dimunition in Value of Investments	-	7.39
Foreign Exchange Variations (Net)	218.31	39.98
Membership and Subscription Fees	2.88	3.22
Miscellaneous Expenses	1,043.50	683.05
	13,004.54	**13,823.23**

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

34 Contingent Liabilities and Commitments:

Contingent Liabilities

(₹ in Lacs)

PARTICULARS	**31.03.2019**	**31.03.2018**
a) Excise Duty, Sales Tax, Entry Tax and Income Tax demand disputed, contested in appeal	1,341.20	1,318.78
Amount paid there against and shown as Advances Receivable	48.91	45.58
b) Claims against the company not acknowledge as debt	1,925.99	1,018.21
c) Export Obligation against imports made under EPCG Schemes ₹5,276.93Lacs has to be fulfilled on or before the prescribed date. Custom Duty Liability which may arise on non-fulfillment of aforesaid export obligation	659.62	659.62
d) Corporate Guarantees issued on behalf of the subsidiaries and an associate company outstanding at the year end	2,99,000.00	2,99,000.00
e) Steel Authority of India (SAIL) has filed a claim against the Company before Hon'ble Bombay High Court for damages, which the Company has contested and has also filed the counter claim. The matter is subjudice and hence amount payable, if any is not ascertainable.		

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forms/authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. In respect of Clause (a) to (e) above, Management has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Commitments:

(₹ in Lacs)

	31.03.2019	**31.03.2018**
a) Bank Letter of Credit outstanding at the year end	2,018.00	1,593.00
b) For Derivative contract related commitments, Refer Note 44		
c) Dividend on 12.2% Compulsory Convertible Preference Shares	10,445.30	9,914.21

35 The CDR lenders, with the approval of CDR EG, shall have the right to recompense the relief/sacrifices/waivers extended by respective CDR Lenders as per CDR guidelines. The recompensed amount as at 31st March, 2019 is ₹7,813.00 lacs (Pr. Yr. ₹6,520 lacs)

36 Earnings (Deficit) Per Share:

(₹ in Lacs)

	31.03.2019	**31.03.2018**
Nominal Value of Equity Share (₹)	10	10
Profit (Loss) Attributable to Equity Shareholders (₹ in Lacs)	16,676.60	(15,979.86)
Weighted average number of Equity Shares:		
- Basic	47,72,11,944	46,80,83,309
Add: Effect of equity shares that could arise on conversion of Compulsory Convertible Preference Shares	27,72,53,192	27,72,53,192
- Diluted	75,44,65,136	74,53,36,501
Earnings (Deficit) Per Share (in ₹)		
- Basic	3.49	(3.41)
- Diluted *	0.01	(3.41)

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

* The potential equity shares arising out of conversion of Compulsory Convertible Preference Shares have an anti-dilutive effect, hence the same are ignored for calculating diluted EPS.

37 Disclosure for Operating Leases under Ind AS 17 – “Leases”:

(a) The Company has taken various residential / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally cancellable and range between 11 months and 3 years under leave and license, or longer for other leases, and are renewable by mutual consent on mutually agreeable terms.

(b) The lease payment are recognized in the Statement of Profit and Loss under “Rent” under Note 33 amounting to ₹122.82 lacs (Pr. Yr. ₹ 153.73 lacs).

(c) The future lease payments and payment profile of non cancellable operating leases are under:

(₹ in Lacs)

Particulars	**31.03.2019**	**31.03.2018**
Not later than one year	26.68	25.41
Later than one year but not later than five years	115.12	115.00
Later than five years	Nil	26.80

38 Employee Benefits

(a) Defined Contribution Plans:

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers eligible workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the pension fund is made only by the Company. The contributions are normally based on a certain portion of the employee's salary.

During the year, the Company has recognised the following amounts:.

(₹ in Lacs)

	31.03.2019	**31.03.2018**
Provident Fund, Employee’s Pension Scheme& Other	159.58	152.11
Employees State Insurance	84.65	84.24
Total	**244.22**	**236.34**

(b) Defined Benefit Plans

The Company has an obligation towards gratuity, an unfunded defined benefit retirement plan covering eligible employees. Every employee has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk

Interest Risk The defined benefit obligation calculated uses a discount rate based government bonds. A decrease in the bond interest rate will increase the plan liability.

Longevity Risk The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

c) The following tables summarise the components of defined benefit expense recognised in the statement of profit or loss/OCI and the funded status and amounts recognised in the Balance Sheet for the respective plans.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

(₹ in Lacs)

	Gratuity (Unfunded Plan)	
	31.03.2019	**31.03.2018**
I Changes in Defined Benefit Obligation		
Opening defined benefit obligation	**242.43**	**169.31**
Current service cost	66.38	54.34
Interest cost	17.64	11.75
Prior Service Cost	0.00	0.31
Actuarial loss / (gain)		
- changes in demographic assumptions	49.98	(7.82)
- changes in financial assumptions	(27.99)	55.49
- experience adjustments	(15.43)	(27.86)
Benefit (paid)	(21.78)	(13.09)
Closing defined benefit obligation	**311.23**	**242.43**
ii) Amount recognised in the Balance Sheet		
Present value of the unfunded obligations as at year end		
- Current	36.64	45.44
- Non – Current	274.59	196.99
Present value of the unfunded obligations as at year end	**311.23**	**242.43**
iii) Expenses recognised in the Statement of Profit and Loss		
Current service cost	66.38	54.34
Prior service cost	0.00	0.31
Net Interest cost	17.64	11.75
Total	**84.02**	**66.40**
iv) Expenses recognised in the Statement of Other Comprehensive Income		
Net actuarial loss / (gain)recognised in the current year		
-changes in demographic assumptions	49.98	(7.82)
-changes in financial assumptions	(27.99)	55.49
-experience adjustments	(15.43)	(27.86)
Total	**6.56**	**19.81**
v) Principal actuarial assumptions used		
Discount rate (p.a.)	7.62%	7.22%
Salary growth rate (p.a.)	13.00%	13.00%
Attrition rate (p.a.)	24.00%	5.00%

(d) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate & expected salary increase, attrition rate and mortality. Reasonable, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in Lacs)

	31.03.2019		31.03.2018	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5%) movement	(7.99)	8.82	(9.52)	1.03
Salary growth rate (0.5%) movement	7.95	(7.35)	0.84	(0.79)
Attrition rate (0.5%) movement	(2.53)	2.69	(0.37)	(0.39)

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Further more, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with financial year 2018-2019.

(e) The expected maturity analysis of defined benefit obligation is as follows:

The table shows the expected cash profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

(₹ in Lacs)

Maturity Profile	**31.03.2019**	**31.03.2018**
Expected Benefit for Year 1	36.64	43.61
Expected Benefit for Year 2	26.00	31.55
Expected Benefit for Year 3	24.61	24.02
Expected Benefit for Year 4	23.69	19.50
Expected Benefit for Year 5	22.37	15.69
Expected Benefit for Year 6 to Year 10	62.78	37.17
Expected Benefit for Year 11 and above	115.11	70.89

The weighted average duration of the payment of these cash flows as at 31st March, 2019 is 8.16 years and 31st March, 2018 is 4.26 years

(f) Leave Encashment:

Company's employees are entitled for compensated expenses which are allowed to be accumulated and encashed as per Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹ 66.98 lacs (Pr. Yr. ₹ 65.87 lacs) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

Annual Leave Assumptions

a) Financial Assumptions

(₹ in Lacs)

Particulars	**31.03.2019**	**31.03.2018**
Discount rate (p.a.)	7.62%	7.22%
Salary growth rate (p.a.)	13.00%	13.00%

b) Demographic Assumptions

Particulars	**31.03.2019**	**31.03.2018**
Mortality	IALM (2006-08)	IALM (2006-08)
Leave Availment Rate	5.00%	5.00%

39 Remuneration to Auditors:

(₹ in Lacs)

Particulars	**31.03.2019**	**31.03.2018**
Audit Fees	18.00	15.00
Tax Audit Fees	4.00	2.00
Other Attest Services	4.00	0.30

40 Details of Micro and Small Enterprises As defined Under the Micro, Small and Medium Enterprise Development Act, 2006:

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

(₹ in Lacs)

Sr.No.	Particulars	31.03.2019	31.03.2018
I	Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.31	1.90
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
iii	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
iv	The amount of interest due and payable for the year	Nil	Nil
v	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
vi	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

41 The coal blocks allocated to the Company, on which the Company has commenced the work, has been cancelled based on the Supreme Court order. However the Company have claimed the amount spent on the development of the block along with interest as specified in the notification No. 13018/04/2014 -CA-III issued by Government of India, Ministry of Coal dated 3rd February, 2015. No provision is made against the same amounting to ₹ 5,046.98 lacs.

42 The Company had given equity shares of ₹ 14,764.53 lacs and preference shares of ₹ 1,035.47 lacs held in SKS Power Generation (Chhattisgarh) Limited and equity shares of ₹ 5.00 lacs held in SKS Power Generation (Madhya Pradesh) Limited and a corporate guarantee amounting to ₹ 2,99,000 lacs as guarantee to lenders of SKS Power Generation (Chhattisgarh) Limited. On 13th June, 2018, SBI Cap Trustee Company Limited has invoked the entire shareholding of equity shares held by us in SKS Power Generation (Chhattisgarh) Limited and the same is transferred in their name. Hence, loss on account of guarantee given amounting to ₹ 14,764.53 has been recognized in the financial statements.

43 The Company has not provided interest amounting to ₹ Nil (Pr. Yr. ₹ 116.35 lacs) on term loan pertaining to one of the Non CDR Lender and Funded Interest Term Loan thereon.

44 Details of Hedged and Unhedged Exposure in Foreign Currency Denominated Monetary Items

a) Exposure in Foreign Currency – Hedged

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contract consistent with the company's Risk Management Policy. The Company does not use forward contracts for speculative purposes. There are no foreign currency exposures which are hedged as on 31st March, 2019 and 31st March, 2018.

b) The year-end foreign currency exposures that have not been hedged by derivative instrument or otherwise are as below:

Particulars	Foreign Currency Denomination	Foreign Currency Amount (USD) in lacs		Indian Rupees equivalent in Lacs	
Assets :		**31.03.2019**	**31.03.2018**	**31.03.2019**	**31.03.2018**
Receivable	USD	0.03	0.23	2.49	14.93
Liabilities :					
Trade Payables	USD	Nil	77.65	Nil	5,050.94

45 Segment Reporting

A. Basis for Segmentation

The Company has following business segments which are its reportable segments. These units offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker.

Reportable Segments	Operation
Steel -	Trading and Manufacturing of Sponge Iron, Billets, Rolled products and Ferro Alloys
Power -	Generation of Power

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

B Information about the Company's business segments is given below: **(₹ in Lacs)**

	Steel		Power		Total	
A Revenue	**31.03.2019**	**31.03.2018**	**31.03.2019**	**31.03.2018**	**31.03.2019**	**31.03.2018**
External Sales	119,006.78	90,958.12	402.41	314.49	119,409.19	91,272.61
Inter Segment Sales	-	-	21,607.22	19,247.19	21,607.22	19,247.19
Segment Revenue	-	-	-	-	-	-
Less: Inter Segment Eliminations	-	-	(21,607.22)	(19,247.19)	(21,607.22)	(19,247.19)
Total Revenue	119,006.78	90,958.12	402.41	314.49	119,409.19	91,272.61
B Segment Results/ (Profit (Loss) Before Tax)	18,075.35	(700.60)	4,365.65	5,894.42	22,441.00	5,193.82
C Specified Amounts included in Segment Results						
Depreciation & Amortisation	2,288.19	2,286.98	1,210.51	1,309.04	3,498.70	3,596.02
Interest Income	117.51	179.83	-	-	117.51	179.83
Interest Expense	2,600.98	3,161.73	2,600.58	3,494.58	5,201.56	6,656.31
D Reconciliation of Segment Result with Profit (Loss) After Tax						
Segment Results	18,075.35	(700.60)	4,365.65	5,894.42	22,441.00	5,193.82
Finance Cost					5,201.57	6,656.31
Interest Income	-	-	-	-	117.51	179.83
Net gain arising on financial assets measured at FVTPL	-	-	-	-	-	-
Gain on sale of financial assets measured at FVTPL	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-
Unallocated Corporate Income/ (Expenses)- Net	-	-	-	-	1,342.38	4,651.39
Income Taxes	-	-	-	-	-	-
Loss After Tax as per Statement of Profit and Loss	-	-	-	-	18,699.32	12,584.15
E Other Information						
Segment Assets	33,746.59	35,487.02	59,574.70	60,981.37	93,321.29	96,468.39
Unallocated Corporate Assets	-	-	-	-	5,517.97	5,104.76
Total Assets	-	-	-	-	98,839.26	1,01,573.15
Segment Liabilities	39,264.56	4,427.51	59,574.70	60,981.37	98,839.26	65,408.88
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total Liabilities	-	-	-	-	98,839.26	65,408.88
Total Capital Expenditure	502.25	1,561.64	-	-	502.25	1,561.64

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

C Reconciliation of other material items: **(₹ in Lacs)**

	Reportable segments total		Adjustments		Total	
	31.03.2019	**31.03.2018**	**31.03.2019**	**31.03.2018**	**31.03.2019**	**31.03.2018**
Interest Revenue	117.51	179.83	-	-	117.51	179.83
Interest Expense	5,201.56	6,656.31	-	-	5,201.56	6,656.31
Depreciation	3,498.70	3,596.02	-	-	3,498.70	3,596.02

D Geographical information:

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been on the geographical location of the assets.

(I) Revenue (Net) **(₹ in Lacs)**

	31.03.2019	**31.03.2018**
Within India	119,409.19	91,272.61
Outside India	-	-
Total	**119,409.19**	**91,272.61**

(ii) All Non-Current Assets (Non-Current Assets exclude financial instruments, deferred tax assets and post-employment benefit assets) of the Company are located in India.

E Major Customer:

None of the individual customer accounted for more than 10% of the revenue for the years ended 31st March, 2019 and 31st March, 2018.

46 Capital Management

The Company's capital management objectives are to ensure the company's ability to continue as a going concern, to provide an adequate return to shareholders through the optimization of the debt and equity balance.

Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest bearing loans and borrowings less cash and cash equivalents and current investments. Equity comprises all components of equity.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in Lacs)

	31.03.2019	**31.03.2018**
Debt (Debt + Current Liabilities)	31,969.74	46,996.33
Less: Cash and Cash Equivalents	393.12	565.33
Adjusted Net Debt	31,576.62	46,431.00
Equity	57,234.45	36,164.68
Adjusted Net Debt to Equity Ratio	0.55	1.28

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2019 and 31st March, 2018.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

47 Financial Instrument- Fair values and risk management

A) Fair Value Measurements

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ in Lacs)

Financial Instruments By Category	31.03.2019		31.03.2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets:				
Non-Current Investments – Others	Nil	236.27	Nil	236.27
Other Financial Assets	Nil	5,322.37	Nil	5,142.39
Trade Receivables	Nil	5,337.56	Nil	6,387.73
Cash & Cash Equivalents	Nil	393.12	Nil	565.33
Other Bank Balance	Nil	747.63	Nil	1,864.13
Other Current Financial Assets	Nil	1,634.88	Nil	1,374.64
Financial Liabilities:				
Non-Current Borrowings	Nil	12,343.44	Nil	24,392.83
Other Non-Current Financial Liabilities	Nil	Nil	Nil	21.10
Current Borrowings	Nil	11,994.36	Nil	13,745.24
Trade Payables	Nil	6,605.05	Nil	15,291.11
Other Current Financial Liabilities				
-Derivative Contracts	Nil	Nil	Nil	Nil
-Others	Nil	8,217.70	Nil	9,328.22

Fair value hierarchy **(₹ in Lacs)**

Financial Instruments By Category	31.03.2019			31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets:						
Non-Current Investments – Others	Nil	Nil	236.27	Nil	Nil	236.27
Other Financial Assets	Nil	Nil	5,322.37	Nil	Nil	5,142.39
Trade Receivables	Nil	Nil	5,337.56	Nil	Nil	6,387.73
Cash & Cash Equivalents	Nil	Nil	393.12	Nil	Nil	565.33
Other Bank Balance	Nil	Nil	747.63	Nil	Nil	1,864.13
Other Current Financial Assets	Nil	Nil	1,634.88	Nil	Nil	1,374.64
Financial Liabilities:						
Non-Current Borrowings	Nil	Nil	12,343.44	Nil	Nil	24,392.83
Other Non-Current Financial Liabilities	Nil	Nil	Nil	Nil	Nil	21.10
Current Borrowings	Nil	Nil	11,994.36	Nil	Nil	13,745.24
Trade Payables	Nil	Nil	6,605.05	Nil	Nil	15,291.11
Other Current Financial Liabilities						
- Derivative Contracts	Nil	Nil	Nil	Nil	Nil	Nil
- Others	Nil	Nil	8,217.70	Nil	Nil	9,328.22

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

B) Financial risk management objectives:

The Company's principle financial liabilities, other than derivatives, comprise borrowings, trade payable, other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's financial assets comprise investment, loan and other receivables, trade and other receivables, cash and deposits that rise directly from its operations.

The company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's Corporate Treasury function manages the financial risks relating to the operation of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

In order to minimize adverse effects on the financial performance of the Company, derivative financial instruments such as forward contracts are entered into to hedge foreign currency risk exposure. Derivatives are used exclusive for hedging purpose and not as trading and speculative purpose

i) Market risk:

Market Risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market prices. Market prices comprises of interest rates risk, foreign currency exchange rates risk , equity prices risk and commodity risk. Financial instrument affected by market risk include loans, and borrowings, deposits, investments, and derivative financial instrument.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies

a) Foreign currency risk management:

Foreign currency risk is the risk that fair value or future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company transact business primarily in Indian rupee. The Company has foreign currency Trade Payables and Trade Receivable and is therefore exposed to foreign exchange risk. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The company has not entered into any foreign exchange forwards contracts during the year 2018-19.

The following table analyses unhedged foreign currency risk – US Dollars from financial instruments as of 31st March 2019

(₹ in Lacs)

Particluars	31.03.2019	31.03.2018
Trade Receivables	2.49	14.93
Trade Payables	Nil	5,050.94
Net Assets (liabilities	**2.49**	**(5,036.01)**

For the year ended 31st March 2019 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Company's incremental profit before tax as below:

(₹ in Lacs)

Particluars	31.03.2019		31.03.2018	
	Change in currency exchange rate	Effect on profit before tax	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+ 5%	0.12	+ 5%	(251.80)
	- 5%	(0.12)	- 5%	251.80

b) Foreign currency risk management:

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates. The Company manages its interest rate risk by having of fixed interest rate loans and borrowings.

The sensitivity analyses below have been determined based on the exposure to interest rates the end of the reporting period. A 0.25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. A reasonably possible change of 0.25 basis points in interest rates at the reporting date would have impacted profit before tax as below.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

Particulars	(₹ in Lacs)	
	31.03.2019	31.03.2018
Increase in interest rate by 0.25 %	Nil	1.45
Decrease in interest rate by 0.25 %	Nil	(1.45)

ii) Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. To manage this, the company periodically assesses the financial reliability of the customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly.

The company's credit risk arises from accounts receivable balances on sale of steel products on the basis ofterms agreed with the customers.

Trade receivables consist customers for sale of steel. Ongoing credit evaluation is performed based on the financial condition of accounts receivables and if there is any significant change in the credit risk, then the company makes changes to its Expected Credit Loss (ECL) Provision.

iii) Liquidity risk management:

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring company's net liquidity positions through rolling forecast on the basis of expected cash flows.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lacs)

	Carrying amount	Payable within 1 year	More than 1 years	Total
As at 31.03.2019				
Non-derivative liabilities				
Borrowings	31,969.74	19,626.30	12,343.44	31,969.74
Trade Payables	6,605.05	6,605.05	Nil	6,605.05
Other Payables	585.76	585.76	Nil	585.76
As at 31.03.2018				
Non-derivative liabilities				
Borrowings	46,996.33	22,603.50	24,392.83	46,996.33
Trade Payables	10,658.02	10,658.02	Nil	10,658.02
Other Payables	491.07	469.97	21.10	491.07

The table has been drawn up based on the undiscounted contractual maturities of financial liabilities including interest that will be paid on those liabilities up to the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for fixed interest rate instruments for non-derivative liabilities

48 Related Party Disclosures as required by Ind AS 24 are given below

i) Relationships:

a) **Category I: Holding Company**
Citywings Agencies Private Limited

b) **Category II: Subsidiaries& Joint Ventures**
SKS Power Generation (Chattisgarh) Limited (upto 13.06.2018)
SKS Power Generation (Madhya Pradesh) Limited
SKS Cements Limited
SKS Power Holdings Limited
Fatehpur Coal Mining Company Private Limited (Joint Venture)

c) **Category III: Associates**
Surya Infra Venture Private Limited

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

d) Category IV: Directors, Key Management Personnel and their Relatives

Mr. Anil Gupta	*Managing Director*
Mr. Deepak Gupta	*Jt. Managing Director*
Mr. Rajeev Sabhlok (w.e.f. 01.09.2017)	*Whole Time Director*
Mr. Sharad Kumar Goel (From 01.12.2016 to 15.07.2017)	*Director*
Mrs. Neeta Jain	*Independent & Non-Executive Director*
Mr. Devidas Kamble	*Independent & Non-Executive Director*
Mr. Gopal Garg (w.e.f. 25.03.2019)	*Chief Financial Officer*
Mrs. Rinky Pandey (upto 12.11.2018)	*Company Secretary*
Mr. Viral Maru (w.e.f 12.11.2018)	*Company Secretary*
Mrs. Premlata Gupta	*Relative of Key Management Personnel*
Mrs. Sangita Gupta	*Relative of Key Management Personnel*
Mrs. Riddhi Gupta	*Relative of Key Management Personnel*
Mr. Anish Gupta	*Relative of Key Management Personnel*

e) Category V: Enterprise over which persons covered under Category IV above are able to exercise significant control

Shree Krishna Structure Private Limited
Gupta Steel Corporation Private Limited
Padma Ispat Private Limited
Vighnesh Steels Private Limited
Tool Art Deco India Private Limited (w.e.f. 18.01.18))

II. Transactions during the year with related parties **(₹ in Lacs)**

Transactions	Category 1	Category 2	Category 3	Category 4	Category 5	Total
Sales	Nil	6.00	Nil	Nil	Nil	6.00
	(Nil)	(5.89)	(Nil)	(Nil)	(Nil)	(5.89)
Purchase of Materials	Nil	8.83	Nil	Nil	Nil	8.83
	(Nil)	(195.65)	(Nil)	(Nil)	(Nil)	(195.65)
Rent Paid	Nil	Nil	Nil	Nil	13.92	13.92
	(Nil)	(Nil)	(Nil)	(2.25)	(17.67)	(19.92)
Advances Given (Net)	Nil	5.12	Nil	Nil	Nil	5.12
	(Nil)	(1.21)	(Nil)	(Nil)	(Nil)	(1.21)
Advances Adjusted (Net)	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(3.46)	(Nil)	(Nil)	(1.26)	(4.72)
Allotment of Equity Shares	Nil	Nil	Nil	225.00	787.65	1,012.65
	(Nil)	(Nil)	(Nil)	(1330.50)	(696.50)	(2,027.00)
Unsecured Loan Taken	Nil	Nil	Nil	905.00	114.24	1,019.24
	(Nil)	(Nil)	(Nil)	(50.00)	(752.65)	(802.65)
Repayment of Unsecured Loan	Nil	Nil	Nil	730.00	79.24	809.24
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Remuneration/ Salary	Nil	Nil	Nil	175.80	Nil	175.80
	(Nil)	(Nil)	(Nil)	(77.64)	(Nil)	(77.64)
Director Sitting Fees	Nil	Nil	Nil	7.80	Nil	7.80
	(Nil)	(Nil)	(Nil)	(7.80)	(Nil)	(7.80)

** Figures in brackets are of Previous Year*

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

iii. Outstanding as at Balance Sheet Date: **(₹ in Lacs)**

Transactions	Category 1	Category 2	Category 3	Category 4	Category 5	Total
Payables	Nil	258.15	Nil	12.59	Nil	271.15
	(Nil)	(270.88)	(Nil)	(8.87)	(1.26)	(281.01)
Receivables	Nil	7.01	49.75	Nil	Nil	56.76
	(Nil)	(Nil)	(49.75)	(Nil)	(428.93)	(478.68)
Advances Given (Net)	Nil	799.49	50.50	Nil	Nil	854.40
	(Nil)	(805.79)	(50.50)	(Nil)	(Nil)	(856.29)
Borrowing	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(50.00)	(752.65)	(802.65)

** Figures in brackets are of Previous Year*

Company has completed an independent evaluation for all transactions, for the year ended 31.03.2019 and has reviewed the same for the year ended 31.03.2018 to determine whether the transactions with associate enterprises are undertaken at arm's length price based on the internal pricing review and validation, Company believes that all transaction with associated enterprises are on arm's length basis.

Outstanding balances at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payable.

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

49 Income Taxes:

a) Tax Expense Recognised in Profit and Loss

(₹ in Lacs)

	31.03.2019	**31.03.2018**
Current Tax Expense for the year		
Adjustment for current tax of prior periods		
MAT Credit Entitlement		
Net Current tax expenses	-	-
Deferred tax expense/(benefit), net		
Origination and reversal of timing difference	(1,364.28)	(31.97)
Tax Expense for the year	**(1,364.28)**	(31.97)

b) Tax Expense Recognised in Other Comprehensive Income **(₹ in Lacs)**

	31.03.2019	**31.03.2018**
Items that will be reclassified to profit or loss in subsequent years:		
Items that will not be reclassified to profit or loss in subsequent years:		
Re-measurement gains (losses) on defined benefits plans	2.05	6.18
Total	**2.05**	**6.18**

c) Movement in Deferred Tax Balances: **(₹ in Lacs)**

Particulars	**31.03.2019**	**31.03.2018**
Deferred Tax Liabilities		
Property, Plant and equipment	9,390.54	10,042.27
Re- measurement gains(losses) on defined benefit plans	(0.74)	1.30
Total Deferred Tax Liabilities	**9,389.80**	**10,043.58**
Deferred Tax Asset		
Unabsorbed depreciation	9,851.05	9,138.51
Loss on Financial Instruments at fair value through profit & loss	Nil	Nil
MAT Credit Entitlement	1,925.47	1,925.47
Total Deferred Tax Asset	**11,776.52**	**11,063.98**
Deferred tax assets after set off	**2,386.72**	**1,020.40**

50 Government Grant

Government grant disclosed under Note 20 under the head 'Other Current Liabilities' represents unamortised portion of Infrastructure Cost/Fixed Capital subsidy received from Chhattisgarh State Industrial Development Corporation limited as per sanction letter dated 12th March, 2019.

51 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable loss. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

52 Separate Financial Statement

This financial statements are Separate Financial Statements. The Company has used the exemption from consolidation as the consolidated financial statement will be produced by its ultimate holding company i.e. Citywings Agencies Private Limited (CIN U51109WB2006PTC108331).

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

List of Significant Investments in Subsidiaries, Associates & Joint Ventures:

Name of the Investees	Nature of Investment	Principle Place of Business	Proportion of Ownership Interest	
			31.03.2019	31.03.2018
SKS Power Generation (Chattisgarh) Limited	Subsidiary (upto 13.06.2018)	Mumbai, Maharashtra	Nil (51% up to 13.06.2018)	51.00%
SKS Power Generation (Madhya Pradesh) Limited	Subsidiary	Mumbai, Maharashtra	100%	100%
SKS Cements Limited	Subsidiary	Mumbai, Maharashtra	100%	100%
SKS Power Holdings Limited	Subsidiary	Mumbai, Maharashtra	98.04%	98.04%
Fatehpur Coal Mining Company Private Limited	Subsidiary/ Joint Venture	Raigad, Chhattisgarh	61.54%	61.54%
Surya Infraventure Private Limited	Associat	Indore, Madhya Pradesh	25.23%	25.23

As per our report of even date
For Kapoor & Parekh Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Nilesh Parekh
Partner

Sd/-
Anil Gupta
Managing Director
DIN - 00046213

Sd/-
Deepak Gupta
Joint Managing Director
DIN - 00645211

Place: Mumbai
Date: 3rd June, 2019

Sd/-
Viral Maru
Company Secretary

Sd/-
Gopal Garg
Chief Financial Officer

NOTE

NOTE

NOTE