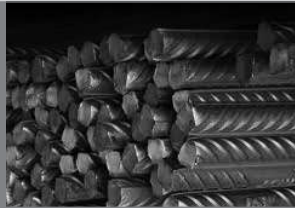


AKC STEEL INDUSTRIES LTD.



**Annual Report
2018-2019**

AKC STEEL INDUSTRIES LIMITED**CORPORATE INFORMATION**

- BOARD OF DIRECTORS** : Mr. Mukesh Chand Bansal - Non-executive Director
Mr. Ashok Kumar Bansal - Wholetime Director
Mr. Manav Bansal - Non-executive Director
Mr. Bhal Chandra Khaitan - Independent Director
Ms. Shyanthi Dasgupta - Independent Woman Director
Mr. Bharat Kumar Nadhani - Independent Director
- BANKERS** : Yes Bank Ltd.
- STATUTORY AUDITORS** : M/s. S. Jaykishan & Co.
Chartered Accountants
- SECRETARIAL AUDITORS** : Mr. Santosh Kumar Tibrewalla
Practising Company Secretary
5A, N.C. Dutta Sarani, Kolkata - 700 001
- REGISTERED OFFICE** : 'Lansdowne Towers'
2/1A, Sarat Bose Road,
4th Floor, Kolkata: 700 020
Tel: (033) 4060 4444
Fax: (033) 2283 3322
Email: contact@akcsteel.com
Web: www.akcsteel.com
- REGISTRAR & SHARE
TRANSFER AGENT** : M/s. Maheshwari Datamatics Pvt. Ltd.
23 R.N. Mukherjee, 5th Floor,
Kolkata - 700 001
Phone: (033) 2243-5029/5809
Fax : (033) 22484787
Email: mdpldc@yahoo.com
- MACHINE SHOP/STOCKYARD** : Plot No. 42, 43A, Block-D,
Autonagar Yard,
Visakhapatnam: 530 012
Andhra Pradesh
Tel: (0891) 2511 595

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors hereby presents you the 46th Annual Report on the business and operations of your Company along with the audited accounts of the Company for the year ended 31st March, 2019:

FINANCIAL RESULTS

Particulars	Financial Year 2018-19	Financial Year 2017-18
Revenue from Operations	665.97	429.26
Profit for the Year before Interest, Depreciation & Tax	428.26	146.88
Interest	39.78	50.49
Depreciation	89.13	104.46
Profit / (Loss) Before Taxation	299.35	(8.07)
Provision for Tax	-	-
Income Tax adjustments	1.36	3.28
Gratuity /Leave Provisions	-	-
Provision for Tax-Deferred Tax	0.04	(59.21)
Net Profit / (Loss) for the Year	298.03	(64.05)
Balance of Profit for the Previous Year	31.29	95.34
Balance available for appropriation	329.44	31.29
Additional Depreciation	-	-
Balance carried forward to next year	329.44	31.29

RESULTS OF OPERATIONS

During the financial year 2018-19, Global economy was aided by rebound in global trade, investment recovery in advanced economies and continued growth in emerging Asia. While the India's crude steel and finished steel production increased.

Revenue from operations for FY 2018-19 stood at 665.97 Lakhs against revenue of Rs. 429.36 Lakhs as reported during the previous year. In the current year under review the turnover of your Company has increased substantially due to leasing out of its unutilized land and increase its revenue and focusing mainly on machining job in which a good margin of profit achieved. The operation of its factory at Malkapuram has been shut down since 2012 due to expiry of lease, the leased land was taken from Vizag Port Trust (VPT). The VPT had cancelled renewal proposal earlier and recently had taken forceful possession of the property which is a setback for the Company and for its operations. In the meantime your Company is focusing mainly on machining job which is yielding a good margin of profit and exploring other areas of opportunities as well.

There is an increase in operating EBIDTA by Rs.299.35 Lakhs against a Loss of Rs.8.07 Lakhs comparing with the previous year. The net profit after tax during the year was Rs. 298.15 Lakhs against a loss of Rs. 64.05 Lakhs in the previous Year.

DIVIDEND

Your Directors do not recommend any dividend for the financial year 2019-20 and kept the retained earnings for the benefit of the Company and enhance the value of the shares of the Company.

The unpaid and unclaimed Dividend for the year 2010-11 has already been transferred to the Central Government, to Investor Education & Protection Fund ("IEPF") on 4th December, 2018.

Your Company has already transferred equity shares to Investor Education Protection Fund (IEPF) of those shareholders, who had not claimed dividend for a period of 7 years with effect from the F.Y. 2009-10, as per the IEPF Rules notified by the Central Govt. from time to time. Your Company also in the process to transfer the equity shares of those shareholders, who had not claimed dividend for a period of 7 years with effect from the F.Y. 2010-11, as per the IEPF Rules notified by the Central Govt. from time to time.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 14, 2019 to Saturday, September 21, 2019 (both days inclusive) for the purpose of the AGM.

SHARE CAPITAL

The paid up equity capital as on March 31, 2019 was Rs. 415.00 Lakhs comprising of 41,50,000 equity shares of Rs.10/- each. The company has neither issued shares with differential voting rights nor granted stock options

nor sweat equity during the financial year under review.

FINANCE

The company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS

Your Company has not accepted any deposits during the year, no deposits remained unpaid or unclaimed as at the end of the year and there was no default in repayment of deposits or payment of interest thereon during the year within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014

TRANSFER TO RESERVE

The Company has not transferred any amount to the General Reserves for the financial year ended 31st March, 2019.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the period under review, the Company has neither given any loans or guarantees and has not made any investment. The overall limit is within the powers of the Board as applicable to the Company in terms of section 179 and 186 of the Companies Act, 2013.

The detail of the investments, loans or guarantees made by the company is given in the notes to the financial statements

INTERNAL FINANCIAL CONTROLS

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records.

The Company has in place an adequate and robust system for internal financial controls commensurate with the size and nature of its business. Internal control systems are integral to the Company's corporate governance policy and no reportable material weaknesses were observed in operations.

The Audit Committee of the Company evaluated the adequacy of internal financial control. During the year such controls were tested with reference to financial statements and no reportable material weakness in the formulation or operations were observed. The Statutory Auditors of the Company conducted audit on the Company's internal financial control over financial reporting and the report of the same is annexed with Auditor's Report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Company has generally taken corporate social responsibility (CSR) initiatives under the Group. However, the present financial position of the Company does not mandate the implementation of CSR activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. The Company will constitute CSR Committee, develop CSR policy and implement the CSR initiatives whenever it is applicable to the Company.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 the details forming part of the extract of the annual return in Form No. MGT - 9, is marked as '**Annexure - A**' and annexed hereto and forms a part of this report.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 6 (Six) times during the year and the maximum interval between two meetings did not exceed 120 days. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations. The details of the number of meetings of the Board held during the financial year 2018-19 also form part of the Corporate Governance Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption are not required to be given as the operation of unit has been closed since the year 2012. There is no foreign exchange earnings and outgo during the year under review. The Company has not undertaken any Research & Development activities during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3) (c) & 134 (5) of the Companies Act, 2013 your Directors state that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- (b) the accounting policies adopted in the preparation of the annual accounts have been selected and applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates 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 2018-19 and of the profit for the year ended 31st March, 2019;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the year ended 31st March, 2019, have been prepared on a going concern basis.
- (e) proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively.
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in Place and were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI (LODR), Regulations, 2015).

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to provisions of Section 178 of the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy.

The remuneration policy of the Company, inter alia, includes the aims and objectives, principles of remuneration, guidelines for remuneration/sitting fees to Executive Directors and Non-Executive Directors, fixed and variable components in the remuneration package, criteria for identification of the Board Members and appointment of senior management.

The criteria for identification of the Board Members including that for determining qualification, positive attributes, independence etc. are given here under:

- ☉ The Board Member shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner.
- ☉ Independent Director shall be person of integrity and possess expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.
- ☉ In evaluating the suitability of individual Board Members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements.
- ☉ Director should possess high level of personal and professional ethics, integrity and values. He should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- ☉ Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. He must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- ☉ The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

RELATED PARTY TRANSACTIONS

All transactions entered with related parties during the financial year 2018-19 are on arm's length basis and were in the ordinary course of business and hence not falling under the provisions of Section 188 of the Companies Act, 2013 except for lease of property which is not in ordinary course of business. There have

been no other materially significant related party transactions with the Company's Promoters, Directors and others as defined in Section 2(76) of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which may have potential conflict with the interest of the Company at large.

The necessary disclosures regarding the transactions as required in Form AOC-2 are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Company has not entered into any specific contract with related parties.

RISK MANAGEMENT

Your Company has built a robust risk management framework over the years. The Company has a robust Risk Management framework to identify, evaluate business risks, and opportunities. This framework seeks to minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The framework also defines the risk management approach across the enterprise at various levels. Risk Management forms an integral part of the Company's planning process.

BOARD EVALUATION & CRITERIA FOR EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I) Directors-Retirement by Rotation:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Manav Bansal (DIN: 00103024), retires by rotation from the Board at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

II) Re-appointment/ Appointment of Director :

The present terms of appointment of Mrs. Shyanthi Dasgupta (DIN: 007139909) as Independent Woman Director would expire on 30th March, 2020. The Board of Directors at its meeting held on 12th August, 2019 has re-appointed Mrs. Shyanthi Dasgupta as Independent Woman Director pursuant to the provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014 subject to the approval of members by a special resolution in the ensuing Annual General Meeting of the Company, for a further period of 5 (Five) years being 2nd term of her appointment commencing from 31st March, 2020 on such terms and conditions. In accordance to the verification made by the Company and its Nomination Committee, the aforesaid Director is not debarred from holding of official Director pursuant to any SEBI Order.

Pursuant to the provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014 Mr. Bharat Kumar Nadhani (DIN: 01842863) has been recommended by the Nomination and Remuneration Committee and then appointed as an Additional Director by the Board of Directors at their meeting held on 12.08.2019. The Board recommended his appointment as Independent Director by the Members of the Company at the ensuing Annual General Meeting.

The profile and particulars of experience, attributes and skills of the appointed/re-appointed Directors are disclosed in the Notice convening the AGM to be held on Saturday, September 21, 2019.

III) Cessation/Death of Director

Mr. Tapan Kumar Banerjee, Independent Director has suddenly passed away on 30th June, 2019. Mr. Banerjee joined the Board with effective from 31st March, 2015. The Board of Directors places on record its appreciation towards Mr. Banerjee's contributions during his tenure as a Director of the Company.

IV) Wholetime Key Managerial Personnel

Mr. Mohit Sharma has resigned from the office of Company Secretary and Compliance Officer of the Company with effect from June 10, 2019. The Company has taken necessary steps to appoint Company Secretary within statutory time limit prescribed under the provisions of the Companies Act, 2013 as well as the provisions of SEBI (LODR). Mr. Harjeet Singh has been appointed as the Company Secretary & Compliance officer of the Company w.e.f. 12th August, 2019 with due compliance of Section 203 and other applicable provisions of the Companies Act, 2013.

In view of the provisions of Section 203 of the Companies Act, 2013, Mr. Ashok Kumar Bansal, Wholetime Director and Mr. R. Jagadeeswara Rao, Chief Financial Officer (CFO) & Mr. Harjeet Singh, Company Secretary were identified and designated as Wholetime Key Managerial Personnel.

During the year under review, there was no change in the composition of the Board of Directors.

None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013 and rules made thereunder. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) as applicable

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

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and company's operations in future.

MATERIAL CHANGES AFFECTING FIANANCIALS OF THE COMPANY

The factory of the Company at Malkapuram, Andhra Pradesh was shut down in the year 2012 due to non-renewal of Lease by Visakhapatnam Port Trust (VPT). But the Company was paying the annual rent to VPT since the year 2007, i.e. expiry of lease period. Recently, in the month of March, 2019 VPT forcefully taken over the Land alongwith the plant & Machinerries of the Company against which your Company has filed writ petition with the Hon'ble High Court at Telengana seeking proper legal recourse in this respect. The VPT has filed objection against the writ and demanding a payment of Rs.13.38 Crores (Approx.) towards damages since three times of schedule of rates for unauthorized/illegal occupation of the Leased Land since the year 2007 which is as per the Land policy guidelines of the Govt. of India

These are the material changes in commitments that may affect the financial position of the Company which occurred since the end of the financial year 2018-19.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, the Company has framed a Vigil Mechanism/Whistle Blower Policy to deal with unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any. The Vigil Mechanism/Whistle Blower Policy has also been uploaded on the website of the Company.

The Audit committee oversees the vigil mechanism and the persons who avail the mechanism are encouraged to escalate to the level of the Audit Committee for any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. This policy also allows the direct access to the Chairperson of the Audit Committee.

DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as 'Annexure - B' which is annexed hereto and forms part of the Directors' Report.

PARTICULARS OF EMPLOYEES

As required under provisions of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees concerned forms a part of the Directors' Report. Having regard to the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

COMPANY'S WEBSITE

The website of your Company, www.akcsteel.com, has been designed to present the Company's businesses up-front on the home page. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the Listing agreement has been uploaded. The site carries a comprehensive database of information including the Financial Results of your Company, Shareholding pattern, Director's & corporate profile, details of Board Committees, Corporate Policies and business activities of your Company.

AUDITORS & AUDITORS' REPORT

Statutory Auditors:

The present Statutory Auditors, M/s. S. Jaykishan & Co., Chartered Accountants (Registration No. 309005E), continued to hold the office of Auditors until conclusion of Forty Ninth Annual General Meeting of the Company to be held in the year 2022.

The notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments/explanation. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Secretarial Auditor:

In terms of Section 204 of the Companies Act, 2013 and the rules there under, the Board had appointed Mr. Santosh Kumar Tibrewalla, Practising Company Secretary to conduct Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year 2018-19 as provided by them is annexed to this Report, vide "**Annexure C**". The Report is self-explanatory and do not call for any further comments.

CORPORATE GOVERNANCE

Your Company has initiated, by providing the shareholders, to avail the option of receiving online the requisite documents i.e. notices, annual reports, disclosures and all other communications, by registering their e-mail Ids. For the success of 'Green Initiative' as per MCA circular no. 17/2011 & No. 18/2011.

The Company continues to comply with the requirements of SEBI (LODR) Regulations, 2015 regarding Corporate Governance. The Report on Corporate Governance together with a certificate from Mr. S. K. Tibrewalla, Practising Company Secretary regarding Compliance of Conditions of Corporate Governance, certification by M.D./CEO and CFO and the Management Discussion & Analysis Report are attached herewith which form part of this Annual Report.

STOCK EXCHANGE LISTING

The Equity Shares of your Company are listed on the Calcutta Stock Exchange Ltd. and the applicable annual listing fees have been paid to the Stock Exchange till financial year 2018-19.

CODE OF CONDUCT

The Code of Conduct for Directors, KMPs and Senior Executive of the Company is already in force and the same has been placed on the Company's website: www.akcsteel.com.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 your Company has adopted the Code of Conduct for Prevention of Insider Trading and the same is also placed on the Company's website: www.akcsteel.com.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

According to the World Economic Situation & Prospect (WESP) , the growth projections for 2019 have been revised downward in all major developed economies. The growth outlook for many developing economies has also weakened, despite downward revisions, growth in India remains "strong" amid robust domestic demand. The global growth outlook has weakened amid unresolved trade tensions and elevated international policy uncertainty. Across both developed and developing countries, growth projections for 2019 have been downgraded. Alongside a slow-down in international trade, business sentiments have deteriorated, casting a cloud on investment prospects.

World gross product growth is now expected to moderate from 3.0 per cent in 2018 to 2.7 per cent in 2019 and 2.9 per cent in 2020, reflecting a downward revision. The slowdown in global economic activity has triggered a shift towards easier monetary policy stances across many developed and developing economies adding that this shift is taking place in an environment of subdued global inflation, amid weakening demand and a moderate outlook for global commodity prices.

According to the UN's World Economic Situation and Prospects (WESP) 2019, India's GDP growth is expected to accelerate to 7.6% in 2019-20 from an estimated 7.4% in the current fiscal ending March 2019. The growth rate may come down to 7.4% a year later. In the case of China, the growth is estimated to decelerate to 6.3% in 2019 from 6.6% in 2018. It may further go down to 6.2% in 2020. India will continue to remain the world's fastest-growing large economy in 2019 as well as in 2020, much ahead of China. Implementation of the Goods and Services Tax (GST) from 1st July, 2017 by amalgamating several Central and State taxes into a single tax and steps toward demonetization are expected to encourage a shift from the informal to the formal sector. With the introduction of 'IBC'-Insolvency & Bankruptcy Code, a strong measure has been taken by the Govt. of India and the IBC regulator to curb the bad bank loans, errant business houses is a very giant step on the part of the Government. The reform measure has helped India Globally for ' Ease of Doing Business '.

The global steel demand may reach 1,735 million tonne in 2019, a rise of 1.3% over 2018. In 2020, the demand is projected to grow 1% to 1,752 MT. In developed economies, steel demand grew by 1.8% in 2018 following a resilient 3.1% growth in 2017. We expect demand to further decelerate to 0.3% in 2019 and 0.7% in 2020, reflecting a deteriorating trade environment. The wide range of continuing infrastructure projects is likely to

support growth in steel demand above 7% in both 2019 and 2020." In developing economies in Asia, excluding China, the demand is expected to grow by 6.5% and 6.4% in 2019 and 2020, respectively, making it the fastest-growing region in the global steel industry

In 2018, the world crude steel production reached 1789 million tonnes (mt) and showed a growth of 4.94% over 2017. China remained world's largest crude steel producer in 2018 (928 mt) followed by India (106 mt), Japan (104 mt) and the USA (87 mt). World Steel Association has projected Indian steel demand to grow by 7.3% in 2019 while globally, steel demand has been projected to grow by 1.4% in 2019. Chinese steel use is projected to show nil growth in 2019. The expected decline in China's steel demand also factors in the ongoing US-China trade dispute, given the indirect impact through supply chains

In latest world economic outlook of IMF, India's growth rate is downward and India will grow at 7 % in 2019 and 7.2 % in 2020 a downward revision of 0.3 % for both years. This downturn growth is due to persistent trade and technology tensions, slump in investment and consumer demand and mounting disinflationary pressures. To lift India's growth, Multilateral and national policy actions as well as to reduce trade & technology tensions are prescribed measures to adopt.

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during the current year (2018) so far, from its 3rd largest status in 2017. The country is also the largest producer of sponge iron or DRI in the world and the 3rd largest finished steel consumer in the world after China & USA. In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector. In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The said Policy is an updated version of National Steel Policy 2005 which was released earlier and provided a long-term growth perspective for the domestic iron and steel industry by 2019-20. The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement. This policy seeks to accomplish PM's vision of 'Make in India' with objective of nation building and encourage domestic manufacturing and is applicable on all government tenders where price bid is yet to be opened. Further, the Policy provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

India's steel consumption is rising at least 5.5 per cent to 6 per cent every year, tracking strong GDP growth of 7.3 per cent to 7.5 per cent. With minimal new steel capacity expected to be commissioned until 2021 in India, robust steel demand -- especially from the construction, infrastructure and automotive sectors -- will keep end-product prices high, even as rising costs for key inputs, coking coal and iron ore, pressure profitability. Meanwhile, India's steel sector consolidation will drive improvement in the industry's capacity utilisation levels and mute the pressure on profitability," the statement added.

Presently your Company is engaged in Machining operation and major income of your Company comes from leasing of its land at Visakhapatnam to its group & associate Company, M/s. Beekay Steel Industries Ltd. The factory of the Company at Malkapuram, Andhra Pradesh was shut down in the year 2012 due to non-renewal of Lease by Visakhapatnam Port Trust (VPT), the lease of which was duly expired in the year 2007. But your Company, since expiry of lease, was paying the usual annual rent to VPT which was acknowledged by VPT as unauthorized/illegal occupational charges. The matter of said lease non-renewal was/is subjudice since then. Recently, in the month of March, 2019 VPT forcefully taken over the Land alongwith the plant & Machineries of the Company citing the ground as illegally occupied. The Company has filed writ petition with the High Court at Telangana for legal course of action against VPT. In the meantime VPT vide its Written Objection filed with the Hon'ble High Court wherein a demand against the Company raised by VPT for payment of Rs.13.38 Crores (Approx.) towards damages since three times of schedule of rates for unauthorized/illegal occupation of the Leased Land since the year 2007 which is as per the Land policy guidelines of the Govt. of India. These are material changes in commitments affecting the financial position of the Company occurred since the end of the financial year 2018-19.

Your Company is looking for a turnaround so that the operations of the Company may be resumed. The management is also exploring new business opportunities by utilizing the land available at Parwada considering the positive future outlook.

The Company's turnover has increased significantly and earned a profit of Rs.298.15 Lakhs during the year 2018-19 mainly due to increased revenues from Machining Shop and lease rent earned from its land at Visakhapatnam. Your Company has a Machine Shop at Autonagar Yard for undertaking specialized Machining

on Job work basis and your Company is diversifying product range to improve its bottomline. Availability of desired order for machining job as well as proper utilization of purchased land for smooth running of the Company is considered as a major threat. All the assets of your Company are properly insured against expected risks involved.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has put in place a proper and adequate system of internal controls, to ensure the safeguarding of assets and their usage, maintenance of proper records, adequacy and reliability of operational information is commensurate with the size, scale and complexity of its operations. The internal control is supplemented by an extensive audit by internal and external audit teams and periodic review by the top management, Audit Committee and Board of Directors. Internal audit department evaluates legal and compliance issues and supports in assessment of Internal Control Systems and identification of other important issues as a powerful tool for risk control and governance. The system is designed to adequately ensure the reliability of financial and other records for preparing financial information and other data and for maintaining accountability of our assets. The external auditors have evaluated the system of internal controls in the Company and have reported that the same is adequate and commensurate with the size of the Company and the nature of its business.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

HUMAN RESOURCES MANAGEMENT AND INDUSTRIAL RELATIONS

Human Resource functions in the organization has seen a paradigm shift and evolved to embody modern day practices with proper use of technology and automation. This has had a profound impact on the morale and motivation of the employees who are the prime-movers. Thus the symbiotic relationship of the employees and the management is leading towards transformation of the organization. There is a well-calibrated reward and recognition mechanism bringing in meritocracy. Learning and development initiative for employees are greatly emphasized to enable all round good performance by individuals. Encouraging cordial working relation and maintaining good industrial relations have been the philosophy and endeavour of the HR Department. On the whole, industrial relation scenario has been good. Statutory compliances related to labour laws have been followed with due emphasis. There is a continuous effort for better Human Resource (HR) service delivery in order to better serve the customers with simpler well executed processes with proper use of technology. HR service delivery has become all the more critical in the organization due to rise in customer expectation.

The organization has a mechanism to provide employees with feedback on a continuous basis. Based on the organization's strategic plan, HR planning processes map the capacity of the organization. The knowledge, skills and abilities of the employees are identified.

DISCLOSURES AS PER APPLICABLE ACT, LISTING AGREEMENT AND SEBI LODR REGULATIONS, 2015:

i) Composition of Audit Committee:

The Board has constituted the Audit Committee under the Chairmanship of Mr. Bhal Chandra Khaitan. Complete details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

ii) Post Balance Sheet events:

The factory of the Company at Malkapuram, Andhra Pradesh was shut down in the year 2012 due to non-renewal of Lease by Visakhapatnam Port Trust (VPT). But the Company was paying the annual rent to VPT as the matter is subjudice. Recently, in the month of March, 2019 VPT forcefully taken over the Land alongwith the plant & Machineries of the Company citing the ground as illegally occupied. The Company has filed writ petition with the High Court at Telangana for legal course of action against VPT. In the meantime VPT vide its Written Objection filed with the Hon'ble High Court wherein a demand against the Company raised by VPT for payment of Rs.13.38 Crores (Approx.) towards damages since three times of schedule of rates for unauthorized/illegal occupation of the Leased Land since the year 2007 which is as per the Land policy guidelines of the Govt. of India. These are material changes in commitments affecting the financial position of the Company occurred since the end of the financial year 2018-19.

iii) Subsidiaries, Associates or Joint Ventures:

Your Company does not have any subsidiaries, associates or joint ventures, during the year under review.

iv) Evaluation of the Board's Performance:

The Nomination and Remuneration Committee of the Board of Directors had laid down the criteria for

evaluation of its own performance, the Directors individually as well as the evaluation of working of its various Committee(s).

Evaluation Criteria :

AUTHORITY FOR EVALUATION	TARGET PERSON FOR EVALUATION
Nomination and Remuneration Committee (NRC)	All Directors (Individually), Board and Committees
Independent Directors' Meeting (IDs)	<ul style="list-style-type: none"> a. Non - Independent Directors (Non- IDs); b. Chairperson (taking into account the views of executive & Non-executive Directors); c. Board as a Whole ; and d. Committees of Board.
Board of Directors (BOD)	Independent Directors (excluding participation of the ID being evaluated)

During the year under review, the Board, in compliance with the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has continued to adopt formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. A Separate exercise was carried out to evaluate the performance of individual Directors including the Board, as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and otherwise, independent judgements, safeguarding of minority shareholders interest, etc. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors in their separate meeting held on 13th August, 2018.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

v) Nomination, Remuneration and Evaluation Policy:

The Company on recommendation of its Nomination & Remuneration Committee has laid down a Nomination, Remuneration and Evaluation Policy, in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and the SEBI (LODR) Regulations, 2015. This Policy is formulated to provide a framework and set standards in relation to the followings and details on the same are given in the Corporate Governance Report attached to this Board's Report:

- a. Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Executives of the Company.
- b. Remuneration payable to the Directors, KMPs and Senior Management Executives.
- c. Evaluation of the performance of the Directors.
- d. Criteria for determining qualifications, positive attributes and independence of a Director.

APPRECIATION

The Board of Directors sincerely thanks and wishes to place on record its appreciation of the Government of India, State Governments of West Bengal & Andhra Pradesh, Promoters of the Company, Lenders and the Employees of the Company for their whole-hearted co-operation and unstinted support. The Directors want to express their deep-felt thanks and best wishes to all the shareholders for the continued support and the trust they have reposed in the Management. The Directors look forward to a better future and further growth of your Company.

Registered Office:

'Lansdowne Towers'
4th Floor, 2/1A, Sarat Bose Road

Kolkata
Date: 12th August, 2019

For and on behalf of the Board

Sd/-
Ashok Kumar Bansal
Whole Time Director

Mukesh Chand Bansal
Director

ANNEXURE-A TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 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	
i) CIN	L27109WB1957PLC023360
ii) Registration Date	20-02-1957
iii) Name of the Company	A K C Steel Industries Limited
iv) Category / Sub-Category of the Company	Public Company / Limited by shares
v) Address of the Registered office and contact details	2/1A, Sarat Bose Road, Lansdowne Towers, 4th Floor, Kolkata-700020 Tel: +91 33 40604444 Fax: +91 33 22833322 Email: contact@akcsteel.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 23,R.N. Mukherjee Road, 5th Floor Kolkata-700001 Tel: 033 22482248, 2243 5029 Fax: +91 33 2248 4787
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY All the business activities contributing 10% or more of the total turnover of the company	As per Attachment A
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Attachment B
IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
i) Category-wise Share Holding	As per Attachment C
ii) Shareholding of Promoters	As per Attachment D
iii) Change in Promoters' Shareholding	As per Attachment E
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v) Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V. INDEBTEDNESS Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
B. Remuneration to other directors	As per Attachment J
C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	As per Attachment L

ATTACHMENT - A**II. PRINCIPAL BUSINESS ACTIVITES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company are given below :-

Sl. No.	Name and Description of main products / services	NIC Code of the Product service	% to total turnover of the company
1.	Steel	2714/2715	100

ATTACHMENT - B**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN I GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section

ATTACHMENT - C

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

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	745154	0	745154	17.9555	745154	0	745154	17.9555	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	2360100	0	2360100	56.8699	2360100	0	2360100	56.8699	0.0000
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	3105254	0	3105254	74.8254	3105254	0	3105254	74.8254	0.0000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	3105254	0	3105254	74.8254	3105254	0	3105254	74.8254	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI	0	100	100	0.0024	0	100	100	0.0024	0.0000
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	0	100	100	0.0024	0	100	100	0.0024	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	13830	344385	358215	8.6317	13830	342335	356165	8.5823	-0.0494
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	76942	594189	671131	16.1718	81352	409655	491007	11.8315	-4.3403
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	14600	14600	0.3518	0	17100	17100	0.4120	0.0602
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts	0	700	700	0.0169	0	700	700	0.0169	0.0000
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI									
Employee Trusts									
Domestic Corporate									
Unclaimed Shares Account									
Investor Education and Protection Fund Authority	0	0	0	0.0000	179674	0	179674	4.3295	4.3295
Sub-total(B)(2):-	90772	953874	1044646	25.1722	274856	769790	1044646	25.1722	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	90772	953974	1044746	25.1746	274856	769890	1044746	25.1746	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3196026	953974	4150000	100.0000	3380110	769890	4150000	100.0000	0.0000

ATTACHMENT - D

ii) Shareholding of Promoters-

SI No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2018]			Shareholding at the end of the year [As on 31/Mar/2019]			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	SURESH CHAND BANSAL	103425	2.4922	0.0000	184105	4.4363	0.0000	1.9441
2	BASHESHAR LAL BANSAL	161360	3.8882	0.0000	-	0.0000	0.0000	(3.8882)
3	MUKESH CHAND BANSAL	90400	2.1783	0.0000	171080	4.1224	0.0000	1.9441
4	VIKAS BANSAL	66750	1.6084	0.0000	66750	1.6084	0.0000	0.0000
5	MANAV BANSAL	61550	1.4831	0.0000	61550	1.4831	0.0000	0.0000
6	GAUTAM BANSAL	48350	1.1651	0.0000	48350	1.1651	0.0000	0.0000
7	INDU BANSAL	49200	1.1855	0.0000	49200	1.1855	0.0000	0.0000
8	ARUNA BANSAL	48250	1.1627	0.0000	48250	1.1627	0.0000	0.0000
9	BHAWANI BANSAL	88769	2.1390	0.0000	88769	2.1390	0.0000	0.0000
10	SARIKA BANSAL	2000	0.0482	0.0000	2000	0.0482	0.0000	0.0000
11	B.L.BANSAL	25100	0.6048	0.0000	25100	0.6048	0.0000	0.0000
12	CONCAST STEELS AND ALLOYS LIMITED	1200100	28.9181	0.0000	1200100	28.9181	0.0000	0.0000
13	BEEKAY STEEL INDUSTRIES LIMITED	1160000	27.9518	0.0000	1160000	27.9518	0.0000	0.0000
	TOTAL	3105254	74.8254	0.0000	3105254	74.8254	0.0000	0.0000

ATTACHMENT-E

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SURESH CHAND BANSAL				
	01-04-2018	103425	2.4922		
	12/07/2018 - Transmission	80680	1.9441	184105	4.4363
	31-03-2019	184105	4.4363	184105	4.4363
2	MUKESH CHAND BANSAL				
	01-04-2018	90400	2.1783		
	12/07/2018 - Transmission	80680	1.9441	171080	4.1224
	31-03-2019	171080	4.1224	171080	4.1224
3	BASHESHAR LAL BANSAL				
	01-04-2018	161360	3.8882		
	12/07/2018 - Transmission	(161360)	3.8882	-	0.0000
	31-03-2019	-	0.0000	-	0.0000
4	VIKAS BANSAL				
	01-04-2018	66750	1.6084		
	31-03-2019	66750	1.6084	66750	1.6084
5	MANAV BANSAL				
	01-04-2018	61550	1.4831		
	31-03-2019	61550	1.4831	61550	1.4831
6	GAUTAM BANSAL				
	01-04-2018	48350	1.1651		
	31-03-2019	48350	1.1651	48350	1.1651
7	INDU BANSAL				
	01-04-2018	49200	1.1855		
	31-03-2019	49200	1.1855	49200	1.1855
8	ARUNA BANSAL				
	01-04-2018	48250	1.1627		
	31-03-2019	48250	1.1627	48250	1.1627
9	BHAWANI BANSAL				
	01-04-2018	88769	2.1390		
	31-03-2019	88769	2.1390	88769	2.1390
10	SARIKA BANSAL				
	01-04-2018	2000	0.0482		
	31-03-2019	2000	0.0482	2000	0.0482
11	B.L.BANSAL - HUF				
	01-04-2018	25100	0.6048		
	31-03-2019	25100	0.6048	25100	0.6048
12	BEEKAY STEEL INDUSTRIES LIMITED				
	01-04-2018	1160000	27.9518		
	31-03-2019	1160000	27.9518	1160000	27.9518
13	RADICE STEELS AND ALLOYS LIMITED				
	01-04-2018	1200100	28.9181		
	31-03-2019	1200100	28.9181	1200100	28.9181

ATTACHMENT - E

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

iii) Shareholding of Promoters

(iii) Change in Promoters' Shareholding

Sl No.	Name	Shareholding at the beginning of the year [as on 01.04.2018]		Cumulative Shareholding during the year [as on 01.04.2018 to 31.03.2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3105254	74.8254	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	There is no change in the promoters holding but Inter-se Transmission of 1,61,360 Shares on 12.07.2018 from Basheshar Lal Bansal (since deceased) among his two sons equally (80,680 each) vide Probate issued for the purpose.			
	At the end of the year	3105254	74.8253	3105254	74.8253

ATTACHMENT - F

iv) Shareholding Pattern of top ten Shareholders Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	KAMLESH MERCANTILE CREDIT PVT LTD 01-04-2018	240000	5.7831		
	31-03-2019	240000	5.7831	240000	5.7831
2	JEWEL MOULDERS & HOLDINGS PVT LTD 01-04-2018	60000	1.4458		
	31-03-2019	60000	1.4458	60000	1.4458
3	RITESH PROJECTS PVT LTD 01-04-2018	40000	0.9639		
	31-03-2019	40000	0.9639	40000	0.9639
4	RITESH JINDAL 01-04-2018	15250	0.3675		
	31/12/2018 - Transfer	2500	0.0602	17750	0.4277
	31-03-2019	17750	0.4277	17750	0.4277
5	INDRA KUMAR BAGRI 01-04-2018	12570	0.3029		
	31-03-2019	12570	0.3029	12570	0.3029
6	3A FINANCIAL SERVICES LIMITED 01-04-2018	11760	0.2834		
	31-03-2019	11760	0.2834	11760	0.2834
7	JAYESH KANTILAL VORA 01-04-2018	2900	0.0699		
	31-03-2019	2900	0.0699	2900	0.0699
8	RAJESH MUKTILAL PALDIWAL 01-04-2018	2700	0.0651		
	31-03-2019	2700	0.0651	2700	0.0651
9	JAYVADEN ANUPCHAND SHAH # 01-04-2018	2400	0.0578		
	01/02/2019 - Transfer	-2400	0.0578	0	0.0000
	31-03-2019	0	0.0000	0	0.0000
10	KAMLA B LULLA 01-04-2018	2500	0.0602		
	31-03-2019	2500	0.0602	2500	0.0602
11	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS * 01-04-2018	0	0.0000		
	01/02/2019 - Transfer	179674	4.3295	179674	4.3295
	31-03-2019	179674	4.3295	179674	4.3295

*Not in the list of Top 10 shareholders as on 01/04/2018 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

#Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

ATTACHMENT G

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

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of the Director	Date	Reason	Shareholding at the beginning of the year(01.04.2018)		Cumulative Shareholding during the year (as on 31.3.2019)	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Ashok Kumar Bansal	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.
2	Shri Mukesh Chand Bansal	1.4.18	At the beginning of the year	90400	2.18	80.680	1.94
		31.3.19	At the end of the year	171080	4.12	171080	4.12
3	Shri Manav Bansal	1.4.18	At the beginning of the year	61550	1.48	61550	1.48
		31.3.19	At the end of the year	61550	1.48	61550	1.48
4	Shri Brijesh Kumar Dalmia	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.
5	Shri Bhal Chandra Khaitan	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.
6	Shri Tapan Kumar Banerjee	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.
7	Ms. Shyanthi Sengupta	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.
B	KEY MANAGERIAL PERSONNEL (KMP) :						
1	Shri Ashok Kumar Bansal (WTD)	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.
2	Shri R Jagadeeswara Rao (CFO)	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.
3	Shri Mohit Sharma (CS)	1.4.18	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.19	At the end of the year	Nil	N.A.	Nil	N.A.

ATTACHMENT - H

V. INDEBTNESS

Indebtness of the company including interest outstanding or accrued but not due for payment

(In Rs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount as on 01.04.2018	70,44,201	3,25,00,000	0	3,95,44,201
ii) Interest due but not paid	0	1,27,87,250	0	1,27,87,250
iii) Interest accrued but not due as on 31.03.2018	0	0	0	0
TOTAL (i+ii+iii)	70,44,201	4,52,87,250	0	5,23,31,451
Change in Indebtness during the financial year *				
ADDITION	0	0	0	0
REDUCTION	(70,44,201)	(1,28,73,975)	0	(1,99,18,176)
Exchange Difference				
Net Change	(70,44,201)	(1,28,73,975)	0	(1,99,18,176)
Indebtness at the end of the financial year 31.03.2019				
i)Principal Amount	0	2,40,00,000	0	2,40,00,000
ii)Interest due but not paid	0	84,13,275	0	84,13,275
iii) Interest accrued but not due	0	0	0	0
TOTAL (i+ii+iii)	NIL	3,24,13,275	0	3,24,13,275

Note : Loan & Interest in Foreign currency is considered at closing Rate for respective years.

* Including refinance of foreign currency term loan.

ATTACHMENT - I

(VI) DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Ashok Kumar Bansal (Whole-time Director)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.41
	(b) Value of perquisites U/S 17(2) Income-tax of the 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	-
	- others	-
5.	Others, please specify	-
	Total (A)	3.41

ATTACHMENT - J

(VI) DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors :

1. Independent Directors :

Particulars of Remuneration	Shri Bhal Chandra Khaitan	Shri Brijesh Kumar Dalmia	Shri Tapan Kumar Banerjee	Smt. Shyanthi Dasgupta	Total Amount (Rs. in lakhs)
- Fee for attending board / committee meetings	0.070	0.070	0.035	0.035	0.210
- Commission	-	-	-	-	-
- Others	-	-	-	-	-
Total (B)(1)	0.070	0.070	0.035	0.035	0.210

2. Other Non-Executive Directors

Particulars of Remuneration	Name of Director		Total Amount (Rs in Lakhs)
	Shri Mukesh Chand Bansal	Shri Manav Bansal	
- Fee for attending board/ committee meetings	0.10	0.10	0.20
- Commission	-	-	-
- Others	-	-	-
Total (B)(2)	0.10	0.10	0.20
Total (B)=(B1)+(B2) = Rs 0.410 lakhs			

ATTACHMENT- K

(VI) DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(iv) Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Sl. No.	Particulars of Remuneration	Mr. Ashok Kumar Bansal(Whole Time Director)	Mr. Mohit Sharma (Company Secretary)	Mr. R Jagadeeswara Rao (Chief Financial Officer)	Total Amount (In Lacs)
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.41	3.74	6.12	13.27
	(b) Value of perquisites uls 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	3.41	3.74	6.12	13.27

ATTACHMENT - L

(VII) DETAILS OF PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

ANNEXURE - B TO THE DIRECTORS REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

SI No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2018-19 (Rs. in lakhs)	% increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Ashok Kumar Bansal (Whole Time Director)	3.41	3.64	1.63:1
2	Mr. R. Jagadeeswara Rao (Chief Financial Officer)	6.12	7.37	3.17:1
3	Mr. Mohit Sharma (Company Secretary)*	3.74	NIL	1.73:1

* Resigned w.e.f. 10.06.2019

Note: No other Director other than the Whole time Director received any remuneration other than sitting fees during the financial year 2018-19.

- ii) The median remuneration of employees of the Company during the financial year was Rs. 2.08 Lakhs
 iii) In the financial year, there was increase of 12.7 % in the median remuneration of employees;
 iv) There were 12 permanent employees on the rolls of Company as on March 31, 2019.
 v) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2018-19 was 9.06 % whereas there was least change in the managerial remuneration of Wholetime Director for the financial year
 vi) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2019 as per the Remuneration Policy of the Company.
 vii) List of Top 10 (Ten) Employees in terms of remuneration drawn:

SI No.	Name	Designation	Qualification	Date of Commencement of Employment	Age	Remuneration 2018-19	Experience (In Yrs)	Last employment held
1	R JAGADEESWARA RAO	CFO	B.COM.	01.07.2015	53	612,000	28	Beekay Steel Industries Ltd
2	MOHIT SHARMA*	Company Secretary	B.COM.(H), ACS	20.08.2018	30	374,000	3	Shrachi Group of Companies
3	SWAPAN KUMAR CHATTERJEE	Accounts Officer	B.COM.	02.04.2015	68	318,000	30	Beekay International
4	G SRINIVAS RAO	Manager accounts	B.COM.	01.05.2005	42	247,800	14	-
5	PRASANTA POREL	Senior Supervisor- Machine Shop	-	16.08.2012	36	226,800	7	-
6	RANJAN KUMAR PAUL	Officer- Quality Control- Machine Shop	B.A.	16.08.2012	46	211,800	7	-
7	K K PATNAIK	Yard Incharge	B.A.	01.07.2002	49	203,400	12	-
8	NARASIMHA RAJU MATHA	Senior Accounts Asst	M.COM.	23.07.2015	32	151,800	7	-
9	TAPAN KUMAR BANIK	Security Supervisor	-	01.07.2017	60	138,000	30	Hindusthan Shipyard
10	BIJAY KUMAR THAKUR	Office Assistant	-	01.04.2010	50	131,328	31	Beekay Steels & Power Ltd.

* Resigned w.e.f. 10.06.2019

ANNEXURE - C TO THE DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

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

To,
The Members,
A K C Steel Industries Ltd.
Lansdowne Towers, 4th Floor,
2/1A, Sarat Bose Road,
Kolkata - 700 020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. A K C Steel Industries Ltd. (hereinafter called 'the Company') bearing CIN: L27109WB1957PLC023360. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. A K C Steel Industries 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, has 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by AKC Steel Industries Limited ('the Company') for the financial year ended on 31st March, 2019, **to the extent Acts / provisions of the Acts applicable**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) I further report that, having regards to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis and on representation made by the Company and its officers for compliances under other applicable Acts, laws and Regulations to the Company, the Company has complied with the laws applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Ltd.

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

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except certain delays in compliance in other applicable laws to the Company.

I further report that during the audit period the Company has no other reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards, etc. referred to above.

None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that subject to our observation above 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.

Place: Kolkata
Date: 12.08.2019

sd/-
Santosh Kumar Tibrewalla
Practicing Company Secretary
Membership No.3811
Certificate of Practice No. 3982

**ANNEXURE TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE**

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Philosophy of the Company for Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organization with primary objective of enhancing shareholders' value while being a responsible corporate citizen. We at AKC Steel believe in being transparent and commit ourselves to adherence of good corporate governance at all times. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with utmost care and responsibility to meet shareholders and stakeholders goal. The Company adheres to the highest standards of business ethics, compliance with all statutory and legal requirements and commitment to transparency in business dealings. The code of conduct highlights corporate governance as the corner stone for sustained management performance, for serving all the stakeholders.

Your Company is committed to protect the rights of its shareholders, conducting its business in a fair and transparent manner to achieve long term growth to enhance shareholders value and also value of other stakeholders. It is also imperative that the Company disclose timely, adequate and accurate information regarding its financials and performance. The Company maintains a high degree of transparency in all its dealings with stakeholders through sustained disclosures.

The report containing the details of Corporate Governance systems and processes at AKC Steel Industries Ltd. that is in accordance with the SEBI (LODR), Regulations, 2015 of the Listing Agreement with the Calcutta Stock Exchange Limited (CSE) is as follows :

The Board of Directors of the Company ('the Board') governs the Company and deliberately creates a culture of leadership to provide a long-term vision to improve the quality of governance. The Board has adopted Guidelines to fulfill its corporate governance responsibility towards its stakeholders. These guidelines provide for the composition and role of the Board and ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations. Therefore, the Board has adopted various codes and policies, i.e. code of conduct, code of conduct for prohibition of Insider Trading, Vigil Mechanism and Whistle Blower Policy, Policy on Materiality of Related Party Transactions etc., to carry out its duties and responsibilities in a fair and ethical manner.

BOARD OF DIRECTORS

a) Composition and category of Directors as on 31st March, 2019

The Board has a combination of Executive & Non-Executive & Independent Directors on the Board and are in accordance with the Corporate Governance Practices. The Board Comprised of 7 (Seven) Directors as on 31st March, 2019 out of which 4 (Four) are Independent Directors including 1 (One) Independent Woman Director and two are Promoter Non-Executive and one is Wholetime Director.

Name of the Director	Category	No. of Directors	Designation	% to total no. of Directors
Mr. Ashok Kumar Bansal	Non-Promoter	1	Whole Time Director	14
Mr. Mukesh Chand Bansal Mr. Manav Bansal	Promoter	2	Non-Executive Director	29
Mr. Brijesh Kumar Dalmia* Mr. Bhal Chandra Khaitan Mr. Tapan Kumar Banerjee**	Non-Executive	4	Independent Directors	57
Ms. Shyanthi Sengupta	Non - Executive		Independent Woman Director`	
TOTAL		7		100

* Resigned wef 29.4.19

** Deceased since 30.6.2019

The numbers of Independent Directors are 4 (four) including an Independent Woman Director which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are professionals, experienced and competent Directors with specialization from various fields having wide range of skills and expertise in industry, finance, accounts, banking, insurance, management, technology and other allied fields of the Company which helps the Board for good decision making thereby ensuring the best interest of all the stakeholders and the Company. . The Board reviews its policies and strategies from time to time to ensure that it remains aligned with the business requirements as well as are in the best interest of the stakeholders. All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and SEBI LODR Regulations, 2015.

Your Board holds a diverse and highly professional, experienced and competent Directors having knowledge and expertise in industry, finance, law, banking, insurance, management, technology and other allied fields which enables them to carry on their responsibilities and business effectively

Mrs. Shyanthi Dasgupta was appointed as an Independent Woman Director of the Company w.e.f. 31st March, 2015 for a period of 5 (five) years i.e. till 30th March, 2020. The Board proposes to appoint her for a further period of 5 (five) years w.e.f. 31st March, 2020.

The Board and Nomination and Remuneration Committee has carried out performance evaluation of Independent Director and recommended to re-appoint her for a further term of 5 (five) years.

The Directors of the Company are appointed by the shareholders at General Meetings. 1/3rd of such Directors are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

b) Board Meetings

Attendance of each Director at Board Meeting and attendance at the last Annual General Meeting held on 28.09.2018 and Number of other Directorship and Chairmanship/ Membership of Committee of each Director in various Companies are as under:

Category	Name of Director	Designation	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM held on 28.09.2018	No. of Directorship in other Indian Public Ltd. Cos.*	No. of other Chairmanship(s)/ Membership(s) of Audit/ Stakeholder Committees in other Indian Public Ltd. Cos. as on 31st March, 2019**	
								Chairman-ship(s)	Member-ship(s)
Executive Directors	Mr. Ashok Kumar Bansal	Wholetime Director	30.01.1999	6	3	NO	Nil	Nil	Nil
Non-Executive Directors Promoter Director	Mr. Mukesh Chand Bansal	Non-Executive Director	08.05.1999	6	6	YES	1	Nil	0
	Mr. Manav Bansal	Non-Executive Director	30.01.1999	6	5	YES	1	Nil	1
Independent Directors	Mr. Bhal Chandra Khaitan	Independent Director	29.12.2005	6	4	YES	3	1	1
	Mr. Brijesh Kumar Dalmia#	Independent Director	16.12.2005	6	4	NO	1	1	0
	Mr. Tapan Kumar Banerjee ##	Independent Director	31.03.2015	6	6	YES	1	Nil	1
	Ms. Shyanthi Sengupta	Independent Director	31.03.2015	6	6	YES	1	Nil	1

Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

**Only two Committees viz. the Audit Committee and the Stakeholder Relationship Committee are considered for this purpose.

#Resigned from the Office of Directors w.e.f. 29th April, 2019.

##Ceased from the Office of Directors due to death w.e.f. 30th June, 2019.

The list of Companies where the persons are Directors and the category of Directorship are as follows:

Name of the Director	Name of the Listed Entity where the person is a Director	Category of Directorship
Mr. Ashok Kumar Bansal	NIL	N.A.
Mr. Mukesh Chand Bansal	1. Beekay Steel Industries Ltd	Executive Director
Mr. Manav Bansal	1. Beekay Steel Industries Ltd	
Mr. Bhal Chandra Khaitan	1. Beekay Steel Industries Ltd	
	2. Super Forgings & Steels Ltd	
Mr. Brijesh Kumar Dalmia#	3. Technical Associates Infrapower Limited	Non-Executive, Independent Director
	1. Beekay Steel Industries Ltd	
	Mr. Tapan Kumar Banerjee ##	
Ms. Shyanthi Sengupta	1. Beekay Steel Industries Ltd	

#Resigned from the Office of Directors w.e.f. 29th April, 2019.

##Ceased from the Office of Directors due to death w.e.f. 30th June, 2019.

During the year under review, the Board of Directors of the Company met 6 (Six) times on 30th May 2018, 9th June 2018, 13th August 2018, 20th August, 2018, 13th November, 2018 and 13th February 2019. Board Meetings were held and the gap between two Board Meetings did not exceed four months one hundred and twenty days in terms of Regulation 17 (2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and the provision of Companies Act, 2013.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in the SEBI (LODR), Regulations, 2015 of the Listing Agreement across all the Companies in which he/ she

is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

c) Board Committees, Meetings and Procedures

The Board is entrusted with the responsibility of looking after work of the management and performance of the Company. The Board of Directors of the Company oversees the overall functioning of the Company. The Directors play a fiduciary role in reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, so as to ensure that Board act in good faith, with due diligence and care, and in the best interest of the shareholders. The Wholetime Director and promoter Directors are entrusted with wide range of functions from operation, marketing & administration and duly assisted by the Chief Executive Officer, Company Secretary including Senior Managerial Personnel in overseeing the functional matters of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served.

The Board has constituted Four Standing Committees to look after the operation of the Company within a given framework, namely, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee & Share Transfer Committee. A strategy meet of the Board of Directors is generally held at appropriate intervals to formulate, evaluate and approve the business strategy of the Company. The meeting focuses on strategic goals, financial management policies, management assurances and control aspects and the growth plan of the Company and compliance management.

The meetings are usually held at the Company's Registered Office at "Lansdowne Towers", 4th Floor, 2/1A, Sarat Bose Road, Kolkata - 700 020. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors alongwith the agenda items and necessary documents & information were provided to all Directors beforehand to make able the Board of Directors to take proper decision. The Board is also provided with Audit Committee observations on the internal audit findings and matters required to be included in the Director's Responsibility Statement. The Company Secretary is the Secretary to all the above Committees of the Board.

Expertise & Skills of the Board of Directors

The Board of Directors of the Company are required to uphold ethical standards of integrity and probity and are required to have expertise, experience and core knowledge in the sectors relevant for the growth of the Company.

The Board members of the Company are holding such skills, expertise and competencies that allow them to make effective contribution to the Board and its Committees.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Finance	Leadership in Corporate/ business finance is an important and inevitable function and efficient financial management is crucial for success and sustenance. It results in proficiency in financial management, procurement and utilisation of funds and controlling the financial activities and management of financial resources.
Strategy & Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Global Business	Understanding, of global business dynamics, across various geographical markets with an understanding of industry verticals, regulatory jurisdictions, economic conditions, cultures and a broad perspective on global market opportunities.
Leadership	Leadership experience leads to maximize efficiency and to achieve Company goals by understanding the opportunities and threats, processes, strategic planning and risk management and discussing the financial performance and long-term growth.
Procurement, Sales & Marketing	Experience in procurement of raw materials, production aspects, marketing technical aspect of production, quality control, purchase management and developing strategies to grow sales and market share, build brand awareness and enhance Company reputation.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements, driving corporate ethics and values and observing appropriate governance practices.
Administration	Leadership in administration of a Company, results in long-term growth by planning, organising, directing and controlling the operations, creating rules and regulations and making decisions towards achieving a common goal or objective of the Company.

d) Separate Meeting of Independent Directors

The Independent Directors of the Company meet once in a year informally through a Meeting called Independent Directors Meeting. This meeting is conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Chairman and Managing Director.

During the year under review, the Independent Directors met on 13th August 2018, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors; and

The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

e) Shares held by Non-Executive Directors

The shareholdings of Non-Executive Directors are given hereunder:-

Name of Directors	Category	No. of Shares held as on 31-03-2019	% to total share Capital
Mr. Mukesh Chand Bansal	Non-Executive	171080	4.12
Mr. Manav Bansal	(Promoter Director)	61550	1.48
Mr. Bhal Chandra Khaitan	Non-Executive	Nil	NA
Mr. Brijesh Kumar Dalmia	(Independent Director)		
Mr. Tapan Kumar Banerjee			
Mrs. Shyanthi Sengupta	Non-Executive (Independent Woman Director)		

f) Familiarization Programme imparted to Independent Directors

Familiarization Program for Independent Directors aims to provide insights into the Company to enable the Independent Directors to understand its business in-depth and contribute significantly to the Company. As required under Regulation 25 of the SEBI LODR Regulations, the Company has familiarized Independent Directors with their roles, rights and liabilities in the Company, nature of the industry in which the Company operates, business models, updates and developments including various measures and other relevant information pertaining to the Company's business through familiarization programmes. Details of the familiarisation programmes of the Company have been disclosed on the Company's website: www.akcsteel.com.

All new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The familiarization programme for our Directors is customised to suit their individual interests and area of expertise. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

Code of Conduct

The Company has framed Code of Conduct for the Directors and Senior Management of the Company. The Directors and Senior Management have affirmed compliance of the said Code of Conduct as on 31st March, 2019. The Code is displayed on the Company's website: www.akcsteel.com.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (as amended), the Board has approved the 'Code of Conduct for prevention of Insider Trading' and entrusted the Audit Committee to monitor the compliance of the code.

Whistle Blower/ Vigil Mechanism Policy

The Company has established necessary vigil mechanism and adopted a whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. Further, no employee has been denied direct access to the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

BOARD COMMITTEES

AUDIT COMMITTEE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any Government Body or to the investors or the public; the company's system of internal controls regarding finance, accounting and legal compliances that Management and the Board have established.

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems before submission to the Board and interacts with the statutory auditors and internal auditors, review of observations of auditors and to ensure compliance of internal control systems, authority for investigation and access for full information and external professional advice for discharge of the functions delegated to the Committee by the Board. Senior Executives and functional heads are invitees to the committee meetings. All the members of the Committee are financially literate.

Audit Committee of the Board comprises three Directors and all are non-executive Directors out of which two are Independent Directors & one is Non-Executive Director. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015. The Company Secretary is the Secretary of the Committee.

4 (Four) meetings of the Audit Committee were held during the financial year ended 31st March, 2019 on 30th May 2018, 13th August 2018, 12th November 2018 and 13th February 2019, as against the minimum requirement of four meetings. The Committee has been reconstituted w.e.f. 13th February, 2019

Composition of the Audit Committee and attendance of the members at Committee meetings as on 31st March 2019 are as follows:

Name of the Members	Category	No. of Meetings Held	No. of Meetings Attended	Attendance (%)
Mr. Bhal Chandra Khaitan	Non- Executive -Independent Director -Chairman	4	4	100
Mr. Brijesh Kumar Dalmia *	Non- Executive -Independent Director -Member	4	3	100
Mr. Manav Bansal	Non- Executive Director- Member	4	3	75
Mr. Tapan Kumar Banerjee *	Non- Executive -Independent Director -Member	4	1	100

*Mr. Brijesh Dalmia ceased to be a member of the Committee w.e.f. 13th February, 2019 and Mr. Tapan Kumar Banerjee appointed as a member in his place to the said Committee

Mr. Bishwajeet Singh was Secretary of the Committee till 8th June, 2018 and Mr. Mohit Sharma was appointed as Secretary to the Committee w.e.f. 20th August, 2018.

The Audit Committee meetings are usually held at Company's Registered Office and attended by members of the Committee, other Accounts Heads and Unit Head. The representative of the Statutory Auditors also attend the meeting as and when required.

The scope of the Audit Committee, inter alia, includes:

- a) Review of the Company's financial reporting process, the financial statements and financial/risk management policies
- b) Review of the adequacy of the internal control systems and finance of the internal audit team ;
- c) Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same.
- d) Recommendation for appointment, remuneration & terms of appointment of Auditors, etc.

The terms of reference of Audit Committee are as per Section 177 of the Companies Act, 2013 and Reg 18(3) of SEBI (LODR), Regulations, 2015. The broad terms of reference of Audit Committee are:

The present terms of reference / scope and function of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same ;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings ;
 - e. Compliance with listing and other legal requirements relating to financial statements ;
 - f. Disclosure of any related party transactions ;
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval ;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans/or advances from/investment by the holding Company in the subsidiary exceeding 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments. Examining the financial statement and the auditor's report thereon;
21. Monitoring the end use of funds raised through public offers and related matters;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. To review -
 - Ø Management discussion and analysis of financial condition and results of operations;
 - Ø Statement of significant related party transactions, submitted by the management;
 - Ø Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Ø Internal audit reports relating to internal control weaknesses, etc.
 - Ø Secretarial audit report relating to suspected fraud or irregularity or a failure of compliance of any legislation.
 - Ø Review the appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is empowered to investigate any activities within its terms of reference, seek information from employees, obtain outside legal or other professional advice or secure attendance of outside experts of relevant field as and when necessitated. The Audit Committee also reviews such matters as referred to it by the Board.

NOMINATION & REMUNERATION COMMITTEE

The terms of reference and constitution of the Nomination & Remuneration Committee (NRC) are compliance with Section 178 of the Companies Act, 2013 and pursuant to Regulation 19 and Part D of Schedule II of SEBI LODR Regulations, 2015. The Committee has formulated the criteria for evaluation of the Board and Non-Independent Directors includes framing of specific remuneration package of Executive Directors and sitting fees for Non-Executive Directors etc. and approval of remuneration to the managerial personnel as per the Company's policy on the same.

The terms of reference of the Nomination & Remuneration Committee are as follows:

- i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
- ii. To formulate a criteria for determining the qualification, positive attitudes, independence of a Director and evaluation of Independent Directors and the Board;
- iii. To evaluate every Directors performance;
- iv. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial persons and other employees;
- v. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- vi. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- vii. To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- viii. To devise a policy on Board diversity.
- ix. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board their appointment and removal.
- x. To ensure whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- xi. To recommend to the board, all remuneration, in whatever form, payable to senior management.
- xii. To carry out any other function as is mandated by the Board of Directors of our Company or prescribed by the Listing Agreement, as amended, from time to time.
- xiii. To invite any employee or such document as it may deem fit for exercising of its functions
- xiv. To obtain such outside or professional advice as it may consider necessary to carry out its duties.

The Committee comprises of three Directors, two Non-Executive Independent Directors and one Non Executive Director. During the year under review Two meetings of the Committee were held on 13th August 2018 & 13th February 2019. The Committee has been reconstituted w.e.f. 13th February, 2019.

Composition of the Audit Committee and attendance of the members at Committee meetings as on 31st March 2019 are as follows:

Name of the Members	Category	No. of Meetings Held	No. of Meetings Attended	Attendance (%)
Mr. Bhal Chandra Khaitan	Non- Executive -Independent Director -Chairman	2	2	100
Mr. Brijesh Kumar Dalmia *	Non- Executive -Independent Director -Member	2	1	100
Mr. Manav Bansal	Non- Executive Director-Member	2	2	100
Mr. Tapan Kumar Banerjee *	Non- Executive -Independent Director -Member	1	1	100

*Mr. Brijesh Dalmia ceased to be a member of the Committee w.e.f. 13th February, 2019 and Mr. Tapan Kumar Banerjee appointed as a member in his place to the said Committee.

The Board decided and fixes the powers and roles of the Committee from time to time.

The Company follows the policy to fix remuneration of Managing Director/ Whole Time Director by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.

Performance Evaluation:

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The objective of the board evaluation includes improvement in the effectiveness of board, Committees and individual Directors, to enhance their strengths and to overcome the short comings, the evaluation process focuses on various issues facing the Company and their prioritization, quality of deliberations at board and Committee meetings, review of specific issues of importance dealt during the evaluation period.

The process of Board Evaluation broadly comprises of following:

- Ø The board evaluates the performance of the Independent Directors excluding the Directors being evaluated.
- Ø The Nomination and Remuneration Committee evaluates the performance of each Director with respect to the responsibility as entrusted on him/her.
- Ø The Independent Directors evaluates the performance of the Non- Independent Directors including the Chairperson of the Company taking into account the views of the Executive and Non-Executive Directors and the Board as a whole.
- Ø Performance Evaluation of the various Committee of the Board.

Performance evaluation criteria for Independent Directors:

The following criteria may assist in determining how effective the performances of the Independent Directors have been:

- Ø Leadership & Managerial abilities.
- Ø Contribution to the corporate objectives & plans.
- Ø Communication of expectations & concerns clearly with subordinates.
- Ø Obtaining adequate, relevant & timely information from external sources.
- Ø Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Ø Regular monitoring of corporate results against projection.
- Ø Identification, monitoring & mitigation of significant corporate risks.
- Ø Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Ø Direct, monitor & evaluate KMPs, senior officials.
- Ø Regularity in attending meetings of the Company and inputs therein.
- Ø Review & Maintenance of corporation's ethical conduct.
- Ø Ability to work effectively with rest of the Board of Directors.
- Ø Commitment to the promotion of equal opportunities, health and safety in the workplace.

Remuneration to Directors:

Remuneration Policy /Criteria

i) Executive Directors : The Company follows the policy to fix remuneration to Whole Time Director by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders. The Whole Time Director of the Company is appointed on contractual basis, on terms approved by the shareholders. Their remuneration comprises salary, allowances, commission and perquisites etc.

ii. Non-Executive Directors : The Non-executive Directors (including Independent Directors) are paid compensation by way of sitting fees on uniform basis. The sitting fees payable to the Non-Executive Directors is based on the number of meetings of the Board & other Committees of the Board attended by them. The Company pays sitting fees at the rate of Rs. 500/- for each meeting of the Board and Committees attended by them.

iii. KMPs & Senior Management Personnel : The Board on the recommendation of the NRC fix the remuneration payable to the Key Managerial Personnel and Senior Management Personnel. The criteria also oversees the industry trend, quality and experience of the personnel. These factors not only contributes to the Company but makes their job satisfaction. The details of remuneration paid /payable to the Wholetime Director and Sitting Fees paid/ payable to Non-Executive Directors are given hereunder:-

Name of Directors	Remuneration Paid/Payable for the year ended 31st March, 2019				Service Terms		
	Salary (Rs.)	Bonus	Benefits (Rs.)	Sitting Fees (Rs.)	Pay Scale per Month	Period	Effective From
Mr. Ashok Kumar Bansal	3,41,000	--	'---	--	25,000	5 Years	01-10-2017
Mr. Mukesh Chand Bansal	--	--	--	10,000	--	--	--
Mr. Manav Bansal	--	--	--	10,000	--	--	--
Mr. Bhal Chand Khaitan	--	--	--	7,000	--	--	--
Mr. Brijesh Kumar Dalmia	--	--	--	7,000	--	--	--
Mr. Tapan Kumar Banerjee	--	--	--	3,500	--	--	--
Ms. Shyanthi Sengupta	--	--	--	3,500	--	--	--

Notes :

1. The Directors were paid sitting fees as per the Policy of the Company.
2. The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors.
3. The Notice period and severance fees are not applicable to the Executive Director of the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference and constitution of the Stakeholders Relationship Committee are in compliance with the provisions of the Companies Act, 2013 and pursuant to Regulation 20 and Part D of Schedule II of SEBI LODR Regulations, 2015.

The main tasks of Stakeholders Relationship Committee is to look into redressing of shareholders' and investors grievances like non transfer / transmission of Shares, non- receipt of declared Dividend, Balance Sheet, dematerialization & re-materialization of Shares, etc. The Company has registered with SCORES of SEBI for Redressal of Investors' Grievances on-line.

The terms of reference and constitution of the Stakeholders Relationship Committee are in compliance with the provisions of the Companies Act, 2013 and pursuant to Regulation 20(4) and Part D of Schedule II of SEBI LODR Regulations, 2015.

The Board has also modified the scope of the Committee to align it with and SEBI (LODR), Regulations, 2015, which is as follows:

- 1) To review the reports submitted by the Registrars and Share Transfer Agents of the Company at Half yearly intervals.
- 2) To interact periodically and as & when required with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.
- 3) To consider and resolve the grievances of the security holders of the company.
- 4) To periodically report to the Board about serious concerns if any.
- 5) To follow-up on the implementation of suggestions for improvement.

The terms of reference of the Stakeholders Relationship Committee are as follows:

1. To resolve the grievances of the security holders of the listed entity.
2. To review measures taken for effective exercise of voting rights by shareholders.
3. To review adherence to the service standard adopted by the company in respect of services rendered by Registrar & Share Transfer Agent (RTA)
4. To review measures taken by the company for reducing quantum of unclaimed dividends
5. To ensure timely receipt of dividend warrants/annual report/statutory notices by the shareholders of the company.

The Stakeholders Relationship Committee comprises of 3 Directors out of whom one is Independent Director & Mr. Mukesh Chand Bansal is the Chairman of the Committee. The Committee comprises of the following Directors:

4 (Four) meetings of the SRC were held during the financial year ended 31st March, 2019 on 30th May 2018, 13th August 2018, 12th November 2018 and 13th February 2019. The SRC committee has been reconstituted on 13th February, 2019. The composition and attendance details of the Committee for the year ended 31st March, 2019 are given hereunder:

Name of Directors	Category	No. of Meetings Held	Attended
Mr. Mukesh Chand Bansal	Non-Executive Director (Promoter)-Chairman	4	4
Mr. Brijesh Kumar Dalmia *	Non-Executive - Independent Director - Member	4	3
Mr. Manav Bansal	Non - Executive Director (Promoter) -Member	4	3
Mrs. Shyanthi Dasgupta *	Non-Executive - Independent Woman Director - Member	4	1

*Mr. Brijesh dalmia ceased to be a member of the Committee w.e.f. 13th February, 2019 and Mrs. Shyanthi Dasgupta appointed as a member in his place to the said Committee.

The Company Secretary is the Secretary of the Committee.

The Company Secretary was the Compliance Officer for complying with the requirements of SEBI Regulations and SEBI (LODR), Regulations, 2015. His address and contact details are as given below:

Address : Lansdowne Towers, 4th Floor, 2/1A, Sarat Bose Road, Kolkata-700020

Phone : 033-4060 4444

Fax : 033-2283 3322

Email : contact@akcsteel.com/rksahoo@beekaygroup.co.in

Number of complaints from members received and resolved during the period under review and pending as on 31-03-2018 are as follows:

Shareholders' Complaints

The numbers of shareholders/ investors' complaints received, resolved/ replied and pending during the year under review are as under:

Nature of complaints	Received	Resolved/ Replied	Pending
Non-receipt of share certificates	Nil	Nil	Nil
Non-receipt of annual reports	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total	Nil	Nil	Nil

No request for Share transfer remains pending for registration for more than 15 days except in one case which is delayed beyond 15 days. No complaint / query is received by the Company during the financial year and no complaint is pending as on 31st March, 2019.

Securities and Exchange Board of India ('SEBI') Complaints Redress System ("SCORES") :

As per the SEBI directive, the investors desirous of making complaints pertaining to the listed Companies has to be made electronically and sent through SCORES and the Companies or their appointed Registrar & Share Transfer Agent (R&TA/ STA) are required to view the pending complaints and submit 'Action Taken Report' ('ATRs') along with necessary documents electronically in SCORES. Further, there is no need to file any physical ATRs with SEBI. **The Company is already registered under SCORES to efficiently and effectively redress the investors/shareholders complaints in time.**

SHARE TRANSFER COMMITTEE

The Board has modified the scope of the Committee to align it with the SEBI LODR Regulations, 2015 and in compliance with the provisions of the Companies Act, 2013. The functions of the Share Transfer Committee (STC) includes approval of share transfers and transmissions taking actions and any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

During the period under review 7 (seven) meetings of the share transfer committee were held on 1st November 2018, 8th November 2018, 15th November 2018, 13th December 2018, 20th December 2018, 7th March 2019 & 30th March 2019.

The Share Transfer Committee comprises of 3 Directors and the Chairman of the Committee is Non-executive Director. The Composition of the Committee are as follows:

Name of Directors	Category	No. of Meetings Held	Attended
Mukesh Chand Bansal	Non-Executive Director -Chairman	7	7
Bhal Chandra Khaitan	Non-Executive - Independent Director - Member	7	2
Manav Bansal	Non - Executive Director -Member	7	7

Generally, the meetings of the Committee are held whenever necessary for transfer / transmission of shares, issue of duplicate share certificates, change of name/status, transposition of names, sub-division/ consolidation of share certificates, de-materialisation/ re-materialisation of shares, etc.

The Company Secretary was acting as the Secretary to the Committee.

As at 31st March, 2019, total 33,80,110 nos. of equity shares constitutes 81.45 % (previous year - 31,96,026 - 77.01 %) of the Company's equity shares are held in dematerialized form.

GENERAL BODY MEETINGS

Date, Time and Location where last three Annual General Meeting held:

Year and Time	Type of Meeting	Date & Time of Meeting	Venue	If Special Resolution(s)
2017-18	45th AGM	28-09-2018 at 4.00 P.M.	'ROTARY SADAN', S.S. Hall, 94/2, Chowringhee Road, Kolkata - 700 020	Yes
2016-17	44th AGM	15-09-2017 at 12.30 pm	'EEPC India Conference Room', EEPCINDIA, Vanijya Bhavan, ITFC Building, Ground Floor, 1/1, Wood Street, Kolkata: 700 016.	Yes
2015-16	43rd AGM	17-09-2016 at 1.00 P.M.	'EEPC India Conference Room', EEPCINDIA, Vanijya Bhavan, ITFC Building, Ground Floor, 1/1, Wood Street, Kolkata: 700 016.	No

a) Extraordinary general meeting

No extraordinary general meeting of the members was held during the year 2016-17, 2017-18 & 2018-19.

No Special Resolution was passed through Postal Ballot Meeting during the financial year 2017-18 & 2018-19.

No special resolution proposed to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 and Rules made thereunder in view of the amendment made in Section 110 by Companies (Amendment) Act, 2017 which inter alia provides that 'any item proposed to be transacted by Postal Ballot may be transacted at the general meeting by a Company provided that the Company is providing facility of e-voting to its members under section 108 of the Companies Act, 2013'.

In compliance with section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015 Members of the Company were provided with the facility to cast their vote electronically through the e-voting services provided by CDSL, on all resolutions set forth

in the Notice of 45th Annual General Meeting. Members were also given options to cast their vote physically in that Annual General Meeting.

Details of Directors seeking appointment / re-appointment

The Details of Directors seeking appointment / re-appointment as required under SEBI (LODR), Regulations, 2015 and Secretarial Standard 2 as issued by the Institute of Company Secretaries of India with the Stock Exchanges) is given in annexure to the notice which forms part of this Report.

MEANS OF COMMUNICATION

The quarterly, half yearly & yearly results of the Company are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in both English and Bengali Newspapers.

The unaudited / audited quarterly & half yearly financial results as approved by the Board of Director at its meeting are furnished to the stock Exchanges where the Company's shares are listed within the prescribed time-frame of the close of every quarter together with limited review report and yearly audited results alongwith Auditors Report as provided by the Auditors in compliance with SEBI (LODR) Regulations, 2015 and are published in leading newspapers in India which include 'Business Standard' and 'Arthik Lipi' and in leading regional/vernacular languages in Bengali within 48 hours of conclusion of Board Meeting. The results are also displayed on the Company's website "www.akcsteel.com".

Website: The Company's web site is www.akcsteel.com where the quarterly / annual results and other statutory & non-statutory information are displayed.

No presentation has been made to Institutional Investors or Analysts

GENERAL INFORMATIONS FOR MEMBERS

- a. Annual General Meeting
(Date, Time & Venue)
Date : 21-09-2019
Time : 10.30 A.M
Venue : 'Rotary Sadan
S.S. Hall, 94/2, Chowringhee,
Kolkata: 700 020
- b. Date of Book Closure : 14.09.2019 to 21.09.2019 (Both days inclusive) - For AGM
- c. Financial Year & Calendar : April'18- March'19
Financial Year 2019-20
Unaudited Results for the quarter ending 30th June, 2019 - By middle of August, 2019
Unaudited Results for the quarter ending 30th Sept., 2019 - By middle of November, 2019
Unaudited Results for the quarter ending 31st Dec., 2019 - By middle of February, 2020
Audited Annual Accounts for 2019-20 - By end of May, 2020
Annual General Meeting for the year Ending 31st March, 2020 - Middle of Sept, 2020
- d. Dividend payment : The Board have not recommended any Dividend on Equity Shares for the financial year ended on 31st March, 2019.

Details of Unclaimed & Unpaid Dividend

The Company has transferred unclaimed & unpaid Dividend for the financial year 2010-11 an amount of Rs. 1,23,635/- to Investor Education & Protection Fund (IEPF) on 04.12.2018.

There are no further unpaid and unclaimed dividend lying in the Unpaid Dividend Account. The Company has not declared dividend since the financial year 2011-12.

TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION & PROTECTION FUND AUTHORITY

In terms of the provision of Section 124(6) of the Companies, Act 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, (IEPF Rules), all the underlying shares in respect of which dividend has not been paid or claimed for seven consecutive years or more is required to be transferred by the Company to the Demat Account of the Investor Education and Protection Fund Authority ('IEPF Authority') subject to the condition that such shares shall not be transferred if the beneficial owner has encashed any dividend during the last seven years.

The Company has transferred 179674 equity shares to the Investor Education and Protection Fund Authority whose dividends were unpaid & unclaimed for the financial year 2009-10. The Company is in the process to transfer the equity shares to the Investor Education and Protection Fund Authority whose dividends were unpaid & unclaimed for the financial year 2010-11.

As per the Investor Education & Protection Fund (IEPF) Rules the detailed list of shareholders whose shares were transferred to IEPF are updated in the website of the Company (www.akcsteel.com) for your reference.

e. Listing & Delisting

The equity shares of your Company continues to be listed on The Calcutta Stock Exchange Ltd. (CSE), Kolkata. The Company has paid annual listing fees for the financial year 2018-19 to The Calcutta Stock Exchange (CSE).

The name and address of the Stock Exchange and the Company's Stock Code are given below.

The Calcutta Stock Exchange Ltd.: 7, Lyons Range, Kolkata - 700 001.

Stock Code: 10011019

f. Market price Data

Monthly High/ Low price during the Financial Year 2018-19 at the Calcutta Stock Exchange Ltd. depicting liquidity of the Equity Shares is given hereunder:

Month	Share Price High / Low	Month	Share Price High / Low
April,2018	No Trading	October,2018	No Trading
May,2018	-----do-----	November,2018	-----do-----
June,2018	-----do-----	December,2018	-----do-----
July,2018	-----do-----	January,2019	-----do-----
August,2018	-----do-----	February,2019	-----do-----
September,2018	-----do-----	March,2019	-----do-----

Note: 'No Trading' in the Stock Exchange due to non-functional of trading platform of the CSE

g. Performance in comparison

No comparison to broad based indices such as BSE Sensex / CRISIL to broad based indices, Index, etc. could be drawn since there is no trading in the Calcutta Stock Exchange during the financial year.

h. Registrar and Share Transfer Agent: M/s. Maheshwari Datamatics Pvt. Ltd.

23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001.
Phone Nos. 91-33-2243-5029 / 5809, 2248-2248 Fax No. 91-33-2248-4787,
E-Mail - mdpldc@yahoo.com
Website : www.mdpl.in
Contact Person:- Mr. Rajagopal.

i. Shares Transfer System :

Share Transfer assignment has been given to the Registrars and Share Transfer Agents. The Shares Transfer Committee is empowered to approve the Share transfers. Transfer Committee Meeting is held as and when required.

The Share Transfers/ transmissions, issue of duplicate certificate etc. are endorsed by Directors / Executives / Officers as may be authorised by the Transfer Committee. Requests for transfers received from members and miscellaneous correspondence are processed/ resolved by the Registrars within stipulated time.

j. Distribution of Share as on 31st March, 2019 :

Share Limit Notional Value of (Rs.)		No of Live Accounts	Percentage	Total No. of Share	Percentage of Shares
From	To				
1	5000	2394	94.0299	352637	8.4973
5001	10000	95	3.7313	70845	1.7071
10001	20000	35	1.3747	51210	1.2340
20001	30000	4	0.1571	10300	0.2482
30001	40000	Nil	N.A.	Nil	N.A.
40001	50000	Nil	N.A.	Nil	N.A.
50001	100000	Nil	N.A.	Nil	N.A.
100001	Above	18	0.7070	3665008	88.3134
Grand Total		2546	100.0000	41500000	100.0000

k. Share Holding Pattern as on 31st March, 2019:

Category	No. of Shares	Percentage of Holding
Promoters & Associates	3105254	74.8254
Mutual Funds & UTI	--	--
Banks, Financial Institutions, Insurance		
Companies (Central/ State Govt, Institutions, Govt. Institutions)	100	0.0024
FIs	--	--
Private Bodies Corporates	356165	8.5823
Investor Education & Protection Fund Authority(IEPF)	179674	4.3295
Indian Public	508107	12.2435
Trust	700	0.0169
NRIs / OCBs	--	--
Total	4150000	100.00

l. Dematerialisation of Shares: 33,80,110 nos. of equity shares constitutes 81.45 % (previous year- 31,960,26 constitutes 77.01 %) of the total paid up equity share capital are held in dematerialized form with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. as on 31-03-2019.

Code No. allotted by NSDL and CDSL:

The Company's shares are activated for dematerialization with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL).

Under the Depository System, the International Securities Identification Number (ISIN) of the Company's Shares is **INE169D01019**.

m. Outstanding Instruments:

The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument.

As such, there is no impact on Equity of the Company.

- n. **Machine Shop/Stockyard :** Plot No. 42, 43A, Block-D, Autonagar Yard, Visakhapatnam: 530 012
Andhra Pradesh
Tel: (0891) 2511 595
- o. **Address for Correspondence:**
AKC Steel Industries Ltd., 'Lansdowne Tower', 4th Floor, 2/1A, Sarat Bose Road, Kolkata 700 020.
Phone Nos. (033) 30514444, Fax No: (033) 2283 3322
- p. **Compliance Officer:**
Company Secretary,
AKC Steel Industries Ltd.
'Lansdowne Towers' 4th Floor,
2/1A, Sarat Bose Road, Kolkata: 700 020,
Phone Nos. (033) 3051 4444, Fax No: (033) 2283 3322

OTHER DISCLOSURES

DISCLOSURES

- a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of listed entity at large :**
All transactions entered into with related parties as defined under the Act and SEBI LODR Regulations 2015 during the financial year were in the ordinary course of business. No related party transactions of materially significant nature were entered into by the Company with its promoters, the Directors or the management, their subsidiaries/associates or relatives, etc. which could conflict with the interests of the Company.
None of the transactions with any of the related parties were in conflict with the interest of the Company.
- b) **Details of non-compliance by the Listed Entity, penalties, strictures imposed on the Listed Entity by Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years :**
The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other Statutory Authority on any matter related to the capital markets during last four years. No penalty or strictures have been imposed by them on the Company during the last three financial years.
- c) **Vigil Mechanism / Whistle Blower Policy :**
The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company.
- d) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance :**
The Company has complied with all the applicable mandatory requirements of the applicable Regulations of SEBI (LODR) Regulations, 2015 and has adopted the following non-mandatory requirements of the aforesaid clause :-
Reporting of Internal Auditor : The Internal Auditors reports directly to the Audit Committee.
The Company has taken cognizance of other non - mandatory requirements as set out in applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time .
- e) **Policy for determining 'material' Subsidiary:**
The Company does not have any material non-listed Indian Subsidiary as defined in Regulation 16 and 24 of SEBI (LODR), Regulations, 2015. **The Company is the associate Company of Beekay Steel Industries Ltd. in terms of the provision of Section 2(26) of the Companies Act, 2013.**
- f) **Web link where policy on dealing with related party transactions :**
Policy on dealing with related party transaction is displayed at the website of the Company www.akcsteel.com
- g) **Disclosures of commodity price risks and commodity hedging activities :**
The Company is not associated with hedging activities.
- h) **Accounting Treatment in preparation of financial statement :**
The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.
- i) **Certification from Company Secretary :**
A certificate from Company Secretary in practice is required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.
- j) **CEO / CFO certification :**
The CEO / CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.
- k) **Details of Material Changes affecting the financial position of the Company :**
The factory of the Company at Malkapuram, Andhra Pradesh was shut down in the year 2012 due to non-renewal of Lease by Visakhapatnam Port Trust (VPT). But the Company was paying the annual rent to VPT as the matter is

subjudice. Recently, in the month of March, 2019 VPT forcefully taken over the Land alongwith the plant & Machineries of the Company citing the ground as illegally occupied. The Company has filed writ petition with the High Court at Telangana for legal course of action against VPT. In the meantime VPT vide its Objection to the written the Hon'ble High Court demand Notice to the Company for payment of Rs.13.38 Crores (Approx.) towards damages since three times of schedule of rates for unauthorized/illegal occupation of the Leased Land since the year 2007 which is as per the Land policy guidelines of the Govt. of India.

l) Fees of statutory auditors on a consolidated basis paid by the Company and its subsidiaries:

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor M/s S.Jaykishan & Co (Firm Registration No. 309005E), Chartered Accountants was Rs. 0.80 Lakhs (Rupees Eighty Thousands only).M/s S.Jaykishan & Co is not a part of any entity/firm which are in the same network of the Company.

DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS AS DETAILED ABOVE, WITH REASONS THEREOF

There is no non-compliance of any requirement of Corporate Governance Report of sub-paras as detailed above, thus no explanations need to be given.

DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

- a. Office to Non-Executive Chairperson: There is no need to maintain separate office by Chairperson of the Company since it has already provided office to the Chairperson at the Registered Office of the Company.
- b. Your Company is also under process of updating its system for sending a half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders.
- c. The financial statement of your Company is continued to be with unmodified audit opinion.
- d. Separate posts of Chairperson & CEO: The Company do not have separate persons as Chairperson and CEO during the period under review.
- e. The Internal Auditors report directly to the Audit Committee.

DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB - REGULATION (2) OF REGULATION (46)

The Company is in compliance with the requirements of aforesaid Regulations.

ANNEXURE TO THE DIRECTORS' REPORT

Compliance Certificate by Wholetime Director/CEO and Chief Financial Officer(CFO) of the Company

To,
The Board of Directors,
AKC Steel Industries Ltd.,
'Lansdowne Tower',
2/1A, Sarat Bose Road,
Kolkata - 700 020.

Dear Sirs,

In terms of applicable Regulations of SEBI (LODR), Regulations, 2015 We, Ashok Kumar Bansal, Wholetime Director / CEO and R. Jagadeeswara Rao, CFO, Certify that:

1. We have reviewed financial statements and the cash flow statements for the financial year 2018-19 and to our best of knowledge, belief and information -
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading ;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of knowledge, belief and information, no transaction entered into by the Company during the financial year 2018-19 are fraudulent, illegal, or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee :
 - i) significant changes in internal control during the financial year ;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.

We further declare that all the Board members and Senior management personnel have affirmed compliance of Code of Conduct for the year 2018-19.

Place : Kolkata
Dated : 12th August, 2019

For AKC Steel Industries Ltd.
Sd/-
Ashok Kumar Bansal
Wholetime Director
(DIN: 00283193)

For AKC Steel Industries Ltd.
Sd/-
R Jagadeeswara Rao
CFO

ANNEXURE TO THE DIRECTORS' REPORT

Declaration for Compliance with the Code of Conduct of the Company as per Regulations 26 (3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Ashok Kumar Bansal, Wholetime Director of M/s. AKC Steel Industries Ltd. declare that as of 31st March, 2019 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

Place : Kolkata
Dated : 12th August, 2019

For AKC Steel Industries Ltd.

Sd/-
Ashok Kumar Bansal
Wholetime Director
(DIN:00283193)

ANNEXURE TO THE DIRECTORS' REPORT

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
**The Members of
M/S. AKC STEEL INDUSTRIES LTD.**
'Lansdowne Towers', 4th Floor,
2/1A, Sarat Bose Road,
Kolkata - 700 02.

I have examined the Compliance of Corporate Governance of M/s. AKC Steel Industries Limited for the financial year 2018-19, as stipulated under applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied with the condition of Corporate Governance as stipulated under applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Kolkata

Date: 12.08.2019

Sd/-

(SANTOSH KUMAR TIBREWALLA)
Practising Company Secretary
Membership No. : 3811
Certificate of Practice No. : 3982.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AKC STEEL INDUSTRIES LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of AKC Steel Industries Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the Ind AS financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Ind AS financial statements.

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

- o Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- o Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- o 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.
- o Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 25 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.JAYKISHAN**

Chartered Accountants

Firm's Registration Number: 309005E

Sd/-

CA Vivek Bagrodia

Partner

Membership Number: 160694

Place: Kolkata

Dated: 29 May 2019

ANNEXURE-I TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of Independent Auditor's Report of even date to the members of AKC Steel Industries Limited on the financial statements as of and for the year ended March 31, 2019.

- i. a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.
- b) As explained to us, property, plant and equipments have been physically verified by the management at regular intervals during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipments. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- ii. In our opinion and according to the information and explanations given to us, the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed.
- iii. On the basis of examination of records and according to the information and explanations given to us, the Company has during the year not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause iii (a), (b), (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- vi. Maintenance of cost records as specified under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including provident fund, income-tax, goods and services tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, goods and services tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Goods and Services Tax, Value added Tax, service tax and Custom duty which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Statute	Nature of due	Period to Which the Amount Relates	Forum where dispute is Pending	Amount
The Central Sales Tax Act, 1956	Sales Tax	01/2009 to 03/2011	Appellate Joint Commissioner, Vijayawada	15,16,861/-
	Sales Tax	04/2011 to 07/2012	Appellate Deputy Commissioner (CT) Visakhapatnam	11,26,603/-

- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government during the year. The Company has no outstanding debentures.
- ix. The Company has not raised any money way of initial public offer or further public offer during the year. According to the information and explanations given to us, the term loans raised by the company have been utilised for the purpose for which they were obtained.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given to us, managerial remuneration during the year has been paid or provided in accordance with the approvals as per section 197, read with Schedule V of the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and the records of the Company examined by us, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/debentures during the year under review and accordingly clause (xiv) of the order is not applicable.
- xv. According to the information and explanations given to us and the records of the company examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and on the basis of review on an overall basis, the Company is not engaged in financing activity and hence is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.JAYKISHAN**

Chartered Accountants

Firm's Registration Number: 309005E

Sd/-

CA Vivek Bagrodia

Partner

Membership Number: 160694

Place: Kolkata

Dated: 29 May 2019

ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of AKC Steel Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS 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 adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 Institute of Chartered Accountants of India.

For **S.JAYKISHAN**

Chartered Accountants

Firm's Registration Number: 309005E

Sd/-

CA Vivek Bagrodia

Partner

Membership Number: 160694

Place: Kolkata

Dated: 29 May 2019

BALANCE SHEET AS AT 31ST MARCH 2019

(Amount in Rs.)

S.N	Particulars	Note No.	31 March 2019	31 March 2018
I	ASSETS			
	1) NON-CURRENT ASSETS			
	(a) Property, plant and equipment	4	98,338,693	119,820,687
	(b) Non Current Tax Assets (Net)	5	9,039,121	4,474,277
			107,377,813	124,294,964
	2) CURRENT ASSETS			
	(a) Inventories	6	4,991,534	5,447,032
	(b) Financial assets			
	(i) Trade receivables	7	6,913,987	3,052,046
	(ii) Cash and cash equivalents	8	2,210,071	3,296,518
	(iii) Other Bank Balances	9	-	123,359
	(iv) Other financial assets	10	2,680,585	2,521,885
	(c) Other current assets	11	7,092,661	11,782,736
			23,888,838	26,223,575
	Assets held for sale		277,564	-
	TOTAL		131,544,216	150,518,539
II	EQUITY AND LIABILITIES			
	1) EQUITY			
	(a) Equity share capital	12	41,500,000	41,500,000
	(b) Other equity	13	33,600,814	3,785,710
			75,100,814	45,285,710
	2) NON- CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	14	24,000,000	32,480,290
			24,000,000	32,480,290
	3) CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Trade payables	15	19,249,981	50,265,029
	(ii) Other financial liabilities	16	10,757,115	21,313,831
	(b) Other Current Liabilities	17	1,945,384	790,496
	(c) Provisions	18	490,921	383,183
			32,443,402	72,752,539
	TOTAL		131,544,216	150,518,539

The accompanying notes form an integral part of these financial statements

For and on behalf of the Board of Directors

In terms of our report of even date attached

For **S.Jaykishan**
Chartered Accountants
FRN. 309005E

Sd/-

CA Vivek Bagrodia

Partner

Membership No.:160694

Dated: The 29th day of May, 2019

Place: Kolkata

Sd/-
R. Jagadeeswara Rao
CFO

Sd/-
Ashok Kumar Bansal
Whole Time Director
(Din: 00283193)

Sd/-
Mohit Sharma
Company Secretary
(Membership No.: 38395)

Sd/-
Manav Bansal
Director
(Din: 00103024)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

S.N	Particulars	Note No.	31 March 2019	31 March 2018
INCOME:				
I	Revenue From Operations	19	44,942,220	30,401,160
II	Other Income	20	21,655,127	12,525,313
III	Total Revenue (I + II)		66,597,347	42,926,473
IV EXPENSES:				
	Purchases of Stock in Trade		4,101,022	5,897,684
	Changes in inventories of Finished Goods and Trading Goods	21	2,029,155	8,236,033
	Employee benefits expense	22	4,250,035	3,654,495
	Finance costs	23	3,977,777	5,049,368
	Depreciation and amortisation expense	4	8,913,359	10,445,632
	Other expenses	24	13,391,213	10,450,036
	Total expenses		36,662,561	43,733,249
V	PROFIT/ (LOSS) BEFORE TAX (III-IV):		29,934,786	-806,776
VI Tax expenses				
	Current Tax		6,162,614	-
	Tax expense relating to earlier years		-136,425	328,050
	MAT Credit (Entitlement)/ Availed		-6,162,614	-
	Deferred Tax		4,354	-5,921,376
VII	PROFIT/(LOSS) FOR THE YEAR (V - VI)		29,802,715	-6,400,102
VIII OTHER COMPREHENSIVE INCOME				
	A. (i) Items that will not be reclassified to profit or loss			
(a)	Remeasurements of defined benefit liability/ (asset)		16,747	-7,013
	(ii) Income taxes on items that will not be reclassified to profit or loss		-4,354	1,806
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income taxes on items that will be reclassified to profit or loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAXES			12,393	-5,207
IX	TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR (VII + VIII)		29,815,108	-6,405,309
	Earnings per Equity Share [Nominal Value of Share - Rs. 10/-]			
	Basic & Diluted		7.18	-1.54

The accompanying notes form an integral part of these financial statements

For and on behalf of the Board of Directors

In terms of our report of even date attached

For **S.Jaykishan**
Chartered Accountants
FRN. 309005E

Sd/-

CA Vivek Bagrodia

Partner

Membership No.:160694

Dated: The 29th day of May, 2019

Place: Kolkata

Sd/-
R. Jagadeeswara Rao
CFO

Sd/-
Ashok Kumar Bansal
Whole Time Director
(Din: 00283193)

Sd/-
Mohit Sharma
Company Secretary
(Membership No.: 38395)

Sd/-
Manav Bansal
Director
(Din: 00103024)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in Rs.)

Particulars	Year ended 31/03/2019		Year ended 31/03/2018	
	Amount	Amount	Amount	Amount
A. Cash flow from operating activities		29,934,786		-806,776
Net Profit / (Loss) before extraordinary items and tax				
Adjustments for:				
Depreciation and amortisation	8,913,359		10,445,632	
(Profit)/Loss on sale of Fixed assets	-5,132,361		-288,315	
Finance costs	3,977,777		5,049,368	
Operating profit / (loss) before working capital changes		7,758,775		15,206,686
Changes in working capital:		37,693,561		14,399,910
Adjustments for (increase) / decrease in operating assets:				
Inventories	455,498		8,142,760	
Trade receivables	-3,861,941		-151,212	
Financial and Other Assets	4,253,810		4,204,276	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-31,015,048		-8,351,958	
Financial and Other Liabilities	-2,337,919		-749,059	
Provisions	124,485		-155,415	
Cash generated from operations		-32,381,115		2,939,392
Net income tax (paid) / refunds		5,312,447		17,339,302
Net cash flow from / (used in) operating activities (A)		-4,701,269		-645,586
		611,178		16,693,716
B. Cash flow from investing activities				
Capital expenditure on fixed assets		-1,452,179		2,978,558
Proceeds from sale of fixed assets		19,153,173		1,144,000
Net cash flow from / (used in) investing activities (B)		17,700,995		4,122,558
C. Cash flow from financing activities				
Repayment of Non Current borrowings	-15,544,201		-13,592,928	
Unpaid Dividend Transferred to Investor Protection Fund	123,359		170,974	
Finance cost	-3,977,777		-5,049,368	
Net cash flow from / (used in) financing activities (C)		-19,398,619		-18,471,322
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-1,086,447		2,344,952
Cash and cash equivalents at the beginning of the year		3,296,518		951,566
Cash and cash equivalents at the end of the year		2,210,071		3,296,518

Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outflows.

For and on behalf of the Board of Directors

In terms of our report of even date attached

For **S.Jaykishan**
Chartered Accountants
FRN. 309005E
Sd/-

CA Vivek Bagrodia
Partner
Membership No.:160694
Dated: The 29th day of May, 2019
Place: Kolkata

Sd/-
R. Jagadeeswara Rao
CFO

Sd/-
Mohit Sharma
Company Secretary
(Membership No.: 38395)

Sd/-
Ashok Kumar Bansal
Whole Time Director
(Din: 00283193)

Sd/-
Manav Bansal
Director
(Din: 00103024)

A. EQUITY SHARE CAPITAL

(Amount in Rs.)

Particulars	Numbers	Amount
Balance as at 1 April 2017	4,500,000	45,000,000
Changes in equity share capital during 2017-18	-	-
Balance as at 31 March 2018	4,500,000	45,000,000
Changes in equity share capital during 2018-19	-	-
Balance as at 31 March 2019	4,500,000	45,000,000

B. OTHER EQUITY

For the year ended 31 March 2018

(Amount in Rs.)

	Reserves and Surplus		Total
	Retained Earnings	Capital Reserve	
Balance as at 1 April 2017	9,534,348	656,671	10,191,019
Profit/(Loss) for the year	-6,400,102	-	(6,400,102)
Other comprehensive income	-5,207	-	(5,207)
Balance as at 31 March 2018	3,129,039	656,671	3,785,710

For the year ended 31 March 2019

(Amount in Rs.)

	Reserves and Surplus		Total
	Retained Earnings	Capital Reserve	
Balance as at 1 April 2018	3,129,039	656,671	3,785,710
Profit/(Loss) for the year	29,802,715	-	29,802,715
Other comprehensive income	12,393	-	12,393
Balance as at 31 March 2019	32,944,146	656,671	33,600,814

The accompanying notes form an integral part of these financial statements.

In terms of our report of even date attached

For and on behalf of the Board of Directors

For **S.Jaykishan**
Chartered Accountants
FRN. 309005E
Sd/-

CA Vivek Bagrodia
Partner
Membership No.:160694
Dated: The 29th day of May, 2019
Place: Kolkata

Sd/-
R. Jagadeeswara Rao
CFO

Sd/-
Mohit Sharma
Company Secretary
(Membership No.: 38395)

Sd/-
Ashok Kumar Bansal
Whole Time Director
(Din: 00283193)

Sd/-
Manav Bansal
Director
(Din: 00103024)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

1 Company Overview

AKC Steel Industries Limited (the Company) is a listed company incorporated in India on 20th February, 1957 having its registered office at 2/1A, Sarat Bose Road, Lansdowne Towers, 4th Floor, Kolkata-700020. The Company is principally engaged in the business of trading and machining iron and steels.

The Company's equity shares are listed on the Calcutta Stock Exchange since 18th October, 1973.

2 Basis of preparation

a) Statement of Compliance

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

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

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs').

c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

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

d) Use of judgments and estimates

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

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

Critical accounting judgements and key sources of estimation uncertainty: Key assumptions

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

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

(ii) Fair value measurement of financial instruments:

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

(iii) Defined benefit plans:

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

(iv) Recognition and measurement of provisions and contingencies:

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

e) Measurement of fair values

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

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

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

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

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

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

3 Significant accounting policies

a) Operating Cycle

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

b) Financial instruments

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

i. Financial Assets

Initial recognition and measurement

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. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

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

Financial assets at amortised cost

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

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

Financial assets at FVTOCI

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

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

Financial assets at FVTPL

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

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

Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Derecognition

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

ii. Financial liability

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured

at fair value.

Subsequent measurement

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

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

Financial liabilities through FVTPL

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

Financial liabilities at amortised cost

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

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

Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

iii. Offsetting of financial instruments

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

c) Property, Plant and Equipment

i. Recognition and measurement

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

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

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

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

Expenses incurred relating to project, 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."

ii. Subsequent expenditure

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

iv. Depreciation and amortisation

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

Depreciation on fixed assets are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act.

Freehold land is not depreciated.

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

d) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Estimated useful life of the Computer Software is 5 years.

e) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

f) Impairment**i. Impairment of financial instruments: financial assets**

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

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

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

ii. Impairment of non-financial assets

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

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

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

g) Employee Benefits**i. Short-term employee benefits**

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

ii. Defined contribution plans

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

ii. Defined benefit plans

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

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

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

h) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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 risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

j) Leases

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

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

k) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

l) Income tax

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

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii. Deferred tax

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

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

m) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

n) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

4 Property, Plant and Equipment

Particulars	Land	Building	Plant & Machinery	Motor Vehicles	Furniture	Office Equipments	Computer	Total
Cost or deemed cost (Gross carrying amount)								
As on 31st March 2017	40,341,860	39,538,473	161,296,908	1,458,483	975,051	2,234,045	4,293,543	250,138,362
Additions	-	36,378,449	666,268	-	6,828	20,999	-	37,072,544
Disposals	-	-	-2,400,000	-	-	-	-	-2,400,000
As on 31st March 2018	40,341,860	75,916,922	159,563,176	1,458,483	981,879	2,255,044	4,293,543	284,810,907
Additions	-	-	1,413,493	-	-	38,686	-	1,452,179
Disposals	-	-	-124,397,922	-1,191,546	-	-	-	-125,589,468
As on 31st March 2019	40,341,860	75,916,922	36,578,746	266,937	981,879	2,293,730	4,293,543	160,673,617
Accumulated Depreciation/ Amortisation								
As on 31st March 2017	-	23,846,081	123,622,472	1,386,999	900,313	2,079,152	4,253,885	156,088,902
Charge for the year	-	3,445,365	6,863,926	18,906	19,350	73,037	25,048	10,445,632
Adjustments on Disposal	-	-	-1,544,315	-	-	-	-	-1,544,315
As on 31st March 2018	-	27,291,446	128,942,084	1,405,905	919,662	2,152,190	4,278,933	164,990,219
Charge for the year	-	4,569,281	4,245,973	12,894	16,108	59,872	9,228	8,913,356
Adjustments on Disposal	-	-	-110,381,632	-1,187,023	-	-	-	-111,568,655
As on 31st March 2019	-	31,860,727	22,806,425	231,775	935,770	2,212,062	4,288,161	62,334,920
Carrying amounts (net)								
As on 31st March 2017	40,341,860	15,692,392	37,674,435	71,484	74,738	154,893	39,658	94,049,461
As on 31st March 2018	40,341,860	48,625,476	30,621,092	52,578	62,217	102,854	14,610	119,820,687
As on 31st March 2019	40,341,860	44,056,195	13,772,321	35,162	46,109	81,668	5,382	98,338,697

Note

- Property, plant and equipments (PPE) acquired for Mill 1, being no longer in use are held for sale. Where the cost of the specific component of PPE sold is available/ estimated, profit has been accounted for on sale. Sale consideration received on sale of component of certain items of PPE, in absence of specific cost attributable to those component sold, has been reduced from the WDV. Profit if any arising on such sale, stated by the management to be insignificant shall be recognised in the year of final disposal. Balance of the WDV of the PPE is shown as Assets held for sale under current assets.
- Plant and machinery does not include the value of rolls and sale proceed of rolls having being depreciated at 100% in the year of acquisition has been credited to profit and loss as sale of discarded assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019**

	31 March 2019 Amount (Rs)	31 March 2018 Amount (Rs)
5 Non Current Tax Assets (Net)		
Advance Tax, TDS, TCS and MAT Credit	15,201,735	4,567,185
Provision for Income Tax	-6,162,614	-92,908
	9,039,121	4,474,277
6 Inventories (At lower of cost and net realisable value)		
Finished Goods	258,365	-
Trading Goods	819,960	3,107,480
Scrap	68,200	68,200
Consumable Stores	3,845,009	2,271,352
Total	4,991,534	5,447,032
(i) The mode of valuation of inventories has been stated in Note 3 (e)		
(ii) Cost of inventory recognised as expense		
Particulars		
Changes in inventories of Finished Goods and Trading Goods Stores and Spares		
7 Trade Receivables		
Unsecured, considered good	6,913,987	3,052,046
	6,913,987	3,052,046
8 Cash And Cash Equivalent		
Cash in hand (As certified by the management)	271,348	243,534
Balances with banks In current accounts	1,938,723	3,052,984
	2,210,071	3,296,518
9 Other bank balances		
Earmarked balances (On Unpaid Dividend Account)	-	123,359
	-	123,359
10 Other Financial Assets (Current)		
To parties other than related parties		
Deposit	2,321,680	2,300,980
Gratuity (Under group gratuity scheme with LIC)	127,945	127,945
Advance To Staff	230,960	92,960
	2,680,585	2,521,885
11 Other Current Assets		
Advances other than Capital Advance		
Balances with government authorities	88,072	4,983,167
Amount paid under protest	4,386,559	4,332,384
Other Advances (Prepaid Expense, Advance to Supplier, and others)	2,525,285	2,369,006
Interest Receivable -Electricity Deposit	92,745	98,179
	7,092,661	11,782,736

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019**

	31 March 2019 Amount (Rs)	31 March 2018 Amount (Rs)
12 Equity Share Capital		
Authorised		
45,00,000 (PY 45,00,000) Equity shares of Rs. 10/- each with voting rights	45,000,000	45,000,000
Issued, Subscribed and Paid-up		
41,50,000 (PY 41,50,000) Equity shares of Rs. 10/- each with voting rights	41,500,000	41,500,000
	41,500,000	41,500,000

a) There has been no movement in shares during the year 2017-2018 and 2018-2019.

b) Terms/Rights attached to equity shares

The Company has Equity Shares having par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Holders of Equity Shares are entitled to dividend, in proportion to the paid up amount, proposed by Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

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

	31-03-2019		31-03-2018	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Rs 10 each fully paid				
Concast Steels & Alloys limited	1,200,100	28.92%	1,200,100	28.92%
Beekay Steel Industries Limited	1,160,000	27.95%	1,160,000	27.95%
Kamlesh Mercantile Credit Pvt. Ltd.	240,000	5.78%	240,000	5.78%

13 Other equity

Below are the components of other equity:

	1st April 2018	Movement during the year	31st March 2019	1st April 2017	Movement during the year	31st March 2018
Retained Earnings	3,129,039	29,815,108	32,944,146	9,534,348	-6,405,309	3,129,039
Capital Reserve	656,671	-	656,671	656,671	-	656,671
	3,785,710	29,815,108	33,600,814	10,191,019	-6,405,309	3,785,710

Retained Earnings: It comprise of accumulated profit/ (loss) of the Company.

The movement of Rs. (6,405,309) [31st March 2018: Rs. 29,815,108] was on account of profit/ (loss) incurred by the Company.

Capital Reserve: Revaluation reserve created earlier on revaluation of Property, Plant and Equipment has been transferred to Capital Reserve.

	31 March 2019 Amount (Rs)	31 March 2018 Amount (Rs)
14 Borrowings (Non Current)		
Rupee Term Loan		
From Banks (secured)	-	7,044,201
Less: Current Maturities Of Long Term Borrowings	-	-7,063,911
From Bodies Corporate (unsecured)	24,000,000	32,500,000
	24,000,000	32,480,290

Unsecured Loan from body corporates, repayable after 3 years carrying interest at the rate of 12% p.a to 13% p.a.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019**

	31 March 2019 Amount (Rs)	31 March 2018 Amount (Rs)
15 Trade Payables		
Dues to Micro And Small Enterprises (as per the intimation received from vendors)		
a. Principal and interest amount remaining unpaid	-	-
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises		
Dues to Others		
Trade Payables	-	-
- For Expenses	19,249,981	50,265,029
	19,249,981	50,265,029
16 Other Financial Liabilities (Current)		
Investor Education and protection Fund (as and when due)		
- Unpaid Dividend	-	123,359
Current Maturity of Long term Borrowings	-	7,063,911
Interest Accrued and due	8,413,275	12,787,250
Creditors for Capital goods	1,601,147	1,152,941
Salary & Wages Payable	197,078	186,370
Cheques Overdrawn	545,615	-
	10,757,115	21,313,831
17 Other Current Liabilities		
Statutory Liabilities	1,715,200	662,648
Advance From Customers	230,184	127,848
	1,945,384	790,496
18 Provisions		
Provision for Employee Benefit		
Provision for Gratuity	389,003	342,901
Provision for Leave Pay	101,918	40,282
	490,921	383,183
	7,092,661	11,782,736

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

	31 March 2019 Amount (Rs)	31 March 2018 Amount (Rs)
19 Revenue from operations		
Sale of Products		
Finished Goods	9,738,855	4,723,322
Traded Goods	5,783,591	12,714,706
Other Operating Revenue	29,419,774	12,963,132
	44,942,220	30,401,160
20 Other Income		
Interest	103,050	98,179
Interest on Income Tax Refund	92,679	-
Other non operating income*	21,459,398	12,119,973
	21,655,127	12,218,152
*Other non operating income include:		
Rent Charges	10,288,210	5,417,685
Facility Management Charges	6,001,380	6,001,380
Miscellaneous Income	10,437	412,593
Profit on Sale of Property, Plant and Equipments (Refer Note 8.1)	815,361	288,315
Sale of Discarded Assets (Refer Note 8.2)	4,317,000	-
Credit Balance Written Back	27,010	-
21 Change in Inventories of Finished Goods and Stock In Trade		
Inventories at the end of the year:		
Finished goods	258,365	-
Trading goods	819,960	3,107,480
	1,078,325	3,107,480
Inventories at the beginning of the year:		
Finished goods	143,092	2,261,200
Trading goods	2,964,388	9,082,313
	3,107,480	11,343,513
Net (increase) / decrease	2,029,155	8,236,033
22 Employee Benefit Expenses		
Salaries and wages	3,036,582	2,548,866
Contributions to provident and other funds	445,220	373,352
Staff welfare expenses	768,233	732,277
	4,250,035	3,654,495
23 Finance Cost		
Interest expense on:		
Borrowings	240,996	1,596,274
Others	3,736,782	3,453,094
	3,977,777	5,049,368

5,049,368

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

	31 March 2019 Amount (Rs)	31 March 2018 Amount (Rs)
24 Other Expenses		
Power and fuel	1,951,598	1,781,330
Stores Consumption	3,399,240	1,722,789
Rent	517,257	357,307
Repairs and maintenance	370,611	353,658
Insurance	34,608	294,809
Rates & Taxes	703,639	483,416
Director's Remuneration	341,000	329,000
Telephone & Mobile Expenses	69,719	117,197
Travelling & Conveyance	71,032	70,938
Coolie & Cartage	70,110	93,670
Printing & Stationery	185,892	116,150
Freight & Forwarding	302,188	132,911
Vehicle Maintenance	69,202	165,534
Legal & Professional	978,002	222,149
Postage & Telegram Charges	145,491	87,730
Delisting Charges	-	583,292
Security Service Charges	905,913	941,027
Miscellaneous Expenses	542,261	327,885
Machining Charges	2,653,450	2,189,245
Payment to Auditors		
- Audit Fees (Including Tax Audit of Rs. 10,000)	50,000	50,000
- Other Work	30,000	30,000
	13,391,213	10,450,036
25 Income and Deferred Taxes (net)		
Deferred tax asset	-	-
Less: Deferred tax liability	-	-
	-	-
Income taxes		
A. Amount recognised in profit or loss		
Current tax		
Current period	6,162,614	-
MAT Credit (Entitlement)/ Availed	(6,162,614)	
Changes in respect of current income tax of previous year	136,425	(328,050)
A	136,425	-328,050
Deferred tax		
Attributable to-		
Origination and reversal of temporary differences	4,354	5,921,376
B	4,354	5,921,376
Tax expense reported in the Standalone Statement of Profit and Loss [(A)+(B)]	140,780	5,593,326

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

	31 March 2019 Amount (Rs)	31 March 2018 Amount (Rs)
B. Income tax recognised in other comprehensive income		
Deferred tax		
On items that will not be reclassified to profit or loss		
- Remeasurements of defined benefit plans	(4,354)	1,806
Income tax expense reported in the Standalone Statement of Profit and Loss	(4,354)	1,806
C. Reconciliation of effective tax rate for the year ended 31 March 2019		
Profit/(Loss) before tax (a)	29,934,786	(806,776)
Income tax rate as applicable (b)	26.00%	30.90%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	7,783,044	(249,294)
Permanent tax differences due to:		
Effect of expenses that are not deductible in determining taxable profit	-	-
	7,783,044	-249,294
Tax effect of:		
Adjustments in prior year taxes	(136,425)	(328,050)
Deferred tax assets not recognized as realization is not probable	(7,778,690)	6170,670
Others	-	-
	-132,071	5593,326

D. Recognised deferred tax assets and liabilities

	Balance as on 1 April 2018	(Charged) credited to profit or loss	(Charged) / credited to OCI	Balance as on 31 March 2019
Property, plant and equipment	-	-	-	-
Provisions	-	4,354	(4,354)	-
Items allowed on payment basis	-	-	-	-
Unused Tax Losses and Unabsorbed Depreciation *	-	-	-	-
	-	4,354	(4,354)	-

	Balance as on 1 April 2017	(Charged) credited to profit or loss	(Charged) / credited to OCI	Balance as on 31 March 2018
Property, plant and equipment	(48,28,572)	4,828,572	-	-
Provisions	692,827	(694,633)	1,806	-
Items allowed on payment basis	(30,550)	30,550	-	-
Unused Tax Losses and Unabsorbed Depreciation *	10,085,865	(10,085,865)	-	-
	5,919,570	(5,921,376)	1,806	-

* The above Unused Tax Losses will expire from A.Y. 2020-21 to A.Y. 2025-26.

Note:

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

26 Contingent Liabilities

Particulars	Financial Year	Forum	Amount	Case No./ Remarks
Non Agricultural Land Tax	2007-08	Honorable High Court of Andhra Pradesh	341,185/-	Visakhapatnam Mandel Revenue Office has levied Rs. 341,185/- (previous Year Rs. 341,185/-) up to Financial Year 2007-08 as Non- Agricultural Land Tax on Factory Land. The Company paid Rs. 266,765/- (Previous Year Rs. 266,765/-) and filed an appeal which is pending before Hon'ble High Court of Andhra Pradesh.
Arbitration award	01.04.1983 to 01.04.1995	Honorable High Court of Andhra Pradesh	1,522,347/-	The company has received arbitration award to pay Rs. 1,522,347/- (Previous Year Rs. 1,522,347/-) being enhanced lease rent for the period from 01.04.1983 to 01.04.1995 levied by Visakhapatnam Port Trust. The company has filed an appeal before the Hon'ble High Court of Andhra Pradesh challenging the said arbitration award. If the judgement goes in favour of Visakhapatnam Port Trust, the company is liable to pay Rs. 1,522,347/- (Previous Year Rs. 1,522,347/-) along with interest @ 18% p.a.
Electricity	Sep 1991 to Feb 1992	Honorable High Court of Andhra Pradesh	2,517,925/-	EPDC OF AP LTD (APSEB), Visakhapatnam issued demand notice towards charge for short billing during the period Sep, 1991 to Feb 1992 amounted to Rs. 2,517,925/- (Previous Year Rs. 2,517,925/-). The Company has paid Rs. 1,200,000/- (Previous Year Rs. 1,200,000/-) and filed an appeal before the Honorable High Court of Andhra Pradesh. In the facts and circumstances of the case, the High Court categorically stated that the dispute has to be decided by the electrical inspector within a period of 8 weeks only from the date of receipt of the original order of the high court dated 17.11.2001. The copy of the order was obtained from Andhra Pradesh High Court with a request to direct the APSEB (APEPDCL) to pay the amount held by them with Interest.
Sales Tax	2010-11	Sales Tax Appellate Tribunal, Hyderabad	130,713/-	While the goods are in Transit from RINL to Beekay Special Steel on A/c sales of the unit on 24.02.11, the Deputy Commercial Tax officer, Dwarka nagar circle verified the documents relating to sales and came to conclusion that materials transporting to customer with our valid documents were not proper and levied VAT 4% (Rs.130,713/-) and one time penalty equal to VAT amount of Rs. 130,713/-. The unit has taken Rs. 130,713 as input credit and on penalty of Rs. 130,713/- the unit has gone for appeal before the Appellate Tribunal, Visakhapatnam on 24.08.2011.

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	Financial Year	Forum	Amount	Case No./ Remarks
Sales Tax	01/2009 to 03/2011	Appellate Deputy Commissioner (CT) Visakhapatnam	2,873,840/-	The Commercial tax Officer, Visakhapatnam issued a demand notice to the company for payment of 3,025,133/- towards input credit excess taken on sales to SEZ units and conversion job work for others. . The company has paid Rs.378,142/- towards 12.5% tax on 3,025,133/- and appeal before ADC on 27.3.2014. The ADC in his order no. 120, dt 17.07.2014, partly remanded partly dismissed. The company has paid Rs.430,748/- on 29.03.2014, and Rs.620,317/- paid on 1,010.2014. (Total amount paid Rs.14,29,207/- UNDER PROTEST and filed for stay petition before Addl Commissioner (CT) legal HYD and the addl commissioner dismissed the stay petition vide order no.15, dt 14.09.2015. The CTO vide order no. 75209, dt 27.7.2017 passed the effectual orders and declared ITC excess claimed as Rs. 2,873,843/-.The matter is pending with Appellate Joint Commissioner, Vijayawada.
Sales Tax	01/2009 to 03/2011	Appellate Deputy Commissioner (CT) Visakhapatnam	144,463/-	The CTO, Visakhapatnam issued a demand notice to the company towards penalty on input credit excess taken on Rs. 3,025,133/- vide CTO order no.FORM VAT 305, dt 27.11.2012, (10% penalty on Rs.3,025,133/-) Rs. 302,513/- The Appellate Deputy Commissioner, passed order vide order no.121, dt 14.07.2014, remanded back the appeal to Commercial Tax Officer. Accordingly as per the directives of Addl Deputy Commissioner, the CTO has the revised the excess ITC claimed from 3,025,133/- to 1,444,633/- and the applicable penalty arrived as 1,44,463/-. The Company has paid Rs.18,060/- and gone for appeals before Appellate Joint Commissioner, Vijayawada on leavy of penalty by CTO in his order no.75867, dt 07.08.2017. The Company lost the case Commissioner and filed an appeal with the tribunal, after payment of Rs. 54,175. Total payment under protest stands at Rs. Rs. 72,235.
Sales Tax	04/2011 to 07/2012	Appellate Deputy Commissioner (CT) Visakhapatnam	2,108,894/-	The cross audit conducted by CTO, suryabagh circle, Visakhapatnam for the period from April 2011 to July 2012 and issue a demand notice to the company against sales to SEZ units & on conversion job work. The company has paid Rs. 1,087,719/- UNDER PROTEST upto 31.03.2015. and the disputed tax is in appeals before the appellate tribunal (CT), Visakhapatnam.
Sales Tax	04/2011 to 07/2012	Appellate Deputy Commissioner (CT) Visakhapatnam	210,890/-	Against the VAT assessment order passed by the CTO, for the year April 2011 to July 2012, penalty on ITC Excess claimed by the company, vide order dated 26.10.2016, The company has paid Rs.26,362/- on 18.01.2017, and filed an appeal before Appellate Deputy Commissioner, on 20.01.2017. The ADC has dismissed our appeals vide order no.ADC 1882, dt 25.04.2017. Again the company has paid Rs.79,100/- on 01.08.2017(Total paid 50% of the liability) and filed appeals before the Appellate Tribunal on 03.08.2017 and the appeal is pending for hearing.

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	Financial Year	Forum	Amount	Case No./ Remarks
Sales Tax	2015-16	Commercial Tax Department, Integrated Check Post, BV Palem, Thada	94,458/-	While the goods are in Transit to the customers the assessing authorities of Integrated Check Post, BV Palem, Thada, Andhra Pradesh, had objected the waybill issued by the company due to some technical reasons on 25.03.2016. and passed order towards penalty and compound fee equal to tax liability. The Company has received the order on 30.03.2016 and filing an appeal before additional deputy commission (CT), Visakhapatnam in the month of May 2016.

27 Employee Benefits

Statement of Assets and Liabilities for defined benefit obligation (Amount in Rs.)

	Leave Encashment		Gratuity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Net defined benefit asset - Gratuity Plan	-	-		-
Net defined benefit obligation - Gratuity Plan	(101,918)	(40,282)	(389,003)	(342,901)
Total employee benefit liabilities	(101,918)	(40,282)	-389,003	-342,901
Non-current	(46,847)	(3,538)	-344,843	-43,668
Current	(55,071)	(36,744)	-44,160	-299,233

Defined contribution

Contribution to Defined Contribution Plan, recognized as expense for the period is as under:

(Amount in Rs.)

	31 March 2019	31 March 2018
Employer's Contribution to Provident and Other Funds	445,220	373,352

Defined benefits - Gratuity

The Company's gratuity benefit scheme for its employees in India is a defined benefit plan (unfunded). The Company provides for gratuity from employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of completed service.

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2018 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company's gratuity expense is recognized under the head – "Employee Benefit Expense"

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, liquidity risk, salary escalation risk and regulatory risk.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyze present value of defined benefit obligations, expense recognised in statement of Profit and Loss, actuarial assumptions and other information.

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

Reconciliation of the net defined benefit (asset) liability

(i) Reconciliation of present value of defined benefit obligation

(Amount in Rs.)

	Leave Encashment		Gratuity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
(a) Balance at the beginning of the year	40,282	41,039	342,901	490,546
(b) Current service cost	26,720	26,515	36,446	36,961
(c) Interest cost	235	2,720	26,403	28,535
(d) Actuarial (gains) / losses				
- financial assumptions	511	(1,134)	3,842	(7,502)
- experience adjustment	108,627	(19,318)	(20,589)	14,515
(e) Benefits paid	(74,457)	(9,540)	-	(220,154)
Balance at the end of the year	101,918	40,282	389,003	342,901
(ii) Reconciliation of present value of plan assets				
(a) Balance at the beginning of the year	-	-	-	-
(b) Interest income	-	-	-	-
(c) Remeasurements due to:				
Actual return on plan asset less interest on plan asset	-	-	-	-
(d) Contributions by the employer	74,457	9,540	-	220,154
(e) Benefits paid	(74,457)	(9,540)	-	(220,154)
Balance at the end of the year	-	-	-	-
(iii) Net Asset / (Liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	(101,918)	(40,282)	(389,003)	(342,901)
Fair value of plan assets	-	-	-	-
Net defined benefit obligations in the Balance Sheet	(101,918)	(40,282)	-389,003	-342,901
(iv) Expense recognised in Statement of Profit and Loss				
Current service cost	26,720	26,515	36,446	36,961
Interest cost	235	2,720	26,403	28,535
Expected return on plan assets	-	-	-	-
Immediate recognition of (gain)/ loss on other long term employee benefits	109,138	(20,452)	-	-
Amount charged to Statement of Profit and Loss	136,093	8,783	62,849	65,496
(v) Remeasurements recognised in other comprehensive income				
Actuarial loss (gain) arising on defined benefit obligation from				
- financial assumptions	511	(1,134)	3,842	-7,502
- experience adjustment	108,627	(19,318)	-20,589	14,515
Actual return on plan asset less interest on plan asset				
Immediate recognition of (gain)/ loss on other long term employee benefits	(109,138)	20,452	-	-
Amount recognised in other comprehensive income	-	-	(16,747)	7,013

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

Reconciliation of the net defined benefit (asset) liability

(vi) Maturity profile of defined benefit obligation

(Amount in Rs.)

	Leave Encashment		Gratuity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Within the next 12 months	57,125	3,672	45,807	45,318
Between 1 and 5 years	5,678	4,360	16,194	9,115
Between 5 and 10 years	210,928	136,028	509,732	5,494
More than 10 years	-	-	-	-
(vii) Sensitivity analysis				
Defined benefit obligation on discount rate plus 100 basis points	(4,802)	(5,045)	(36,076)	(34,204)
Defined benefit obligation on salary growth rate plus 100 basis points	5,644	6,265	42,291	40,716
Defined benefit obligation on discount rate minus 100 basis points	5,553	6,155	41,610	40,016
Defined benefit obligation on salary growth rate minus 100 basis points	(4,957)	(5,208)	(37,240)	(35,330)
(viii) Actuarial assumptions				
Discount rate	7.60%	7.70%	7.60%	7.70%
Expected rate of salary increase	5.00%	5.00%	5.00%	5.00%
Retirement age (years)	58	58	58	58
Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).				
(ix) Weighted average duration of defined benefit obligation				
	11 Years	16 Years	11 Years	16 Years

28 Earnings per shares

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding and calculated as follows:

	For the year ended 31 March	
	2019	2018
Profit attributable to ordinary shareholders (basic and diluted)		
Profit after Tax attributable to Equity Shareholders (Rs.)	29,815,108	(6,405,309)
Weighted average number of ordinary shares (basic and diluted)		
Weighted average number of ordinary shares	4,150,000	4,150,000
Earnings/ (Loss) per share		
Basic EPS of Rs. 10 each	7.18	-1.54
Diluted EPS of Rs. 10 each	7.18	-1.54

29 Related Party Disclosures

(A) Enterprise under common control with whom transactions have taken place during the year

Beekay Steel Industries Ltd

(B) Key Managerial Personnel and their relatives

Ashok Bansal

Manav Bansal

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

The following transactions were carried out with related parties in the ordinary course of business.

(Amount in Rs.)

Nature of Transactions	Transaction for the year ended		Balance at the year	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
(A) Enterprise under common control				
Sundry Debtors	-	-	13,985,957	13,446,003
<u>Current Liabilities</u>				
Creditors	-	-	29,020,105	59,632,362
Sales (Goods)	5,619,079	9,262,561	-	-
Sales (Capital Goods)	19,377,446	1,144,000	-	-
Purchase (Goods)	85,939	5,897,684	-	-
Purchase (service, stores, spares & capital goods)	236,855	330,400	-	-
Conversion/ Machining charges received	10,209,518	6,138,412	-	-
Rent Received	12,278,719	5,417,685	-	-

Compensation of Key Management Personnel of the Company **5,619,077**
Key Management Personnel Compensation comprised the following **19,377,440**

Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Short-term employee benefits	300,000	300,000
Other long-term benefits (Refer Note below)	*	*
Total Compensation paid to key management personnel	300,000	300,000

* As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

All decisions relating to the remuneration of the directors are taken by the board of directors of the Company, in accordance with shareholder approval, wherever necessary.

Terms and conditions of transactions with related parties

The purchase from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

30 Financial instruments and related disclosures

30.1 Fair values vs carrying amounts

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position. The table does not include 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.

	Note No.	As at 31st March 2019		As at 31st March 2018	
		Carrying amount	Fair value Level 3	Carrying amount	Fair value Level 3
Financial assets:					
Trade receivables		6,913,987	-	3,052,046	-
Cash and cash equivalents		2,210,071	-	3,296,518	-
Other Bank Balances		-	-	123,359	-
Other financial assets		2,680,585	-	952,050	-
Financial liabilities:					
Borrowings		24,000,000	-	32,480,290	-
Trade payables		19,249,981	-	50,265,029	-
Other financial liabilities		10,757,115	-	21,313,831	-

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

30.2 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalents, other bank balances, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

30.3 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank and financial guarantees. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below :

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Rs	Amount	Rs	Amount
Revenue from top customer	35.22%	15,828,597	50.66%	15,400,973
Revenue from top five customers	86.20%	38,741,623	99.73%	30,320,377

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

31 March 2019	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	-	24,000,000	-	24,000,000
Trade payables	19,249,981	-	-	19,249,981
Other financial liabilities	10,757,115	-	-	10,757,115

31 March 2018	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	7,063,911	32,480,290	-	39,544,201
Trade payables	50,265,029	-	-	50,265,029
Other financial liabilities	14,249,921	-	-	14,249,921

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, receivables, payables and borrowings.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	24,000,000	32,500,000
	24,000,000	32,500,000
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	7,044,201
	-	7,044,201

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
Variable rate instruments	70,442	(70,442)	48,675	(48,675)
Cash flow sensitivity (net)	70,442	(70,442)	48,675	(48,675)

b) Equity price risk

The Company is not exposed to equity risks arising from equity investments. The Company have not made any equity investments.

c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

30) Capital management

The Company's management objective are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Particulars	31 March 2019	31 March 2018
Total debt (Bank and other borrowings)	A 24,000,000	39,544,201
Equity	B 75,100,814	45,285,710
Liquid investments including bank deposits	C 2,210,071	3,296,518
Debt to Equity (A / B)	0.32	0.87
Debt to Equity (net) [(A-C) / B]	0.29	0.80

In addition the Company has financial covenants relating to the banking facilities that it has taken from all the lenders like interest service coverage ratio, Debt to EBITDA, current ratio etc. which is maintained by the Company.

For and on behalf of the Board of Directors

In terms of our report of even date attached

For **S.Jaykishan**
Chartered Accountants
FRN. 309005E

Sd/-

CA Vivek Bagrodia

Partner
Membership No.:160694
Dated: The 29th day of May, 2019
Place: Kolkata

Sd/-
R. Jagadeeswara Rao
CFO

Sd/-
Mohit Sharma
Company Secretary
(Membership No.: 38395)

Sd/-
Ashok Kumar Bansal
Whole Time Director
(Din: 00283193)

Sd/-
Manav Bansal
Director
(Din: 00103024)

BOOK POST



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