



CHITRAKOOT STEEL AND POWER PVT. LTD.

Corporate Office : Apex Plaza, 1st Floor, # 3, Nungambakkam High Road, Chennai - 600 034.
Phone : 39181060 / 39181076 Fax : 39181097 e-mail : tulsyannecltd@vsnl.net, tulsyannecc@gmail.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of Chitrakoot Steel and Power Private Limited will be held on Saturday, the 29th day of September, 2018 at 04.00 pm at the Registered office of the Company situated at No. 61, Sembudoss Street, Chennai-600001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit and Loss for the financial year ended March 31, 2018, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. Appointment of Statutory Auditors to fill the Casual Vacancy

To Consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:


"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), on the basis of recommendation of the Board of Directors, consent of the Shareholders be and is hereby accorded for appointment of M/s. C.A. Patel & Patel, Chartered Accountants (FRN: 005026S), Chennai, as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of Messers P. A. Reddy & Co., Chartered Accountants, Chennai."

"RESOLVED FURTHER THAT M/s. C.A. Patel & Patel, Chartered Accountants, Chennai, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors in consultation with them."

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E Forms with the Registrar of Companies."

Place: Chennai
Date: 31st May, 2018

By Order of the Board


Sanjay Agarwalla
Director
(DIN 00632864)

Works : Survey No.77, Thandalacherry Road, Next to TCP Ltd, New Gummidpoondi - 601 201.

Tel. : 27921541 / 42 Fax : 27921543

Registered Office : 61, Sembudoss Street, Chennai - 600 001. Phone : 25222673 CIN U28999TN2003 PTC 051803

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A FORM OF PROXY IS ENCLOSED, AND IF INTENDED TO BE USED, SHOULD BE RETURNED TO THE COMPANY DULY COMPLETED NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE AFORESAID MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting (in case of corporate members only).
3. Shareholders are requested to intimate changes in their address, if any, quoting the folio number to the Company.
4. The Route map of the AGM venue has been annexed as Annexure-1.

Form MGT-11

Proxy form

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

Name of the Company : Chitrakoot Steel and Power Private Limited
 CIN : U28999TN2003PTC051803
 Registered office: : No.61, Sembudoss Street, 1st Floor, Chennai – 600001,
 Tamil Nadu

Name of the member(s) :

| | |
|--------------------|---|
| Registered Address | : |
| E-mail ID | : |
| Folio No/Client ID | : |
| DP ID | : |

I/We, being the member(s) holding _____ shares of the above named company, hereby appoint

1. Name : _____
 Address : _____
 E-mail ID : _____
 Signature : _____
 _____ or failing him
2. Name : _____
 Address : _____
 E-mail ID : _____
 Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 15th Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2018 at 04.00 p.m. at No.61, Sembudoss Street, 1st Floor, Chennai – 600001, Tamil Nadu and at any adjournment thereof in respect of such resolutions as indicated below:

| Resolution No. | Description | Optional | |
|----------------|---|----------|---------|
| | | For | Against |
| 1 | Adoption of Financial Statements and the Reports of the Directors and Auditors thereon for the financial year ended 31.03.2018. | | |

| | | | |
|---|---|--|--|
| 2 | Appointment of Statutory Auditors to fill the Casual Vacancy. | | |
|---|---|--|--|

Signed this day of 2018

Signature of shareholder:

Affix revenue stamp

Signature of Proxy holder(s):

Note:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting;
2. It is an optional to indicate your preference. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate;
3. Members may note that a person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

Annexure-1

ROUTE MAP





CHITRAKOOT STEEL AND POWER PVT. LTD.

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Phone : 39181060 / 39181076 Fax : 39181097 e-mail : tulsyannecltd@vsnl.net, tulsyannecc@gmail.com

Boards' Report

To
The Shareholders of Chitrakoot Steel and Power Private Limited

Your Directors have pleasure in presenting the Board's Report of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

| Particulars | Year ended 31.03.2018 (In Rs.) | Year ended 31.03.2017 (In Rs.) |
|---|-----------------------------------|-----------------------------------|
| Gross Income | 31,18,93,603 | 35,05,29,839 |
| Gross Expenses | 36,42,44,538 | 42,11,73,162 |
| Profit/Loss for the year (After tax) | (3,79,38,984) | (6,82,30,438) |

STATE OF COMPANY'S AFFAIRS

Your company has made loss amounting to Rs.(3,79,38,984) and your Directors are making efforts to reduce the expenses of the Company in the coming years.

INDUSTRIES SCENARIO AND BUSINESS OUTLOOK:

The vision of the company is to expand its existing business.

CHANGE IN NATURE OF BUSINESS, IF ANY

There are no changes in the company's business during the year under review.

DIVIDEND

Your Directors has not recommended any dividend for the financial year ended 31st March, 2018

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

No Amount was transferred to Reserves during the financial year ended 31st March, 2018.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Your Company does not have any Subsidiary, Joint venture or Associate Company as on the date of this report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no unpaid/unclaimed dividend to be transferred to IEPF Account for the financial year ended 31st March, 2018.

Works : Survey No.77, Thandalacherry Road, Next to TCP Ltd, New Gummidpoondi - 601 201.

Tel. : 27921541 / 42 Fax : 27921543

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MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relates till the date of this report.

EXTRACTS OF ANNUAL RETURN

The Extract of Annual Return for the financial year ended 31st March, 2018 as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. (Annexure-1)

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year ended 31st March, 2018, five Board meetings were held in accordance with the provisions of Section 173 of the Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

| Sl. No. | Date of Meeting | Board Strength | No. of Directors Present |
|---------|-----------------|----------------|--------------------------|
| 1 | 17-05-2017 | 4 | 4 |
| 2 | 25-05-2017 | 4 | 4 |
| 3 | 10-08-2017 | 4 | 4 |
| 4 | 28-11-2017 | 4 | 4 |
| 5 | 22-03-2018 | 4 | 4 |

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the financial year 31st March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts for the financial year ended 31st March 2018 on a going concern basis; and
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventories, fixed assets and sale of goods and services.

QUALIFICATIONS OR ADVERSE REMARKS IN THE AUDITOR'S REPORT

The Statutory Auditors of your Company have expressed qualified opinion in the Audit report as detailed hereunder;

A-"As a matter of prudence, the Company ought to have made full provision for doubtful recovery of these debts. However, the Company has made provision for Rs.1,70,500 only and such inadequate provision is a departure from sound accounting principles. An amount of Rs.15,34,496 would have been required to make full provision for doubtful recovery and accordingly the Trade Receivables would have decreased by Rs.15,34,496 and the Loss for the year would have been higher and the Shareholders' funds would have been lower by the like amount."

Reply to Auditor's Comments:

With respect to this debt receivable, the case is sub judice and the management is of the opinion that the provision for the full amount need not be made under "doubtful recoveries".

B-"In respect of TRADE RECEIVABLES aggregating to Rs.82,49,157/-, which are outstanding for more than 6 months, the company has treated them 'good'. However, in view of the fact that these accounts are outstanding for more than 3 years without any movement in the accounts, we are of the opinion that provision for doubtful recovery of these receivables ought to have been made."

Reply to Auditor's Comments:

With respect of Trade Receivables other than due from related parties as most of them are very old and presently no transactions are being taken place with them

C-"In respect of ADVANCES TO SUPPLIERS aggregating to Rs.53,51,214/-, which are outstanding for more than 6 months, the Company has treated them 'good'. However, in view of the fact that these accounts are outstanding for more than 3 years without any movement in the accounts, we are of the opinion that Provision for doubtful recovery of these trade advances ought to have been made."

Reply to Auditor's Comments:

The Management is in the process to take action for closing the matters at earliest.

LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto has been disclosed in Form No. AOC -2 in compliance of provisions of section 134 of the Companies Act, 2013. (Annexure-2)

PARTICULARS OF EMPLOYEES:

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Particulars as per the provisions of section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended on 31st March, 2018

A. Conservation of Energy, Technology Absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

B. Foreign Exchange Earnings And Outgo

The details relating to Foreign Exchange earnings are available in the enclosed financial statements.

RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

DIRECTORS

During the year, there has been no change in the constitution of Board of Directors of your Company.

DEPOSITS

During the year, the company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013.

SHARE CAPITAL

The paid-up equity share capital of the Company as on 31st March, 2018 was Rs.6,48,92,000.

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

ORDER OF COURT

No material orders had been passed by the regulators or courts or Tribunals.

SEXUAL HARASSMENT

Regarding the Sexual Harassment of Women at work place (Prevention, Prohibition & Redressal) Act, 2013, the company has constituted the Internal Complaints Committee. No complaints were received or disposed off during the year under the above Act.

GENERAL

The Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Further, as per the requirement under the Companies (Accounts) Amendment Rules, 2018, a disclosure regarding maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on behalf of the Board

Place: Chennai
Date: 31st May, 2018




Sanjay Tulsyan
Director
(DIN: 00632802)


Sanjay Agarwalla
Director
(DIN: 00632864)

| | | | | | | | | | |
|--|---|---------|---------|-----|---|---------|---------|-----|-----|
| Total shareholding of Promoter (A) | 0 | 6489200 | 6489200 | 100 | 0 | 6489200 | 6489200 | 100 | NIL |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 0 | 6489200 | 6489200 | 100 | 0 | 6489200 | 6489200 | 100 | NIL |

B) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding 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 | Tulsyan NEC Limited | 6489190 | 100 | NIL | 6489190 | 100 | NIL | NIL |
| 2 | Sanjay Tulsyan (holding on behalf of Tulsyan NEC Limited) | 10 | 0 | NIL | 10 | 0 | NIL | NIL |

C) Change in Promoters' Shareholding: Nil

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 6489200 | 100 | 6489200 | 100 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | NIL | NIL | NIL | NIL |
| | At the end of the year | 6489200 | 100 | 6489200 | 100 |

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs): Nil

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | NIL | NIL | NIL | NIL |
| | At the end of the year | 0 | 0 | 0 | 0 |

E) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Sanjay Tulsyan (holding on behalf of Tulsyan NEC Limited) | | | | |
| | At the beginning of the year | 10 | 0.01 | 10 | 0.01 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | NIL | NIL | NIL | NIL |
| | At the end of the year | 10 | 0.01 | 10 | 0.01 |

V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2002.69 | 254.17 | - | 2256.86 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | - | - | - | |
| Total (i+ ii+ iii) | 2002.69 | 254.17 | - | 2256.86 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | - | - | - | - |
| * Reduction | 16.22 | - | - | 16.22 |
| Net Change | 16.22 | - | - | 16.22 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1986.47 | 254.17 | - | 2240.64 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ ii+ iii) | 1986.47 | 254.17 | - | 2240.64 |

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|-----|---|-------------------------|------|------|-----|--------------|
| | | ---- | ---- | ---- | --- | |
| 1 | Gross salary | NIL | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | | |
| 2 | Stock Option | | | | | |
| 3 | Sweat Equity | | | | | |
| 4 | Commission | | | | | |
| | - as % of profit - others, specify... | | | | | |
| 5 | Others, please specify | | | | | |
| | Total (A) | | | | | |
| | Ceiling as per the Act | | | | | |

B. Remuneration to other Directors - **NIL**

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-----|--|-------------------|------|------|-----|--------------|
| | | ---- | ---- | ---- | --- | |
| 1 | Independent Directors | NIL | | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (1) | | | | | |
| 2 | Other Non-Executive Directors | | | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |

| |
|--------------------------------|
| Others, please specify |
| Total (2) |
| Total (B) = (1 + 2) |
| Total Managerial Remuneration |
| Overall Ceiling as per the Act |

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

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|----|-----|-------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | NIL | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | others, specify... | | | | |
| 5 | Others, please specify | | | | |
| | Total | | | | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board

Place: Chennai
Date: 31st May, 2018



Sanjay Tulsyan
Director
(DIN: 00632802)

Sanjay Agarwalla
Director
(DIN: 00632864)

Form No. AOC-2

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

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

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

- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions: NIL
- (c) Duration of the contracts / arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Justification for entering into such contracts or arrangements or transactions: NIL
- (f) Date(s) of approval by the Board: NIL
- (g) Amount paid as advances, if any: NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis given hereunder;

- (a) Name(s) of the related party and nature of relationship: NIL


As compared to earlier financial year, T G Logistics Private Limited, which was the subsidiary of Tulsyan NEC Limited, is no more a subsidiary company of Tulsyan NEC Limited due to transfer of shares on 31.07.2017. Hence, there is no relationship between the Company and T G Logistics Private Limited w.e.f. 31.07.2017.

- (b) Nature of contracts/arrangements/transactions: NIL
- (c) Duration of the contracts / arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Date(s) of approval by the Board, if any: NIL
- (f) Amount paid as advances, if any: Not applicable

For and on behalf of the Board

Place: Chennai
Date: 31st May, 2018




Sanjay Tulsyan
Director
(DIN: 00632802)


Sanjay Agarwalla
Director
(DIN: 00632864)



INDEPENDENT AUDITORS' REPORT

To the Members of
CHITRAKOOT STEEL AND POWER PRIVATE LIMITED

I. Report on the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of CHITRAKOOT STEEL & POWER PVT LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income 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) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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T.Nagar, Chennai 600 017
Ph : 044-4212 2403 Fax : 044-4212 2404
e-mail : pareddyoffices@gmail.com

Hyderabad :

5-19-19, 3rd Floor,
Laxmi Narishn Estate,
Siemens Building, Secretariat Road,
Hyderabad - 500 004. Ph : 040-23241515



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

IV. Basis for Qualified Opinion:

A) The Company has treated debts recoverable from 7 parties aggregating to Rs. 17,04,996/- as doubtful of recovery and classified as such under Note: 14 to Financial Statements.

As a matter of prudence, the Company ought to have made full provision for doubtful recovery of these debts. However, the Company has made provision for Rs. 1,70,500/- only and such inadequate provision is a departure from sound accounting principles. An amount of Rs. 15,34,496/- would have been required to make full provision for doubtful recovery and accordingly the Trade Receivables would have decreased by Rs. 15,34,496/- and the Loss for the Year would have been higher and the Share Holders Funds would have been lower by the like amount.

This matter has been qualified in our report on the financial statements for the years ended 31st March, 2014 to 31st March, 2017.

B) In respect of TRADE RECEIVABLES aggregating to Rs. 81,71,203/-, which are outstanding for more than 6 months, the company has treated them 'good'. However, in view of the fact that these accounts are outstanding for more than 4 years without any movement in the accounts, we are of the opinion that provision for doubtful recovery of these receivables ought to have been made.

In the absence of full details, we are unable to quantify the provision if required. Hence effect of such non provision on the Debtors, Loss for the year and Networth of the Company could not be quantified.

C) In respect of ADVANCES TO SUPPLIERS aggregating to Rs. 53,51,214/-, which are outstanding for more than 6 months, the Company has treated them 'good'. However, in view of the fact that these accounts are outstanding for more than 4 years, without any movement in the accounts, we are of the opinion that Provision for doubtful recovery of these trade advances ought to have been made.

In the absence of full details, we are unable to quantify the Provision if required. Hence effect of such non provision on the advances, Loss for the year and Networth of the company could not be quantified.

V. Qualified Opinion:

In our opinion, and to the best of our information and according to the explanations given to us, except for the effects of the matter as described in 'Basis for Qualified Opinion' paragraph above, the accompanying standalone Ind AS financial statements give the information required by 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, 2018, and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

VI. Report on Other Legal and Regulatory Requirements


1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure-A, a statement on the matters specified in paragraph 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. *Except for the effects of the matter described in the Basis for the Qualified Opinion paragraph above, in our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books;*
- d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- e. In our opinion, aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion may not have an adverse effect on the functioning of the company.
- g. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- h. *The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.*
- i. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure – B'.
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has, disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date : 31.05.2018

for **P A REDDY & CO**
Chartered Accountants
FRN: 007368S


P ASHOK REDDY
Partner
M No. 023202



**ANNEXURE – A TO THE INDEPENDENT AUDITORS’ REPORT OF
CHITRAKOOT STEEL AND POWER PRIVATE LIMITED**

Based on the information and explanation furnished to us and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief.

i) In respect of its fixed assets.

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- a) Physical verification of fixed assets has been carried out by the Management at reasonable intervals. According to the information given to us, no material discrepancies were noticed on such verification.
- b) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the company.

ii) In respect of inventories.

Physical verification of inventory has been conducted at various intervals by the management, no material discrepancy were noticed. In our Opinion the frequency of verification is reasonable.

iii) In respect of loans, secured or unsecured, granted to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013;

The Company has not granted any loans Secured or Unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv) In respect of loans, investments, guarantees, and security to companies, firms or other parties as per section 185 and 186 of the Companies Act, 2013:

The Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans and investments made.

v) In respect of deposits:

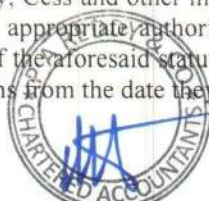
The Company has not accepted any deposits. Therefore, the provisions of section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public and from the members are not applicable to the Company.

vi) In respect of cost records:

In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.

vii) In respect of statutory dues:

- a) The Company has been generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employee State Insurance, Income tax, VAT, Service tax, Custom duty, Excise duty, Cess and other material statutory dues except GST on Conversion charges applicable to it with appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.



- b) There are no dues of Provident Fund, Employee State Insurance, Income tax, VAT, Service tax, Custom duty, Cess as at March 31, 2018, which have not been deposited on account of a disputes except Excise Duty where the disputes are pending as under :

| S.NO | Particulars | Amount (Rs.in Lakhs) | Forum where the dispute is Pending | Relevant financial year / Period. |
|--------|---|----------------------|------------------------------------|-----------------------------------|
| (i) | Penalty & Fine for Non maintenance of proper records under Central Excise – RG 23A. | 8.61 | CESTAT,Chennai | 2014-15 |
| (ii) | Excise Duty on Dolochar | 13.59 | CESTAT,Chennai | JAN 2009 to MAR 2012. |
| (iii) | Penalty for Non Payment of Excise Duty on Dolochar | 13.59 | CESTAT,Chennai | JAN 2009 to MAR 2012. |
| (iv) | Excise Duty on Dolochar | 3.84 | CESTAT,Chennai | JAN 2013 to MAY 2013. |
| (v) | Penalty for Non Payment of Excise Duty on Dolochar | 0.40 | CESTAT,Chennai | JAN 2013 to MAY 2013. |
| (vi) | Excise Duty on Dolochar | 6.92 | CESTAT,Chennai | JUNE 2013 to MAY 2014. |
| (vii) | Penalty for Non Payment of Excise Duty on Dolochar | 0.70 | CESTAT,Chennai | JUNE 2013 to MAY 2014. |
| (viii) | Excise Duty on Dolochar | 12.15 | CESTAT,Chennai | JUNE 2014 to MAY 2015. |
| (ix) | Penalty for Non Payment of Excise Duty on Dolochar | 1.20 | CESTAT,Chennai | JUNE 2014 to MAY 2015. |
| (x) | Excise Duty on Dolochar | 15.99 | CESTAT,Chennai | JUNE 2015 to FEB 2017. |
| (xi) | Penalty for Non Payment of Excise Duty on Dolochar. | 1.59 | CESTAT,Chennai | JUNE 2015 to FEB 2017. |

- viii) In respect of repayment of dues to Banks, Financial Institutions and Debenture Holders:


The Company has not issued any debentures nor has it borrowed from the financial institutions. The Company has not defaulted in respect of repayments of dues to banks.




- ix) In respect of utilization of moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans:
The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans from banks.
- x) In respect of frauds:
In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.
- xi) In respect of managerial remuneration
The Company has not paid / provided for managerial remuneration and hence the provisions of section 197 read with schedule - V are not applicable.
- xii) In respect of Nidhi Company:
The Company is not a nidhi company and the provisions relating to Net Owned Funds are not applicable to the Company.
- xiii) In respect of compliance of related party transactions with section 177 and 188:
The transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv) In respect of preferential allotment shares
The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) In respect of non-cash transactions entered into with directors or persons connected with him as per the provisions of section 192 of Companies Act, 2013:
The Company has not entered non-cash transactions with directors or persons connected with him.
- xvi) In respect of registration under Sec 45-IA of the Reserve Bank of India Act, 1934:
The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

Place: Chennai
Date: 31.05.2018

for **P A REDDY & CO**
Chartered Accountants
FRN: 007368S


P ASHOK REDDY
Partner
M No. 0232



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS OF CHITRAKOOT STEEL & POWER PVT LTD**

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

I. We have audited the internal financial controls over financial reporting of CHITRAKOOT STEEL & POWER PVT LTD ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

II. 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. 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.

III. 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 168 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.

IV. Meaning of Internal Financial Controls Over Financial Reporting

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



V. 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.

VI. 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.


Place: Chennai


Date: 31.05.2018

for P A REDDY & CO

Chartered Accountants

FRN: 007368S


P ASHOK REDDY
Partner
M No. 023202



Name of the Company : **CHITRAKOOT STEEL AND POWER PRIVATE LIMITED**Balance Sheet as at : **March 31, 2018**

(In Rupees)

| Particulars | Note No. | As At Mar 31, 2018 | As At Mar 31, 2017 | As At Apr 01, 2016 |
|-------------------------------------|----------|---------------------|---------------------|---------------------|
| II. ASSETS | | | | |
| Non-Current Assets | | | | |
| (a) Property, plant and equipment | 3 | 7,67,34,953 | 8,16,25,970 | 8,46,55,816 |
| (b) Intangible Assets | 4 | 53,072 | 99,408 | 1,45,745 |
| (c) Financial assets | | | | |
| Investments | 5 | 2,500 | 2,500 | 2,500 |
| (c) Deferred tax assets (net) | 6 | 10,81,24,249 | 9,37,12,297 | 9,12,99,413 |
| (d) Other Non Current assets | 7 | 51,93,390 | 47,45,230 | 50,93,709 |
| | | 19,01,08,164 | 18,01,85,406 | 18,11,97,183 |
| Current assets | | | | |
| (a) Inventories | 8 | 4,89,20,528 | 8,70,95,070 | 6,98,90,418 |
| (b) Financial assets | | | | |
| (i) Trade Receivables | 9 | 1,46,27,406 | 1,53,98,172 | 1,64,40,409 |
| (ii) Cash and Cash Equivalents | 10 | 20,41,005 | 22,39,880 | 37,19,868 |
| (iii) Short Term Loans and Advances | 11 | 1,60,70,697 | 3,28,53,924 | 5,30,25,437 |
| | | 8,16,59,636 | 13,75,87,045 | 14,30,76,132 |
| TOTAL | | 27,17,67,800 | 31,77,72,451 | 32,42,73,315 |
| II. EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share Capital | 12 | 6,48,92,000 | 6,48,92,000 | 6,48,92,000 |
| (b) Other Equity | 13 | (33,07,93,213) | (29,28,54,230) | (22,46,23,792) |
| | | (26,59,01,213) | (22,79,62,230) | (15,97,31,791.51) |
| Non-Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 14 | 2,54,61,508 | 2,61,52,720 | 2,58,74,213 |
| | | 2,54,61,508 | 2,61,52,720 | 2,58,74,213 |
| Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 15 | 19,86,01,645 | 19,95,33,337 | 7,72,56,731 |
| (i) Trade payables | 16 | 6,02,20,407 | 17,95,59,173 | 9,97,86,787 |
| (b) Other Current Liabilities | 17 | 25,15,56,289 | 13,91,74,560 | 28,03,12,021 |
| (c) Short Term Provisions | 18 | 18,29,164 | 13,14,890 | 7,75,354 |
| | | 51,22,07,505 | 51,95,81,960 | 45,81,30,893 |
| Notes on Financial Statements | 1 to 41 | | | |
| | | 27,17,67,800 | 31,77,72,451 | 32,42,73,315 |

As per our Report of even date

For **P A REDDY & CO**

Chartered Accountants

FRN: 007368S



P ASHOK REDDY
Partner
M No. 023202




Sanjay Tulsyan
Director

Din : 00632802



Sanjay Agarwalla
Director

Din : 00632864

Place : Chennai

Date : 31.05.2018

| | Particulars | Note No. | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-------------|--|----------|-----------------------------------|-----------------------------------|
| I | Revenue From Operations | 19 | 31,01,88,182 | 34,90,28,997 |
| II | Other income | 20 | 17,05,421 | 15,00,842 |
| III | TOTAL REVENUE (I+II) | | 31,18,93,603 | 35,05,29,839 |
| IV | Expenses | | | |
| | Materials Consumed | 21 | 30,38,39,832 | 35,33,84,375 |
| | Changes in Inventory | 22 | (96,25,631) | (14,23,149) |
| | Employees Benefits | 23 | 34,18,154 | 32,60,329 |
| | Finance Charges | 24 | 2,50,46,082 | 2,58,44,453 |
| | Depreciation & Amortisation expenses | 3 & 4 | 49,50,823 | 53,85,571 |
| | Other Expenses | 25 | 3,66,15,277 | 3,47,21,582 |
| V | Total Expenses | | 36,42,44,538 | 42,11,73,162 |
| VI | Profit before Tax (V-VI) | | (5,23,50,935) | (7,06,43,322) |
| VII | Tax expense | | | |
| | (1) Current Tax | | - | - |
| | (2) MAT Credit Entitlement | | - | - |
| | (3) Deferred Tax | | (1,44,11,951) | (24,12,884) |
| VIII | Profit for the Year | | (3,79,38,984) | (6,82,30,438) |
| IX | Other Comprehensive income | | | |
| | (1) Items that will not be reclassified to profit or loss | | - | - |
| | (2) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | (3) Items that will be reclassified to profit or loss | | - | - |
| | (4) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| X | Total comprehensive income for the period | | (3,79,38,984) | (6,82,30,438) |
| XI | Earning per Equity Share | 26 | | |
| | - Basic & Diluted | | (5.85) | (10.51) |
| | - Face Value per Share | | 10.00 | 10.00 |

As per our Report of even date

For **P A REDDY & CO**

Chartered Accountants

FRN: 007368S

P ASHOK REDDY

Partner

M No. 023202

Place : Chennai

Date : 31.05.2018



Sanjay Tulsyan

Director

Din : 00632802

Sanjay Agarwalla

Director

Din : 00632864


CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.18

| Particulars | For the year ended | For the year ended |
|---|----------------------|----------------------|
| | 31-Mar-18 (Rs.) | 31-Mar-17 (Rs.) |
| A. CASH FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax and Extraordinary Items | (5,23,50,935) | (7,06,43,322) |
| ADJUSTED FOR: | | |
| Depreciation | 49,50,823 | 53,85,571 |
| Interest and Other Finance Charges | 2,50,46,082 | 2,58,44,453 |
| Interest / Dividend / Rent Income | (13,80,360) | (1,61,370) |
| Operating Profit Before Working Capital Changes | (2,37,34,389) | (3,95,74,668) |
| ADJUSTED FOR: | | |
| Trade Receivables | 1,75,53,993 | 2,12,14,189 |
| Trade Payables | (62,90,232) | 6,00,98,502 |
| Inventories | 3,81,74,542 | (1,72,04,652) |
| CASH GENERATED FROM OPERATIONS | 2,57,03,913 | 2,45,33,371 |
| Income tax paid | - | - |
| NET CASH FROM (USED IN) OPERATING ACTIVITIES (A) | 2,57,03,913 | 2,45,33,371 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase Of Fixed Assets | (13,469) | (23,09,389) |
| Interest / Dividend / Rent Income | 13,80,360 | 1,61,370 |
| (Increase)/Decrease in Long Term Loans & Advances | (4,48,160) | 3,48,479 |
| Sale of Fixed Assets | - | - |
| NET CASH FROM (USED IN) INVESTING ACTIVITIES (B) | 9,18,731 | (17,99,540) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds From Borrowings (Net) | (17,75,435) | 16,30,633 |
| Interest and Other Finance Charges | (2,50,46,082) | (2,58,44,452) |
| NET CASH FROM (USED IN) FINANCING ACTIVITIES (C) | (2,68,21,519) | (2,42,13,819) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | (1,98,874) | (14,79,988) |
| Cash and Cash Equivalents at the beginning of the year | 22,39,880 | 37,19,868 |
| Cash and Cash Equivalents at the end of the year | 20,41,005 | 22,39,880 |
| INCREASE / (DECREASE) IN CASH EQUIVALENTS | (1,98,875) | (14,79,988) |

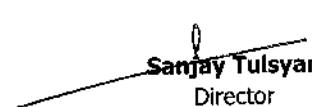
(Previous figures have been regrouped wherever necessary to conform to the current year's presentation)


On behalf of the Board

For P A REDDY & CO
Chartered Accountants
FRN: 007368S


P ASHOK REDDY
Partner
M No. 023202




Sanjay Tulsyan
Director
Din : 00632802


Sanjay Agarwalla
Director
Din : 00632864

Place : Chennai
Date : 31.05.2018

Name of the Company : **CHITRAKOOT STEEL AND POWER PRIVATE LIMITED**

Statement of Changes in Equity for the period ended : **MARCH 31, 2018**

| Particulars | EQUITY SHARE CAPITAL | Reserves and Surplus | Other Comprehensive Income | (In Rupees) |
|--|-------------------------|----------------------|-------------------------------|----------------|
| | | | | Total |
| Balance at the beginning of the reporting period - April 1, 2017 | 6,48,92,000 | (29,28,54,230) | - | (22,79,62,230) |
| Profit for the year | - | (3,79,38,984) | - | (3,79,38,984) |
| Additions during the year | - | - | - | - |
| OCI component of actuarial gains/losses | - | - | - | - |
| Dividends | - | - | - | - |
| Transfer to General reserve | - | - | - | - |
| Balance at the end of the reporting period - March 31, 2018 | 6,48,92,000 | (33,07,93,214) | - | (26,59,01,214) |

| Particulars | EQUITY SHARE CAPITAL | Reserves and Surplus | Other Comprehensive Income | (In Rupees) |
|--|-------------------------|----------------------|-------------------------------|----------------|
| | | | | Total |
| Balance at the beginning of the reporting period - April 1, 2016 | 6,48,92,000 | (22,46,23,792) | - | (15,97,31,792) |
| Profit for the year | - | (6,82,30,438) | - | (6,82,30,438) |
| Additions during the year | - | - | - | - |
| OCI component of actuarial gains/losses | - | - | - | - |
| Addition/(Deletion) on account of business combination | - | - | - | - |
| Dividends | - | - | - | - |
| Transfer to General reserve | - | - | - | - |
| Balance at the end of the reporting period - March 31, 2017 | 6,48,92,000 | (29,28,54,230) | - | (22,79,62,230) |



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CHITRAKOOT STEEL AND POWER PVT LTD
NOTES FORMING PART OF FINANCIAL STATEMENTS

(In Rupees)

| Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| <u>5 : NON-CURRENT INVESTMENTS</u> | | | |
| Long term, Unquoted, at cost | | | |
| Shamrao Vittal Co-operative Bank 25 (25) Equity Shares of Rs.100 | 2,500 | 2,500 | 2,500 |
| | 2,500 | 2,500 | 2,500 |
| <u>6 : DEFERRED TAX ASSETS (NET)</u> | | | |
| Deferred Tax Liability | | | |
| - On Account of Depreciation | (37,52,452) | (30,61,433) | (26,34,306) |
| Deferred Tax Asset | | | |
| - On Account of Disallowances and Losses carried forward under Income Tax Act | 11,18,76,700 | 9,67,73,730 | 9,39,33,719 |
| | 10,81,24,248 | 9,37,12,297 | 9,12,99,413 |
| <u>7 : OTHER NON CURRENT ASSETS</u> | | | |
| Deposit with Government Authorities | 13,89,738 | 9,41,578 | 12,39,057 |
| MAT credit entitlement | 38,03,652 | 38,03,652 | 38,03,652 |
| Advance for capital Assets | - | - | 51,000 |
| | 51,93,390 | 47,45,230 | 50,93,709 |
| <u>8 : INVENTORIES</u> | | | |
| (As valued and certified by the Management) | | | |
| Raw Materials | | | |
| Iron Ore | - | 1,21,37,046 | 1,38,36,596 |
| Coal | 12,250 | 2,95,98,157 | 1,40,53,531 |
| Dolomite | 98,953 | 1,42,729 | 2,42,468 |
| Stock of Stores & Spares | 62,40,726 | 82,22,430 | 64,41,404 |
| Finished Goods | | | |
| Sponge Iron Lumps | 4,24,22,564 | 3,24,13,920 | 3,03,72,810 |
| Dolochar - Scrap | - | 3,67,914 | 9,06,451 |
| Iron Ore Fines - Scrap | 1,46,035 | 1,61,134 | 2,40,557 |
| Excise Duty Provision on Closing Stock of Finished Goods | - | 40,51,740 | 37,96,601 |
| | 4,89,20,528 | 8,70,95,070 | 6,98,90,418 |
| <u>9 : TRADE RECEIVABLES</u> | | | |
| (Unsecured) | | | |
| - Debts outstanding for more than six months | | | |
| Considered Good | 1,30,92,910 | 1,32,72,978 | 1,32,72,978 |
| Considered Doubtful | 17,04,996 | 17,04,996 | 17,04,996 |
| - Other debts | | | |
| Considered Good | - | 5,90,698 | 16,32,935 |
| | 1,47,97,906 | 1,55,68,672 | 1,66,10,909 |
| Less: Provision for Doubtful Debts | 1,70,500 | 1,70,500 | 1,70,500 |
| | 1,46,27,406 | 1,53,98,172 | 1,64,40,409 |



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CHITRAKOOT STEEL AND POWER PVT LTD
NOTES FORMING PART OF FINANCIAL STATEMENTS

| Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| 10 : CASH AND BANK BALANCES | | | |
| i) Cash & Cash Equivalents | | | |
| Cash in hand | 5,27,685 | 7,84,743 | 19,18,565 |
| Balances with scheduled banks - in Current Accounts | 79,783 | 27,309 | 3,78,355 |
| ii) Other Bank Balances | | | |
| - in Deposit Accounts | 14,33,537 | 14,27,828 | 14,22,948 |
| | 20,41,005 | 22,39,880 | 37,19,868 |
| 11 : SHORT-TERM LOANS AND ADVANCES | | | |
| (recoverable in cash or in kind or for value to be received) | | | |
| <u>-Unsecured considered good:</u> | | | |
| Deposits | 2,30,000 | 2,30,000 | 2,30,000 |
| Advance for supplies and expenses | 61,51,818 | 1,53,98,905 | 2,65,89,351 |
| Prepaid expenses | 3,28,298 | 17,21,269 | 11,82,668 |
| Balance with Government Authorities | 57,48,800 | 1,29,56,655 | 2,24,85,617 |
| Advance Tax (net of Provisions) | 36,01,782 | 25,47,095 | 25,33,801 |
| Staff Advance | 10,000 | - | 4,000 |
| <u>-Unsecured considered doubtful:</u> | | | |
| vi) Advance Recoverable in Cash or in Kind | 22,26,878 | 22,26,878 | 22,26,878 |
| | 1,82,97,575 | 3,50,80,802 | 5,52,52,315 |
| Less: Provision for Doubtful Advances | 22,26,878 | 22,26,878 | 22,26,878 |
| | 1,60,70,697 | 3,28,53,924 | 5,30,25,437 |
| 12 : SHARE CAPITAL | | | |
| Authorised Share Capital | | | |
| 70,00,000 (70,00,000) Equity Shares of Rs. 10/- each | 7,00,00,000 | 7,00,00,000 | 7,00,00,000 |
| Issued, Subscribed and Paid up | | | |
| 64,89,200 (64,89,200) Equity Shares of Rs. 10/- each | 6,48,92,000 | 6,48,92,000 | 6,48,92,000 |
| | 6,48,92,000 | 6,48,92,000 | 6,48,92,000 |

(a) All the Equity Shares carry equal rights and obligations including for Dividend and with respect to Voting rights.

(b) Details of Shareholders holding more than 5% shares :

| Name of Share holder | No. of Shares - % held | No. of Shares - % held | No. of Shares - % held |
|----------------------|------------------------|------------------------|------------------------|
| Tulaysan NEC Ltd | 64,89,200 - 100% | 64,89,200 - 100% | 64,89,200 - 100% |

13 : OTHER EQUITY

Surplus in Statement of Profit & Loss

| | | | |
|---|-----------------------|-----------------------|-----------------------|
| Balance at the beginning of the year | (29,28,54,230) | (22,46,23,792) | (15,19,22,081) |
| Add: Profit for the Year after tax | (3,79,38,984) | (6,82,30,438) | (7,27,01,711) |
| Less: Adjustment relating to Fixed Assets | - | - | - |
| Balance as at the end of the year | (33,07,93,213) | (29,28,54,230) | (22,46,23,792) |



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CHITRAKOOT STEEL AND POWER PVT LTD
NOTES FORMING PART OF FINANCIAL STATEMENTS

| Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 01, 2016 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| 14 : LONG TERM BORROWINGS | | | |
| Secured Loans | | | |
| From Banks | | | |
| HDFC Car Loan | 44,890 | 7,36,102 | 4,57,595 |
| Unsecured Loans | | | |
| From Related Parties | 2,00,39,025 | 2,00,39,025 | 2,00,39,025 |
| From Others | 53,77,593 | 53,77,593 | 53,77,593 |
| | 2,54,61,508 | 2,61,52,720 | 2,58,74,213 |

A. Nature of Security:

Term Loan : Secured by First charge on land situated in New Gummidipundi Village, Thiruvallur Dist, factory building with other constructions there on and Hypothecation of P& M situated therein. Personal guarantee of the promoters & the corporate guarantee of M/s Tulsyan NEC Ltd.

B. Terms of Repayment:

At the end of the year, term loan outstanding of Rs. 1,214 lakhs has been converted into over draft by the bankers. Hence the entire outstanding has been treated as Current Component under 'Other Current Liabilities'.

| | | | |
|---|--------------------|--------------------|---------------------|
| <u>B. Non Current and Current Components of Long Term Borrowings:</u> | | | |
| <u>Non Current Components</u> | | | |
| Term Loans from Banks | - | - | - |
| Vehicle Loans from Banks | 44,890 | 7,36,102 | 4,57,595 |
| Loans from Related Parties | 2,00,39,025 | 2,00,39,025 | 2,00,39,025 |
| Loans from Others | 53,77,593 | 53,77,593 | 53,77,593 |
| A | 2,54,61,508 | 2,61,52,720 | 2,58,74,213 |
| <u>Current Components</u> | | | |
| Term Loans from Banks | - | - | 12,14,63,159 |
| Vehicle Loan from Banks | 6,91,212 | 8,43,743 | 3,05,064 |
| Loans from Related Parties | - | - | - |
| B | 6,91,212 | 8,43,743 | 12,17,68,223 |
| Total | 2,61,52,720 | 2,69,96,463 | 14,76,42,436 |

15 : SHORT TERM BORROWINGS

Secured Working Capital Loans from Banks:

| | | | |
|--------------------------------|---------------------|---------------------|--------------------|
| Shamro Vital Co-operative Bank | 19,86,01,645 | 19,95,33,337 | 7,72,56,731 |
| | 19,86,01,645 | 19,95,33,337 | 7,72,56,731 |

A. Nature of Security:

Secured against hypothecation of paid Stocks and book debts not exceeding 90 Days and linkage on the factory land & building.

| | | | |
|-----------------------------|--------------------|---------------------|--------------------|
| 16 ; TRADE PAYABLES | | | |
| Sundry Creditors : | | | |
| - For Supplies and Services | 5,42,81,246 | 16,97,85,574 | 7,96,89,359 |
| - For Expenses and Others | 59,39,161 | 97,73,599 | 2,00,97,428 |
| | 6,02,20,407 | 17,95,59,173 | 9,97,86,787 |



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CHITRAKOOT STEEL AND POWER PVT LTD
NOTES FORMING PART OF FINANCIAL STATEMENTS

| Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| 17 : OTHER CURRENT LIABILITIES | | | |
| Current Component of Long Term Borrowings | 6,91,212 | 8,43,743 | 12,17,68,223 |
| Duties & Taxes Payable | 1,21,71,955 | 65,10,452 | 60,20,201 |
| Interest Accrued and Due on Term Loans | - | - | 14,72,889 |
| Advances from Customers | 23,86,93,121 | 13,18,20,365 | 15,10,50,708 |
| | 25,15,56,288 | 13,91,74,560 | 28,03,12,021 |
| 18 : SHORT TERM PROVISIONS | | | |
| Provision for Expenses | 18,29,164 | 13,14,890 | 7,75,354 |
| | 18,29,164 | 13,14,890 | 7,75,354 |



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CHITRAKOOT STEEL AND POWER PVT LTD
NOTES FORMING PART OF FINANCIAL STATEMENTS

(In Rupees)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| 19 : REVENUE FROM OPERATIONS | | |
| Gross Sales | | |
| Finished Products | 28,70,36,383 | 37,61,24,740 |
| Raw Materials | 53,00,420 | 12,94,003 |
| Conversion Charges Received | 6,12,87,878 | - |
| Others | 64,55,104 | 1,34,01,892 |
| | 36,00,79,785 | 39,08,20,635 |
| Less: Excise Duty | 1,01,09,672 | 4,17,91,638 |
| Goods and Service Tax | 3,97,81,931 | - |
| | 31,01,88,182 | 34,90,28,997 |
| 20 : OTHER INCOME | | |
| Interest Income (TDS Rs.15,908 /- (PY: 13,294)) | 1,59,060 | 1,61,070 |
| Insurance Claims | 12,21,000 | - |
| Dividend | 300 | 300 |
| Discount Received | 3,25,019 | 10,01,628 |
| Rates & Rebates | - | 3,37,788 |
| Miscellaneous Income | 42 | 56 |
| | 17,05,421 | 15,00,842 |
| 21 : MATERIALS CONSUMED | | |
| Opening Stock | 4,18,77,932 | 2,81,32,595 |
| Add: Purchases | 26,20,73,103 | 36,71,29,713 |
| | 30,39,51,035 | 39,52,62,308 |
| Less : Closing Stock | 1,11,203 | 4,18,77,932 |
| | 30,38,39,832 | 35,33,84,375 |
| 22 : CHANGES IN INVENTORY | | |
| Finished Goods | | |
| Opening Stock | 3,69,94,707 | 3,53,16,419 |
| Closing Stock | 4,25,68,599 | 3,69,94,707 |
| Variance in Excise Duty on Closing Stock of Finished Goods | (40,51,740) | 2,55,139 |
| | (96,25,631) | (14,23,149) |
| 23 : EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, Wages & Allowances | 31,99,865 | 30,37,211 |
| Bonus | 34,041 | 63,079 |
| Company's contribution PF & ESI | 1,01,650 | 95,236 |
| Staff Welfare | 82,598 | 64,803 |
| | 34,18,154 | 32,60,329 |
| 24 : FINANCE CHARGES | | |
| Bank Charges | 2,36,916 | 7,75,530 |
| Interest on Bank Loans | 2,47,87,110 | 2,50,27,737 |
| Interest others | 22,056 | 41,187 |
| | 2,50,46,082 | 2,58,44,453 |



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CHITRAKOOT STEEL AND POWER PVT LTD
NOTES FORMING PART OF FINANCIAL STATEMENTS

(In Rupees)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| 25 : OTHER EXPENSES | | |
| A. Factory overheads | | |
| AMC Charges | 1,42,100 | 71,406 |
| Electricity Charges | 1,22,54,214 | 1,31,71,608 |
| Stores & Spares Consumed | 94,04,623 | 58,59,711 |
| Freight Inward - Others | - | 1,700 |
| Weighment Charges | 20,060 | 36,730 |
| Labour Charges | 74,42,940 | 78,26,068 |
| Local Conveyance | 37,640 | 27,775 |
| Postage & Courier | 5,395 | 6,745 |
| Printing & Stationery | 40,704 | 25,661 |
| Repairs & Maintenance: | | |
| Plant & Machinery | 3,91,954 | 5,23,522 |
| Electrical | 1,10,489 | 1,26,446 |
| Building | 71,040 | 2,04,794 |
| Others | 1,88,529 | 1,42,963 |
| Security Charges | 18,65,581 | 19,28,253 |
| Telephone Charges | 78,564 | 91,429 |
| Testing Charges | 1,91,278 | 1,83,717 |
| Office Maintenance | 1,25,555 | 1,13,858 |
| Vehicle Maintenance | 55,608 | 40,251 |
| Sub total (A) | 3,24,26,274 | 3,03,82,636 |
| B. Administration & Selling expenses | | |
| Rent, Rates & Taxes | 27,18,769 | 10,71,080 |
| Taxes Relating to earlier years | - | 17,55,354 |
| Audit Remuneration: | | |
| For Statutory Audit | 1,87,500 | 2,12,500 |
| For Tax Audit & Others | - | - |
| Internal Audit Fees | 2,04,000 | 2,05,779 |
| Travelling & Conveyance | 2,23,723 | 1,64,796 |
| Pooja Expenses | 11,697 | 12,522 |
| Computers Maintenance | 3,900 | 7,625 |
| Legal & Professional Charges | 1,39,235 | 2,86,922 |
| Books and periodicals | 1,800 | 1,800 |
| Donations | 4,20,000 | 4,20,000 |
| Insurance | 2,78,380 | 2,00,569 |
| Sub total (B) | 41,89,004 | 43,38,946 |
| Total (A+B) | 3,66,15,277 | 3,47,21,582 |
| 26 : EARNINGS PER SHARE: | | |
| Profit After Tax attributable to Equity Shareholders (₹) | (3,79,38,984) | (6,82,30,438) |
| Weighted Average No. of Equity Shares Outstanding as at the end of the year | 64,89,200 | 64,89,200 |
| Basic and Diluted Earnings per Share (₹) | (5.85) | (10.51) |



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CHITRAKOOT STEEL AND POWER PVT. LTD
INTERNAL SCHEDULES TO FINANCIAL STATEMENTS

| GL:CODE | Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------|---|----------------------|----------------------|---------------------|
| | | Rs. | Rs. | Rs. |
| | SCHEDULE : 5 | | | |
| | Investments - Long Term | | | |
| 14437 | 75 (25) Equity Shares of Rs.100 each in The Shamrao Vithal Co-operative Bank Ltd | 2,500 | 2,500 | 2,500 |
| | | 2,500 | 2,500 | 2,500 |
| | SCHEDULE : 6 | | | |
| | DEFERRED TAX ASSETS (NET) | | | |
| | Deferred Tax Liability | | | |
| | - On Account of Depreciation | (37,52,452) | (30,61,433) | (26,34,306) |
| | Deferred Tax Asset | | | |
| | - On Account of Disallowances and Losses carried forward under Income Tax Act | 10,95,26,149 | 9,67,73,730 | 9,39,33,719 |
| | | 10,57,73,697 | 9,37,12,297 | 9,12,99,413 |
| | SCHEDULE : 7 | | | |
| | OTHER NON CURRENT ASSETS | | | |
| | DEPOSIT WITH GOVERNMENT AUTHORITIES | | | |
| | Meter Caution Deposit - TNEB | 40,000 | 40,000 | 40,000 |
| 16484 | Electricity Deposit | 4,18,843 | 4,77,096 | 7,74,575 |
| 16476 | Sales Tax Deposit | 2,500 | 2,500 | 2,500 |
| 16472 | Telephone Deposit | 13,050 | 13,050 | 13,050 |
| 16462 | Deposit Excise (Pre Deposit) | 5,06,413 | - | - |
| 16467 | Deposit - Singareni Collieries Co. Ltd. | 4,08,932 | 4,08,932 | 4,08,932 |
| | Total (A) | 13,89,738 | 9,41,578 | 12,39,057 |
| | MAT CREDIT ENTITLEMENT | | | |
| 16525 | Mat Credit Entitlement AY 2012-13 | 37,56,767 | 37,56,767 | 37,56,767 |
| | Mat Credit Entitlement AY 2013-14 | 46,885 | 46,885 | 46,885 |
| | Total (B) | 38,03,652 | 38,03,652 | 38,03,652 |
| | ADVANCE FOR CAPITAL ASSETS | | | |
| | T.S Mahalingam & Sons | | - | 51,000 |
| | Grand Total (A+B) | 51,93,390 | 47,45,230 | 50,93,709 |
| | SCHEDULE : 8 | | | |
| | INVENTORIES | | | |
| | (As valued and certified by the Management) | | | |
| | Rawmaterials | | | |
| | Iron Ore | - | 1,21,37,046 | 1,38,36,596 |
| | Coal | 12,250 | 2,95,98,157 | 1,40,53,531 |
| | Dolomite | 98,953 | 1,42,729 | 2,42,468 |
| 16151 | Stock of Stores & Spares | 62,40,726 | 82,22,430 | 64,41,404 |
| | Finished Goods | | | |
| | Sponge Iron Lumps | 4,24,22,564 | 3,24,13,920 | 3,03,72,810 |
| | Dolochar - Scrap | - | 3,67,914 | 9,06,451 |
| | Iron Ore fines - Scrap | 1,46,035 | 1,61,134 | 2,40,557 |
| | Excise Duty Provision on Closing Stock of Finished Goods | - | 40,51,740 | 37,96,601 |
| | | 4,89,20,528 | 8,70,95,070 | 6,98,90,418 |



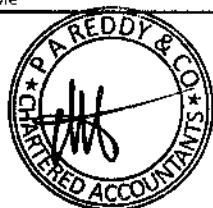
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| GL:CODE | Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------|--|----------------------|----------------------|---------------------|
| | | Rs. | Rs. | Rs. |
| | SCHEDULE : 9 | | | |
| | Trade receivables | | | |
| | Outstanding for more than six months | | | |
| | a. Considered Good | | | |
| C0044 | Vijaya Steels | 63,99,007 | 63,99,007 | 63,99,007 |
| C0054 | Shree Shiva Traders | 9,66,979 | 9,66,979 | 9,66,979 |
| C0064 | SBQ Steels Limited | | 77,954 | 77,954 |
| C0076 | Progress Traders | 20,002 | 20,002 | 20,002 |
| C0086 | ANKIT ISPAT (P) LTD UNIT - I | 4,07,225 | 4,07,225 | 4,07,225 |
| C0027 | Nobletech Industries Pvt Ltd | | 1,02,114 | 1,02,114 |
| C0078 | Jahir Impex | 2,87,015 | 2,87,015 | 2,87,015 |
| C0063 | Janakiram Steel And Power Pvt Ltd. | 3,77,990 | 3,77,990 | 3,77,990 |
| C0071 | M T C Business Pvt Ltd | 20,37,175 | 20,37,175 | 20,37,175 |
| C0075 | R V Steels And Power Pvt Ltd | 25,97,516 | 25,97,516 | 25,97,516 |
| | Total (A) | 1,30,92,910 | 1,32,72,978 | 1,32,72,978 |
| | Considered Doubtful | | | |
| C0008 | Sri Bhuvaneswari Chemicals Pvt. Ltd | 37,656 | 37,656 | 37,656 |
| C0013 | Roswar Steels Pvt. Ltd. | 40,622 | 40,622 | 40,622 |
| C0016 | Sri Krishna Alloys | 27,121 | 27,121 | 27,121 |
| C0011 | Metpro-Industries Pvt. Ltd | 23,600 | 23,600 | 23,600 |
| C0012 | Pancheel Alloys Constructions Pvt. Ltd. | 10,88,175 | 10,88,175 | 10,88,175 |
| C0014 | Shree Ganesh Steel Rolling Mills Ltd. | 4,73,981 | 4,73,981 | 4,73,981 |
| C0017 | Sumangala Steels Pvt. Ltd. - TN | 13,841 | 13,841 | 13,841 |
| | Total (B) | 17,04,996 | 17,04,996 | 17,04,996 |
| | b. Outstanding for less than six months | | | |
| C0020 | Ellaiyamman Enterprises | | 90,606 | 15,54,879 |
| C0090 | Krishna Industries | | 66,051 | 78,057 |
| C0095 | Ellaiyamman Enterprises | | 4,34,041 | |
| | Total (C) | - | 5,90,698 | 16,32,935 |
| | Total (A+B+C) | 1,47,97,906 | 1,55,68,672 | 1,66,10,909 |
| | Less : Provision for Doubtful Debts | (D) | 1,70,500 | 1,70,500 |
| | Grand Total (A+B+C-D) | 1,46,27,406 | 1,53,98,172 | 1,64,40,409 |
| | SCHEDULE : 10 | | | |
| | Cash & Bank Balances | | | |
| | Cash-in hand | | | |
| 16421 | Cash -Main | 5,27,685 | 7,84,743 | 19,18,565 |
| | Total (A) | 5,27,685 | 7,84,743 | 19,18,565 |
| | Balances with Scheduled Banks | | | |
| | On Current Account | | | |
| 16411 | Indian Overseas Bank - Egmore C/A.909 | 2,180 | 2,180 | 2,180 |
| | Indian Overseas Bank - C&IC | 77,603 | 25,129 | 3,76,175 |
| | Total (B) | 79,783 | 27,309 | 3,78,355 |
| | ii) Other Bank Balances | | | |
| | On Deposit Account | | | |
| 16478 | Deposit with IOB | 85,791 | 85,791 | 85,791 |
| 16477 | Deposit with SVCB | 13,47,746 | 13,42,037 | - |
| | ETD NO.5207 | - | - | 12,50,000 |
| | SVCC/691 | - | - | 87,157 |
| | Total (C) | 14,33,537 | 14,27,828 | 14,22,948 |
| | Grand Total (A+B+C) | 20,41,005 | 22,39,880 | 37,19,868 |



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| GL:CODE | Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------|--|----------------------|----------------------|---------------------|
| | | Rs. | Rs. | Rs. |
| | SCHEDULE : 11 | | | |
| | SHORT TERM LOANS AND ADVANCES | | | |
| | DEPOSITS | | | |
| 16485 | Guest House Adv- Vivek Agarwal | 2,30,000 | 2,30,000 | 2,30,000 |
| | Total (A) | 2,30,000 | 2,30,000 | 2,30,000 |
| | Advance Paid to Suppliers for materials /services | | | |
| C0004 | H.K.Varadaraja Setty & Son | 12,47,999 | 12,47,999 | 12,47,999 |
| C0006 | Popuri Engineering & Consultancy Services | 2,50,000 | 2,50,000 | 2,50,000 |
| C0010 | J P Enterprises | 72,753 | 72,753 | 72,753 |
| VRM001 | Akshatha Minerals Pvt. Ltd. | 22,90,011 | 22,90,011 | 22,90,011 |
| VRM005 | The Singareni Collieries Co. Ltd. | 4,19,071 | 4,19,071 | 4,19,071 |
| VRM010 | S A Minerals | 2,96,689 | 2,96,689 | 2,96,689 |
| VRM013 | The Singareni Collieries Co. Ltd. (OLD) | 98,013 | 98,013 | 98,013 |
| VRM014 | H.K.Varadaraja Setty & Son | 1,60,000 | 1,60,000 | 1,60,000 |
| VRM035 | BMM Ispat Limited | 5,65,402 | 6,65,402 | - |
| VRM049 | Arun Smelters P Ltd | | 1,45,00,000 | 1,45,00,000 |
| VRM074 | MSPL Limited | 40,310 | 2,92,021 | 51,25,157 |
| VRM081 | MSP Sponge Iron Limited | 18,870 | 18,870 | 18,870 |
| VRM084 | Bhatia Industries & Infrastruc | 1,104 | 1,104 | 1,104 |
| VRM085 | Janki Corp Limited | 61,797 | 61,797 | 61,797 |
| VRM116 | Swiss Singapore India Private | 3,821 | | |
| VST016 | Alfa Control Sys Pvt Ltd | 37,670 | 37,670 | 37,670 |
| VST046 | Excel Engineering | 3,015 | 3,015 | 3,015 |
| VST068 | Reeshoo Systems | 29,400 | 29,400 | 29,400 |
| VST151 | Sri Sharada Engineering | | - | 48,102 |
| VST174 | Vega Controls Pvt Ltd | | - | 2,24,000 |
| VST219 | Sarojini Marketing Company | 5,382 | 5,382 | 5,382 |
| VST237 | R K Services | 7,865 | 7,865 | 7,865 |
| VST319 | Microsys Industrial Equipments | 37,217 | | |
| VST323 | Perfect Cooling Towers Pvt Ltd | 70,210 | | |
| VSV006 | Tejas Foundation P Ltd | 1,93,835 | 1,93,835 | 1,93,835 |
| VOT0012 | Earnest Money Deposit (DMG) | 1,57,740 | 1,57,740 | 1,57,740 |
| VRM096 | Swiss Singapore India Private | | - | 13,01,393 |
| VRM087 | Rawmet Commodities Pvt Ltd | | | 39,158 |
| VST074 | Powerica Ltd | | 2,091 | 12,912 |
| VST040 | KAY INTERNATIONAL LTD., | 10,451 | 10,451 | 10,451 |
| VST255 | P C Malpani & Co | 301 | 301 | 301 |
| VST107 | Shree Sakthi Narayan Steel Ltd | | | 2 |
| VRM106 | Minera Steel & Power Pvt Ltd | | 41,96,781 | - |
| VST285 | Super Ferro Alloys | | 85,000 | - |
| VST247 | Nitesh Enterprise | | 9,180 | - |
| VST033 | Basic Engineers & Traders., | 639 | 639 | - |
| VST034 | Thangam Agencies | 8,260 | | |
| VST231 | G B S Enterprises | 44,586 | (439) | (439) |
| VST294 | Asea Power Electricals | 166 | - | |
| VRM105 | India Coke & Power Pvt Ltd | 19,241 | (97,41,336) | |
| VST243 | Vamaja Engineering Pvt Ltd | | 27,600 | (22,900) |
| | Total (B) | 61,51,818 | 1,53,98,905 | 2,65,89,351 |
| | PREPAID EXPENSES | | | |
| 16511 | Prepaid Expenses | 2,91,287 | 15,74,225 | 10,93,167 |
| 16512 | Interest Unabsored | 37,011 | 1,47,044 | 89,501 |
| | Total (C) | 3,28,298 | 17,21,269 | 11,82,668 |
| | BALANCE WITH GOVERNMENT AUTHORITIES | | | |
| 16594 | RG 23C Defferred | - | 1,15,962 | 1,95,122 |
| 16593 | RG 23C | - | - | - |
| 16592 | RG 23A | - | 12,89,148 | 1,18,50,314 |
| 16596 | ServiceTax InputCredit Interim | - | 24,64,913 | 14,26,681 |
| 16591 | PLA | - | 90,00,000 | 90,00,000 |
| 16597 | Service tax Input Credit Recei | - | 82,749 | 10,300 |
| 16491 | Interest Receivable | 30,665 | 2,760 | 3,200 |
| 16551 | Vat accrued on Capital Goods | - | 1,123 | - |
| 16553 | SGST Input Credit Receivable | 52,835 | - | - |



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| GL:CODE | Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------|--|------------------------|------------------------|------------------------|
| | | Rs. | Rs. | Rs. |
| 16554 | IGST Input Credit Receivable | 33,799 | - | - |
| 16555 | SGST Receivable (Services) | 1,56,987 | - | - |
| 16556 | IGST Receivable (Services) | 8,09,139 | - | - |
| 16557 | SGST Receivable (Reverse Char) | 13,458 | - | - |
| 16558 | IGST Receivable (Reverse Char) | 19,613 | - | - |
| 16612 | CGST Input Credit Receivable | 29,26,720 | - | - |
| 16613 | CGST Receivable (Services) | 1,56,996 | - | - |
| 16614 | CGST Receivable (Reverse Char) | 13,459 | - | - |
| 16603 | CGST Electronic Cash Ledger | 15,35,129 | - | - |
| | Total (D) | 57,48,800 | 1,29,56,655 | 2,24,85,617 |
| | ADVANCE TAX-TDS | | | |
| | TDS Receivable FY 2008-09 | 2,18,321 | 2,18,321 | 2,18,321 |
| | TDS Receivable FY 2010-11 | 14,629 | 14,629 | 14,629 |
| | TDS Receivable FY 2011-12 | 14,218 | 14,218 | 14,218 |
| | TDS Receivable FY 2012-13 | 8,00,534 | 8,00,534 | 8,00,534 |
| | TDS Receivable FY 2013-14 | 9,28,307 | 9,28,307 | 9,28,307 |
| | TDS Receivable FY 2014-15 | 20,112 | 20,112 | 20,112 |
| 16522 | TDS Receivable FY 2015-16 | 21,616 | 21,616 | 21,616 |
| 16527 | TDS Receivable FY 2016-17 | 13,294 | 13,294 | - |
| | TDS Receivable FY 2017-18 | 10,54,687 | - | - |
| | TCS Receivable FY 2015-16 | 5,62,949 | 5,62,949 | 5,62,949 |
| | Less : Provision for income tax A.Y 2013-14 | 46,885 | 46,885 | 46,885 |
| | Total (E) | 36,01,782 | 25,47,095 | 25,33,801 |
| | Staff Advance | | | |
| 16501 | Staff Advance | 10,000 | - | 4,000 |
| | Total (F) | 10,000 | - | 4,000 |
| | Advance recoverable in Cash or in Kind - Doubtful | | | |
| C0005 | Manoj Chatterji | 60,493 | 60,493 | 60,493 |
| C0007 | Yeses infrastructures Pvt. Ltd. | 21,66,385 | 21,66,385 | 21,66,385 |
| | | 22,26,878 | 22,26,878 | 22,26,878 |
| 23491 | Less : Provision for Doubtful Advances | 22,26,878 | 22,26,878 | 22,26,878 |
| | Total (G) | - | - | - |
| | Grand Total (A+B+C+D+E+F+G) | 1,60,70,697 | 3,28,53,924 | 5,30,25,437 |
| | SCHEDULE : 12 | | | |
| | EQUITY SHARE CAPITAL | | | |
| | Authorised Share Capital | | | |
| | 70,00,000 (70,00,000) Equity Shares of Rs. 10/- each | 7,00,00,000 | 7,00,00,000 | 7,00,00,000 |
| | Issued, Subscribed and Paid up | | | |
| | 64,89,200 (64,89,200) Equity Shares of Rs. 10/- each | 6,48,92,000 | 6,48,92,000 | 6,48,92,000 |
| | | 6,48,92,000 | 6,48,92,000 | 6,48,92,000 |
| | (a) All the Equity Shares carry equal rights and obligations including for Dividend and with respect to Voting rights. | | | |
| | (b) Details of Shareholders holding more than 5% shares : | | | |
| | Name of Share holder | No. of Shares - % held | No. of Shares - % held | No. of Shares - % held |
| | Tulaysan NEC Ltd | 64,89,200 - 100% | 64,89,200 - 100% | 64,89,200 - 100% |
| | SCHEDULE : 13 | | | |
| | OTHER EQUITY | | | |
| | Balance at the beginning of the year | (29,28,54,230) | (22,46,23,792) | (15,19,22,081) |
| | Add: Profit for the Year after tax | (3,79,38,984) | (6,82,30,438) | (7,27,01,711) |
| | Less: Adjustment relating to Fixed Assets | - | - | - |
| | Balance as at the end of the year | (33,07,93,214) | (29,28,54,230) | (22,46,23,792) |



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| GL:CODE | Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------|---|----------------------|----------------------|---------------------|
| | | Rs. | Rs. | Rs. |
| | SCHEDULE : 14 | | | |
| | SECURED LOANS | | | |
| | a) From Banks | | | |
| 21875 | Indian Overseas Bank, C & IC Branch | | | |
| | HDFC Car Loan | 44,890 | 7,36,102 | 4,57,595 |
| | UNSECURED LOANS | | | |
| | -From Related Parties | | | |
| VS0004 | Tulsyan NEC Ltd | 2,00,39,025 | 2,00,39,025 | 2,00,39,025 |
| | -From Others | | | |
| VS0001 | Evergreen Entertainers Pvt. Ltd. | 45,00,000 | 45,00,000 | 45,00,000 |
| VS0003 | Viki Industries P Ltd | 8,77,593 | 8,77,593 | 8,77,593 |
| | | 2,54,61,508 | 2,61,52,720 | 2,58,74,213 |
| | SCHEDULE : 15 | | | |
| | SHORT TERM BORROWINGS: | | | |
| | Secured loans | | | |
| | Cash Credit from Banks: | | | |
| 21841 | Shamro Vital Co-operative Bank | 19,86,01,645 | 19,95,33,337 | 77256731.14 |
| | | 19,86,01,645 | 19,95,33,337 | 7,72,56,731 |
| | SCHEDULE : 16 | | | |
| | TRADE PAYABLES | | | |
| | S.C. For Raw Materials & Stores & Spares : | | | |
| VRM009 | Millenium Steel India P Ltd | | | |
| VRM024 | A&A International Trading Pvt.Ltd. | 19,92,218 | 19,92,218 | 1992218 |
| VRM037 | Benita Industries Ltd | 50,531 | 50,531 | 50531 |
| VRM044 | Bhatia Global Trading Limited | 5,825 | 5,825 | 5825 |
| VRM047 | Kamachi Sponge and Power Corpo | | | |
| VRM077 | MTC Business Pvt Ltd | 14,20,845 | 14,20,845 | 1420845 |
| VRM079 | Sree Veerabramendra Mineral Tr | | | |
| VRM020 | K I International Ltd | 24,647 | 24,647 | 24,647 |
| VRM071 | Sree Hanuman Enterprises | | | |
| VRM069 | Sri Ganga Minerals | | | |
| VRM082 | Tulsyan NEC Limited | | | |
| VRM086 | V K Steel Enterprises | 3,03,732 | 3,03,732 | 303732 |
| VRM087 | Rawmet Commodities Pvt Ltd | | | |
| VRM090 | K I International Limited | | | |
| VRM091 | Visa Resources India Limited | 34,397 | 34,397 | 34397 |
| VRM092 | Tulsyan Smelters P Ltd | | 7,67,63,287 | 306782 |
| VRM097 | Saraogi Udyog P Ltd | | - | 10,920 |
| VRM094 | Sree Karthikeya Minerals | 1,000 | 1,000 | 379279 |
| VRM103 | Hemang Resouirces Limited | | | 1122878 |
| VRM101 | SBQ Steels Limited | 1,44,950 | 1,95,60,806 | 4537517 |
| VRM102 | Chennai Ferrous Industries Lim | 1,27,92,300 | 1,27,92,300 | 18322054 |
| VRM100 | Pulkit Metals Pvt Ltd | 1,92,94,347 | 1,92,94,347 | 19294347 |
| VRM099 | ENP Impex Pvt Ltd | | 1,19,11,529 | 23592360 |
| VRM057 | Aim Traders | | 45,278 | |
| VRM107 | Ferromet Marketing Company Pvt | | 17,02,747 | |
| VRM104 | Nobletech Industries Pvt Ltd | | 46,13,814 | |
| | S.C. for Raw Materials-Highseas | | | |
| VRM058 | MTC Business Limited | 64,76,898 | 64,76,898 | 6476898 |
| | Total (A) | 4,25,41,690 | 15,69,94,201 | 7,78,75,230 |
| | S.C. for Transporters: | | | |
| VTP007 | Gayatri Transport Services | 2,91,704 | 2,91,704 | 291704 |
| VTP013 | T G LOGISTICS P LTD | 1,11,47,852 | 1,04,29,066 | 1522425 |
| VTP045 | Deepna Road Lines | | 7,52,825 | |
| VTP059 | P K Roadways | | 13,17,778 | |
| VTP063 | Speed Roadways Private Limited | 3,00,000 | | |
| | Total (B) | 1,17,39,556 | 1,27,91,373 | 18,14,129 |
| | TOTAL (A+B) | 5,42,81,246 | 16,97,85,574 | 7,96,89,359 |



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| GL:CODE | Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------|---------------------------------------|----------------------|----------------------|---------------------|
| | | Rs. | Rs. | Rs. |
| | S.C. for Expenses & Others | | | |
| VOT0011 | T G Sathya Prakash | 39,41,700 | 39,41,700 | 17254240 |
| VOT0009 | B Jayalakshmi | 65,614 | | |
| VOT0035 | Sri Lakshmi Fancy Stores | 8,000 | | |
| VOT0036 | TAPCO Pneumatics Pvt Ltd (Ser) | 29,500 | | |
| VOT0013 | Kamachi Logistics and Services | 28,170 | 28,170 | |
| VOT0003 | Sri Narayana Electrical Works | 1,500 | 1,500 | 1500 |
| VO10026 | Dharamvir Seating Works | 13,184 | 35,954 | |
| VST004 | Fomra Electricals | | | 22,597 |
| VST006 | HEC Engineering Co | 1,394 | 12,039 | 5,443 |
| VST012 | R B T & Co | | 3,998 | |
| VST013 | South India Engineering Corpor | 1 | 43,643 | 16,638 |
| VST022 | Sri Sathya Agencies | | 2,50,000 | |
| VST024 | SRI MARUTHI ENTERPRISES | 1,000 | 1,000 | 1,000 |
| VST042 | Wisdom Rubbers | 16,224 | 16,224 | 16,224 |
| VST049 | T R R Automotive | 56,332 | 9,781 | 33,780 |
| VST092 | Thermal Engineering Services | 390 | | |
| VST051 | Fluidline Systems & Controls | 1 | | |
| VST107 | Shree Sakthi Narayan Steel Ltd | 32,810 | | |
| VST067 | Dee Pee Industrial Enterprises | | | 1,002 |
| VST110 | CSR Infra Equipments | 19,060 | 19,060 | 19,060 |
| VST144 | Arun Tyres | 15,200 | 15,200 | 15,200 |
| VST147 | North South Commercial Corpora | 2,070 | 2,070 | 2,070 |
| VST173 | R V Refractories | | 451 | 451 |
| VST194 | Sushil Electricals | 6,408 | 42,785 | 2,548 |
| VST198 | The Roller Bearing Co (Madras) | 6,763 | | |
| VST191 | Anand Scientific Company | | | 6,568 |
| VST198 | The Roller Bearing Co (Madras) | | | 64,414 |
| VST199 | Godavari Industrial Equipments | | 15,361 | |
| VST202 | Banyan Hydraulics & Projects P | 5,867 | 5,867 | 5,867 |
| VST203 | Hindustan Hydraulic Pneumatic | | 1,432 | |
| VST209 | Micro Product | | 17,136 | |
| VST223 | Eureka Forbes Ltd | | 490 | 490 |
| VST234 | Sri Saravana Chemicals | 16,077 | 42,879 | 16,247 |
| VST244 | General Pumps Pvt Ltd | 6,001 | 1,770 | |
| VST003 | Apex Powerlec | 500 | 500 | |
| VST293 | Abdul Kader And Sons | | 761 | |
| VST300 | Sri Jaya Devi Bharatgas Agenci | | 1,486 | |
| VST305 | Floraa India | | 1,890 | |
| VST303 | Tamilnad Traders | | 3,206 | |
| VST322 | Everest Engineering Enterprise | 29500 | | |
| VST278 | Automan Battery Centre | | 4,000 | |
| VST297 | Ador Powerton Ltd | | 11,500 | |
| VST298 | P & G Enterprises | | 35,519 | |
| VST279 | MTC Business Pvt Ltd | | 59,295 | |
| VST262 | Mekuba Petro Products | 68,194 | 75,437 | |
| VST245 | Sri Balaji Mineral Enterprises | | 1,95,656 | |
| VST304 | Maithan Ceramic Limited | | 30,52,350 | |
| VST314 | Jai Bharat Gas Agency | 2,614 | | |
| VSV012 | Other Vendor | 250 | 13,409 | 36,088 |
| VSV015 | M MUNUSWAMY | 1,22,500 | 1,20,611 | 1,18,673 |
| VSV020 | Agrawal Travel Links | | 2,582 | 4,325 |
| VSV023 | P A Reddy & Co | 1,47,600 | 1,62,754 | 1,69,815 |
| VSV026 | Rajkumar Cranes | 9,802 | | |
| VSV027 | V Ganesh & Co | 30,600 | 71,400 | 71,060 |
| VSV028 | Sumera Sherif | 25,047 | 25,047 | 25,047 |
| VSV042 | Ellaiyamman Enterprises | | 1,02,063 | - |
| VCT012 | SDB Select Services Pvt Ltd | 1,58,144 | 1,92,787 | 1,66,767 |



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| GL:CODE | Particulars | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------|--|----------------------|----------------------|---------------------|
| | | Rs. | Rs. | Rs. |
| VST232 | Industrial Metal & Wiremesh (E | - | 798 | 799 |
| VST160 | Dynamic Trading Co | - | - | 2,208 |
| VST263 | Tasira Instruments & Services | - | - | 3,195 |
| VST060 | P K N Enterprises | - | - | 3,900 |
| VST266 | Rubber Age Industries | 447 | 2,557 | 5,255 |
| VST020 | Tamilnadu Air Products Pvt Ltd | - | 2,352 | 5,292 |
| VST182 | Tamilnadu IS Fasteners | 5,363 | 5,093 | 5,297 |
| VST264 | Totale Global Pvt Ltd | - | 8,245 | 8,244 |
| VST126 | Navathara Enterprises | - | - | 10,513 |
| VST176 | Accurate Bearing Company | - | - | 13,125 |
| VST269 | Goa Instruments Industries P Lt | - | - | 15,606 |
| VST221 | KSJ Laboratory Glass Wear & Che | - | - | 15,703 |
| VST135 | Kalpataru Steels | - | - | 17,764 |
| VST273 | Madras Asbestos | 15,930 | 1,21,512 | 29,654 |
| VST275 | Vely International | 15,604 | 21,929 | 44,370 |
| VST250 | Bilaspur Castings Industries | - | - | 71,719 |
| VST274 | Nilesh Trading Co | - | - | 1,02,510 |
| VST148 | Sharada Ceramics Pvt Ltd | 3,33,113 | 3,33,113 | 3,33,113 |
| VST301 | Aum Vijaya Agencies (India) Pv | 991 | - | - |
| VSV032 | V V Electro Systems | 697 | 4,509 | 14,308 |
| VOT0020 | Sumandevi & Co | - | - | 55,629 |
| VSV047 | Swiss Singapore India Private | - | - | 1,05,304 |
| VSV036 | Sree Ganesha Consultancy Serv | - | - | 4,74,426 |
| VCT016 | Sree Sai Madhu Engineering & T | 6,61,474 | 5,47,251 | 6,85,515 |
| VCT015 | Electrotec Engineers & Traders | - | 25,552 | - |
| VE001 | M B Computech | 12,000 | 34,400 | - |
| VOT0018 | Allwin Cargo Services | 25,525 | 25,525 | (3,135) |
| | Total (C) | 59,39,161 | 97,73,599 | 2,00,97,428 |
| | GRAND TOTAL (A+B+C) | 6,02,20,407 | 17,95,59,173 | 9,97,86,787 |
| | SCHEDULE : 17 | | | |
| | OTHER CURRENT LIABILITIES | | | |
| | Current Component of Long Term Borrowings | | | |
| | Term Loans from Banks | - | - | 12,14,63,159 |
| | Vehicle Loan from Banks | 6,91,212 | 8,43,743 | 3,05,064 |
| | Total (A) | 6,91,212 | 8,43,743 | 12,17,68,223 |
| | DUTIES AND TAXES PAYABLE | | | |
| 23001 | TDS on Contract - Corporates | 9,663 | 10,671 | 16,939 |
| 23002 | TDS-Brokerage & Commission Pay | - | - | 13,862 |
| 23003 | TDS ON PROF. CHG CORP | 23,050 | 20,600 | 21,350 |
| 23005 | TDS ON RENT | 7,963 | 5,240 | 5,206 |
| 23009 | Tds on Salary | 14,400 | 16,460 | 27,305 |
| 22732 | Excise Duty Provision on Closing Stock of Finished Goods | - | 40,51,740 | 37,96,601 |
| 22721 | Excise Duty Payable | - | - | 0 |
| 22729 | Service Tax Payable Interim -GTA | - | 6,49,702 | 2,69,230 |
| 22730 | Service Tax Payable Final -GTA | 23,54,255 | 6,89,765 | 43,703 |
| 22733 | CGST Payable A/c | 47,59,305 | - | - |
| 22734 | CGST Payable (Reverse Charge) | 12,817 | - | - |
| 22745 | SGST Payable A/c | 47,59,319 | - | - |
| 22747 | SGST Payable (Reverse Charge) | 12,816 | - | - |
| 22748 | IGST Payable (Reverse Charge) | 2,03,881 | - | - |
| 22741 | VAT Payable | - | 10,51,302 | 18,12,946 |
| 22742 | CST Payable | - | - | 0 |
| 23502 | ESI Payable | 3,981 | 3,960 | 3,469 |
| 23501 | Provident Fund Payable | 10,504 | 11,012 | 9,589 |
| 22723 | Cess payable Iron Ore,Dolomite | - | - | 0 |
| | Total (B) | 1,21,71,955 | 65,10,452 | 60,20,201 |
| | INTEREST ACCRUED AND DUE ON TERM LOANS | | | |
| | Interest Accrued and Due on Term Loan -SVCB 31 | - | - | 9,09,330 |
| | Interest Accrued and Due on Term Loan -SVCB 32 | - | - | 3,67,161 |
| | Interest Accrued and Due on Term Loan -SVCB 52 | - | - | 1,96,398 |
| | Total (C) | - | - | 14,72,889 |



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| | | | | |
|-------|---------------------------------------|---------------------|---------------------|---------------------|
| | <u>ADVANCES FROM CUSTOMERS</u> | | | |
| C0085 | MTC Business Pvt Ltd | 1,89,12,035 | 2,39,12,035 | 2,39,12,035 |
| C0088 | Suryadev Alloys & Power Pvt Lt | | 20,23,150 | 20,23,150 |
| C0009 | Mailu Ferro Alloys P Ltd (Old) | 38,642 | 38,642 | 38,642 |
| C0051 | Chamundi Industries Limited | - | 13,758 | 13,758 |
| C0059 | Shree Sai Hanuman Smelters Pvt | - | 4,070 | 4,070 |
| C0062 | Sri Venkateswara Enterprises | - | 2,585 | 2,585 |
| C0094 | TULSYAN NEC LTD (OLD) | 21,97,42,444 | 10,58,26,125 | 12,50,56,469 |
| | Total (D) | 23,86,93,121 | 13,18,20,365 | 15,10,50,708 |
| | Grand Total (A+B+C+D) | 25,15,56,288 | 13,91,74,560 | 28,03,12,021 |
| | <u>SCHEDULE : 18</u> | | | |
| | <u>SHORT TERM PROVISIONS</u> | | | |
| 23042 | Outstanding Expenses | 1,21,005 | 15,270 | 9,324 |
| 23047 | Electricity Charges Payable | 14,59,277 | 10,39,603 | 4,87,311 |
| 23505 | Net Salaries Payable | 2,48,882 | 2,60,017 | 2,78,719 |
| | | 18,29,164 | 13,14,890 | 7,75,354 |

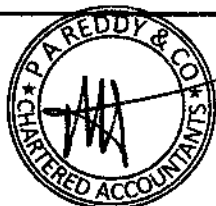


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CHITRAKOOT STEEL AND POWER PVT. LTD
INTERNAL SCHEDULES TO FINANCIAL STATEMENTS

(In Rupees)

| | Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-------|--|--|--|
| | <u>SCHEDULE - 19</u> | | |
| | Revenue from operations | | |
| | <u>Gross Sales</u> | | |
| 30021 | Domestic Sales - FG | 28,70,36,383 | 37,61,24,740 |
| 30091 | Domestic Sales RM | 53,00,420 | 12,94,003 |
| 30446 | Sale - Dolochar | 64,55,104 | 1,34,01,892 |
| 30451 | Conversion Charges Received | 6,12,87,878 | - |
| | <u>Less:</u> | | |
| | Excise Duty | 1,01,09,672 | 4,17,91,638 |
| | GST | 3,97,81,931 | - |
| | Total (A) | 31,01,88,182 | 34,90,28,997 |
| | <u>SCHEDULE - 20</u> | | |
| | <u>Other Income</u> | | |
| 30448 | Interest Receipts-EB & Others | 27,714 | 33,773 |
| 30441 | Interest on Bank Deposits | 1,31,346 | 1,27,297 |
| 30442 | Insurance Claims | 12,21,000 | - |
| 30444 | Dividend | 300 | 300 |
| 30601 | Discount Received | 3,25,019 | 10,01,628 |
| 41333 | Rates & Rebates | - | 3,37,788 |
| 42282 | Payment Tolerance | 42 | 56 |
| | | 17,05,421 | 15,00,842 |
| | <u>SCHEDULE - 21</u> | | |
| | <u>MATERIALS CONSUMED</u> | | |
| | Opening Stock | | |
| | Iron Ore | 1,21,37,046 | 1,38,36,596 |
| | Coal | 2,95,98,157 | 1,40,53,531 |
| | Dolomite | 1,42,729 | 2,42,468 |
| | | 4,18,77,932 | 2,81,32,595 |
| | <u>PURCHASE</u> | | |
| | Iron Ore | 14,52,37,016 | 21,26,01,295 |
| | Coal | 7,96,52,539 | 9,25,77,518 |
| | Dolomite | 13,10,288 | 8,32,856 |
| 40026 | Freight Inward - RM | 2,93,15,454 | 4,84,36,819 |
| 41334 | Cess on iron ore | 14,59,439 | 6,574 |
| 40410 | RM Handling Charges | 9,75,000 | 48,94,684 |
| 40411 | Loading & Unloading charges | 25,03,080 | 15,19,070 |
| 40043 | Basic Custom Duty-Coal | 16,20,286 | 62,42,896 |
| 40053 | Clearing charges | - | 18,000 |
| | | 26,20,73,103 | 36,71,29,713 |
| | <u>Less : Closing Stock of RM</u> | | |
| | Iron Ore | - | 1,21,37,046 |
| | Coal | 12,250 | 2,95,98,157 |
| | Dolomite | 98,953 | 1,42,729 |
| | | 1,11,203 | 4,18,77,932 |
| | | 30,38,39,832 | 35,33,84,375 |



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| | | | |
|--|--|--------------------|--------------------|
| SCHEDULE - 22 | | | |
| Increase / (Decrease) in Stock | | | |
| Finished Goods | | | |
| Opening Stock | | | |
| | Sponge Iron | 3,24,13,920 | 3,03,72,810 |
| | Excise Duty Provision on Finished Goods | 40,51,740 | 37,96,601 |
| | Dolochar-Scrap | 3,67,914 | 9,06,451 |
| | Iron Ore Fines-Scrap | 1,61,134 | 2,40,557 |
| | | 3,69,94,707 | 3,53,16,419 |
| Closing Stock | | | |
| | Sponge Iron | 4,24,22,564 | 3,24,13,920 |
| | Excise Duty Provision on Finished Goods | - | 40,51,740 |
| | Dolochar-Scrap | - | 3,67,914 |
| | Iron Ore Fines - Scrap | 1,46,035 | 1,61,134 |
| | | 4,25,68,599 | 3,69,94,707 |
| | Variance in Excise Duty on Closing Stock of Finished Goods | (40,51,740) | 2,55,139 |
| | | (96,25,631) | (14,23,149) |
| SCHEDULE - 23 | | | |
| Personnel | | | |
| SALARIES, WAGES & ALLOWANCE | | | |
| 40521 | Salary | 15,89,463 | 15,23,455 |
| 40522 | HRA | 8,44,767 | 7,74,487 |
| 40523 | Special Allowance | - | 65,487 |
| 40524 | Conveyance Allowance | 6,41,097 | 5,80,072 |
| 40525 | Leave Encashment | 42,236 | 30,086 |
| 40540 | Ex Gratia | 11,066 | - |
| 40543 | Overtime | 71,236 | 63,624 |
| 40528 | Bonus | 34,041 | 63,079 |
| 40661 | Provident Fund | 58,977 | 55,625 |
| 40663 | EDLI | 2,242 | 2,318 |
| 40664 | Administration Charges | 6,218 | 6,044 |
| 40667 | ESI - Employer Contribution | 34,213 | 31,249 |
| 40695 | Labour Welfare Fund | 200 | 1,550 |
| 40752 | Training & Development | 2,000 | - |
| 40758 | Staff Welfare expenses | 80,398 | 63,253 |
| | Total(A) | 34,18,154 | 32,60,329 |
| SCHEDULE - 24 | | | |
| Finance Charges | | | |
| BANK CHARGES | | | |
| 42091 | PROCESSING CHARGES - sanction | 1,47,375 | 7,25,353 |
| 42057 | Bank Charges | 89,541 | 50,177 |
| | Total (A) | 2,36,916 | 7,75,530 |
| INTEREST ON BANK BORROWINGS | | | |
| 42022 | INTEREST - SVCB - CC | - | 8,63,249 |
| 42021 | Interest on Term Loans | - | 14,35,044 |
| 42023 | Interest on HDFC Car Loan | 1,10,033 | 1,67,497 |
| 42026 | OD Interest | 2,46,77,077 | 2,25,61,947 |
| | Total (B) | 2,47,87,110 | 2,50,27,737 |
| INTEREST-OTHERS | | | |
| 42024 | INTEREST- OTHERS | 22,056 | 41,187 |
| | Total (C) | 22,056 | 41,187 |
| | Grand Total (A+B+C+D) | 2,50,46,082 | 2,58,44,453 |



| SCHEDULE - 25 | | | |
|----------------------|---|--------------------|--------------------|
| | Overheads | | |
| | A) Factory Expenses | | |
| 41323 | AMC - Avery Weigh Bridge | 1,42,100 | 71,406 |
| 40371 | Electricity Charges | 1,22,54,214 | 1,31,71,608 |
| 40422 | Stores & Spares Consumed | 64,93,814 | 49,10,292 |
| 40020 | Freight Inward - Stores | 1,30,801 | 98,310 |
| 40372 | Diesel Consumed | 27,80,008 | 8,51,108 |
| 40416 | Freight Inward Others (Transport charges) | - | 1,700 |
| 41426 | Weighment Charges | 20,060 | 36,730 |
| | Labour Charges | | |
| 40415 | Labour Charges | 71,86,506 | 78,26,068 |
| 40751 | Labour welfare expenses | 2,56,434 | - |
| 41143 | Local Conveyance Site | 37,640 | 27,775 |
| 41325 | Postage & Courier Site | 5,395 | 6,745 |
| 41111 | Printing & Stationery Site | 40,704 | 25,661 |
| | Repairs & Maintenance | | |
| 40431 | Repairs & Maintenance -P&M | 3,91,954 | 5,23,522 |
| 40432 | Repairs & Maintenance - Building | 71,040 | 2,04,794 |
| 40433 | Repairs & Maintenance - Others | 1,88,529 | 1,42,963 |
| 40439 | Repairs & Maintenance - Electricals | 1,10,489 | 1,26,446 |
| 41322 | Security Charges | 18,65,581 | 19,28,253 |
| 41061 | Telephone Charges - Factory | 78,564 | 91,429 |
| 40402 | Testing Charges | 1,91,278 | 1,83,717 |
| 41330 | Office Maintenance - Factory | 1,25,555 | 1,13,858 |
| | GENERAL EXPENSES -SITE | | |
| 41293 | Vehicle Maintenance | 55,608 | 40,251 |
| | | 3,24,26,274 | 3,03,82,636 |
| | B)Administrative Expenses | | |
| 40962 | Rates & Taxes - General | 17,24,733 | 6,15,176 |
| 40961 | Rates & Taxes - ROC Filing Fee | 1,800 | 22,100 |
| 41333 | Rates & Rebates | 1,24,509 | - |
| 41428 | Discounts Given | 1,089 | - |
| 41332 | Excise Duty Expenses | 4,92,040 | 66,292 |
| 40965 | License fees | 32,000 | 32,000 |
| 40966 | Filing Fees - Others | 8,638 | 1,552 |
| 41232 | Rent (others) | 3,33,960 | 3,33,960 |
| 42613 | Taxes Relating to earlier years | - | 17,55,354 |
| 40911 | Statutory Audit Fees | 1,87,500 | 2,12,500 |
| 40972 | Internal Audit Fees | 2,04,000 | 2,05,779 |
| 41142 | Traveling Exp - Domestic Others | - | 14,844 |
| 41141 | Travelling Expenses - Employee | 2,23,723 | 1,49,952 |
| 41328 | Pooja Expenses | 11,690 | 12,446 |
| 42281 | Amount Rounding | 7 | 76 |
| 41113 | R & M COMPUTERS | 3,900 | 7,625 |
| 40963 | Legal Fees | 7,500 | 5,900 |
| 40971 | Consultancy Charges | 1,31,735 | 2,81,022 |
| 41271 | Books & Periodicals | 1,800 | 1,800 |
| 41326 | Donation | 4,20,000 | 4,20,000 |
| 41011 | Insurance - Plant & Machinery | 1,00,074 | 39,956 |
| 41012 | Insurance - Stocks | 62,030 | 31,990 |
| 41013 | Insurance - Building | 77,396 | 52,760 |
| 41016 | Insurance - Others | 38,880 | 75,863 |
| | | 41,89,004 | 43,38,946 |



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CHITRAKOOT STEEL AND POWER PRIVATE LIMITED

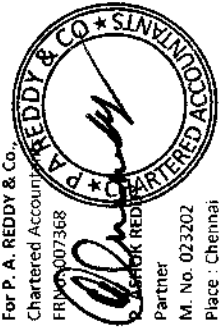
Note - 3 : Property Plant and Equipment:

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | | |
|------------------------------|---------------------|---------------|-----------|---------------------|---------------------|-------------------|-----------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As At 01.04.2017 | Additions | Deletions | As At 31.03.2018 | Upto 31.03.2017 | For the Period | Deletions | As At 31.03.2018 | As At 31.03.2018 | As At 31.03.2018 | As At 31.03.2017 | As At 31.03.2017 |
| TANGIBLE ASSETS | | | | | | | | | | | | |
| Land | 1,06,14,545 | - | - | 1,06,14,545 | - | - | - | - | - | 1,06,14,545 | - | 1,06,14,545 |
| Factory Buildings | 8,12,27,119 | - | - | 8,12,27,119 | 2,70,51,138 | 25,27,299 | - | 2,95,78,437 | 5,16,48,682 | 5,41,75,981 | - | 5,41,75,981 |
| Borewell & Road | 17,55,119 | - | - | 17,55,119 | 13,29,954 | 65,305 | - | 13,95,259 | 3,59,860 | 4,25,165 | - | 4,25,165 |
| Plant & Machines | 11,70,93,654 | - | - | 11,70,93,654 | 10,59,99,926 | 15,76,831 | - | 10,75,76,757 | 95,16,897 | 1,10,93,728 | - | 1,10,93,728 |
| Electrical & Work Equipments | 1,45,73,376 | - | - | 1,45,73,376 | 1,25,20,802 | 2,40,969 | - | 1,27,61,771 | 18,11,605 | 20,52,574 | - | 20,52,574 |
| Pay Loader (ICB) | 34,50,733 | - | - | 34,50,733 | 33,22,174 | - | - | 33,22,174 | 1,28,559 | 1,28,559 | - | 1,28,559 |
| Vehicles | 24,06,332 | - | - | 24,06,332 | 2,69,404 | 2,62,966 | - | 5,32,370 | 18,73,962 | 21,36,928 | - | 21,36,928 |
| Weigh Bridge | 9,56,144 | - | - | 9,56,144 | 6,02,118 | 78,350 | - | 6,80,468 | 2,75,676 | 3,54,026 | - | 3,54,026 |
| Computers | 16,15,327 | - | - | 16,28,796 | 15,37,859 | 43,135 | - | 15,80,994 | 47,802 | 77,468 | - | 77,468 |
| Furnitures & Fixtures | 3,71,706 | 13,469 | - | 3,71,706 | 3,09,392 | 12,228 | - | 3,71,620 | 50,086 | 62,314 | - | 62,314 |
| Office Equipments | 3,18,670 | - | - | 3,18,670 | 2,96,910 | 2,168 | - | 2,99,078 | 19,592 | 21,760 | - | 21,760 |
| Lab Equipments | 10,48,448 | - | - | 10,48,448 | 5,65,525 | 95,236 | - | 6,60,761 | 3,87,687 | 4,82,923 | - | 4,82,923 |
| Total | 23,54,31,173 | 13,469 | - | 23,54,44,642 | 15,38,05,203 | 49,04,487 | - | 15,87,09,689 | 7,67,34,953 | 8,16,25,970 | - | 8,16,25,970 |

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | | |
|------------------------------|---------------------|------------------|-----------|---------------------|---------------------|-------------------|-----------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As At 01.04.2016 | Additions | Deletions | As At 31.03.2017 | Upto 31.03.2016 | For the Period | Deletions | As At 31.03.2017 | As At 31.03.2017 | As At 31.03.2016 | As At 31.03.2016 | As At 31.03.2016 |
| TANGIBLE ASSETS | | | | | | | | | | | | |
| Land | 1,06,14,545 | - | - | 1,06,14,545 | - | - | - | - | - | 1,06,14,545 | - | 1,06,14,545 |
| Factory Buildings | 8,12,27,119 | - | - | 8,12,27,119 | 2,45,23,839 | 75,27,299 | - | 2,70,51,138 | 5,41,75,981 | 5,67,03,280 | - | 5,67,03,280 |
| Borewell & Road | 17,55,119 | - | - | 17,55,119 | 12,64,650 | 65,305 | - | 13,29,954 | 4,25,165 | 4,90,469 | - | 4,90,469 |
| Plant & Machines | 11,67,15,329 | 3,78,325 | - | 11,70,93,654 | 10,40,42,883 | 19,57,043 | - | 10,59,99,926 | 1,10,93,728 | 1,26,72,446 | - | 1,26,72,446 |
| Electrical & Work Equipments | 1,41,73,578 | 3,99,798 | - | 1,45,73,376 | 1,22,23,434 | 2,97,368 | - | 1,25,20,802 | 20,52,574 | 19,50,144 | - | 19,50,144 |
| Pay Loader (ICB) | 34,50,733 | - | - | 34,50,733 | 33,22,174 | - | - | 33,22,174 | 1,28,559 | 1,28,559 | - | 1,28,559 |
| Vehicles | 9,41,016 | 14,65,316 | - | 24,06,332 | 35,996 | 2,33,408 | - | 2,69,404 | 21,36,928 | 9,05,020 | - | 9,05,020 |
| Weigh Bridge | 9,56,144 | - | - | 9,56,144 | 5,23,768 | 78,350 | - | 6,02,118 | 3,54,026 | 4,32,376 | - | 4,32,376 |
| Computers | 15,67,277 | 48,050 | - | 16,15,327 | 14,72,051 | 65,808 | - | 15,37,859 | 77,468 | 95,226 | - | 95,226 |
| Furnitures & Fixtures | 3,53,806 | 17,900 | - | 3,71,706 | 2,94,082 | 15,310 | - | 3,09,392 | 62,314 | 59,724 | - | 59,724 |
| Office Equipments | 3,18,670 | - | - | 3,18,670 | 2,94,742 | 2,168 | - | 2,96,910 | 21,760 | 23,928 | - | 23,928 |
| Lab Equipments | 10,48,448 | - | - | 10,48,448 | 4,68,350 | 97,175 | - | 5,65,525 | 4,82,923 | 5,80,098 | - | 5,80,098 |
| Total | 23,31,21,784 | 23,09,389 | - | 23,54,31,173 | 14,84,65,968 | 53,39,234 | - | 15,38,05,203 | 8,16,25,970 | 8,46,55,816 | - | 8,46,55,816 |

For P. A. REDDY & Co.,

Chartered Accountants
FR No. 007368



Partner

M. No. 023202

Place : Chennai

Date : 31.05.2018

for and on behalf of the Board

Sanjay Tulisyan
Director
Din : 00632802

Sanjay Agarwalla
Director
Din : 00632864

Note - 4 : Intangible Assets:

| Description | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|-------------------|-------------|-----------|-----------|------------|--------------|---------|-----------|------------|------------|------------|
| | As At | Additions | Deletions | As At | Upto | For the | Deletions | As At | As At | As At |
| | 01.04.2017 | | | 31.03.2018 | 31.03.2017 | Period | | 31.03.2018 | 31.03.2018 | 31.03.2017 |
| Computer Software | 2,45,393 | - | - | 2,45,393 | 1,45,985 | 46,337 | - | 1,92,321 | 53,072 | 99,408 |
| Total | 2,45,393 | - | - | 2,45,393 | 1,45,985 | 46,337 | - | 1,92,321 | 53,072 | 99,408 |

| Description | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|-------------------|-------------|-----------|-----------|------------|--------------|---------|-----------|------------|------------|------------|
| | As At | Additions | Deletions | As At | Upto | For the | Deletions | As At | As At | As At |
| | 01.04.2016 | | | 31.03.2017 | 31.03.2016 | Period | | 31.03.2017 | 31.03.2017 | 31.03.2016 |
| Computer Software | 2,45,393 | - | - | 2,45,393 | 99,648 | 46,337 | - | 1,45,985 | 99,408 | 1,45,745 |
| Total | 2,45,393 | - | - | 2,45,393 | 99,648 | 46,337 | - | 1,45,985 | 99,408 | 1,45,745 |

for and on behalf of the Board

For P. A. REDDY & CO
Chartered Accountants
F.No. 007368
P. ASHOK REDDY
Partner
M. No 023202
Place : Chennai
Date : 31.05.2018



[Signature]
Sanjay Tulsyan
Director
Din : 00632802

[Signature]
Sanjay Agarwalla
Director
Din : 00632864

CHITRAKOOT STEEL AND POWER PVT LTD

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31.03.2018

Note - 1: CORPORATE INFORMATION:

The Company was incorporated on October 21, 2003, and is in the business of Manufacturing of Sponge Iron.

Note - 2: SIGNIFICANT ACCOUNTING POLICIES:

a. Statement of compliance:

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of Generally Accepted Accounting Principles in India (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

b. Basis of Preparation:-

The financial statements of the Company have been prepared on the historical cost basis at the end of each reporting period.

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

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian General Accepted Accounting Policies, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.



c. Revenue Recognition

Sale of Goods

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales are accounted net of trade discount and include Sales Tax Excise Duties and Goods and Service Tax. Revenue from Direct sales is accounted for on the basis of dispatches. In respect of Consignment sales, revenue is recognized after the confirmation of sale from the Consignment Agent.

Conversion Charges

Conversion charges are recognized on monthly basis i.e 3500/- metric tonne on despatch of goods to the principal.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Foreign Currency Transactions

The financial statements of the Company are presented in Indian Rupees (INR), which is the Company's functional currency. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.



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f. Employee Benefits

Provident Fund:

The Company contributes to the Statutory Provident fund in accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contributions plan and the contribution paid or payable is recognized as an expense in the period in which the employee renders service.

Gratuity:

In respect of Gratuity, no provision has been made in the accounts for the actuarial liability for future payment of Gratuity. Gratuity payments are charged to Profit and Loss account in the year in which payments are made.

g. Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognized 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 are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

h. Property, plant and equipment:

Land and buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

| <u>Category of Asset</u> | <u>Estimated useful lives</u> |
|------------------------------|-------------------------------|
| Factory Buildings | 30 Years |
| Bore well & Road | 10 Years |
| Plant & equipment | 8 Years |
| Electrical & Work Equipments | 10 Years |
| Weigh Bridge | 15 Years |
| Furniture and Fixtures | 10 Years |
| Mopeds | 8 Years |
| Motor vehicles/other assets | 10 Years |
| Office equipment | 5 Years |
| Lab Equipments | 10 Years |

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.



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i. Intangible assets:

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

| <u>Category of Asset</u> | <u>Estimated useful lives</u> |
|--|--------------------------------------|
| Software and website development costs | 5 Years |

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

j. Impairment of tangible and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.



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k. Inventories:

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on a first-in-first-out basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

l. Provisions:

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Financial instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method:

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

n. Financial assets:

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; or



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- (d) a contract that will or may be settled in the Company's own equity instruments and is:
- (i) a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at "fair value through profit or loss (FVTPL)" on initial recognition):

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments (except for debt instruments that are designated as at FVTPL on initial recognition) that meet the following conditions are subsequently measured at "fair value through other comprehensive income (FVTOCI)":

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.



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Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.



Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.



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o. Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is any liability that is:

- (a) a contractual obligation :
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- (b) a contract that will or may be settled in the Company's own equity instruments and is:
 - (i) a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- a) it has been incurred principally for the purpose of repurchasing it in the near term; or
- b) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- c) it is a derivative that is not designated and effective as a hedging instrument.



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A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' / 'Other expenses' line item as appropriate.

However, for financial liabilities not held-for-trading that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.



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Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

p. Cash flow statements:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows from operating activities are reported using the indirect method, whereby profit before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

q. Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r. Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.



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s. Goods and Service Tax input credit:

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

t. Operating cycle:

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

u. First-time adoption – mandatory exceptions and optional exemptions:

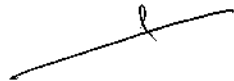

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain mandatory exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment and intangible assets

The Company has elected the exemption of previous GAAP carrying value for its Property, Plant and Equipment and Intangible Assets recognized as of April 1, 2016 (transition date) as deemed cost.



NOTES ON FINANCIAL STATEMENTS

27. Contingent Liabilities

- (i) In respect of an alleged discrepancy in the records of 1,850MT of Sponge Iron fines & lumps , Rs.5.16 Lakhs of penalty and Rs.3.45 lakhs of fine had been imposed by the concerned authority. The Company's appeal against these levies is pending for disposal before CESTAT, CHENNAI.
- (ii) During the Financial year 2015-16, an Order in Letter Nos. 5/2016,6/2016 & 7/2016 dated 10.02.2016 passed by the Joint Commissioner of Central Excise, Chennai- I Commissionerate in the matter of non – payment of duty on clearance of by-product Dolochar, stating that an amount of RS. 36,52,302/- is Payable for the period from January 2009 to May 2015 and also imposed a penalty of Rs. 15,89,972/- as Per Rule 25 of the Central Excise Rules,2002.

In respect of Levy of Excise duty of Rs.36,52,302/- and Rs.15,89,972/- of penalty, the Company's appeal before CESTAT is pending for disposal.

- (iii) During the Financial Year 2017-18, an Order in Letter No: 61/2017 passed by the Assistant Commissioner of Central Excise in the matter of non-payment of duty on clearance of by-product Dolochar, stating that an amount of Rs. 15,99,419/- is payable for the period from June 2015 to February 2017 and also imposed a penalty of Rs.1,59,942/- as per Rule 25 of the Central Excise Rules,2002.

For which the company filed an appeal before the Commissioner of Central Tax (Appeals – II) on 23.03.2018 Which was rejected by the Assistant Commissioner on the ground that sale of Dolochar will attract Excise Duty. The company is in the process of filing an appeal before the CESTAT (Customs, Excise & Service Tax Appellate Tribunal)

| S.NO | Particulars | Amount (Rs.in Lakhs) | Forum where the dispute is Pending | Relevant financial year / Period. |
|-------|---|----------------------|------------------------------------|-----------------------------------|
| (i) | Penalty & Fine for Non maintenance of proper records under Central Excise - RG 23A. | 8.61 | CESTAT,Chennai | 2014-15 |
| (ii) | Excise Duty on Dolochar | 13.59 | CESTAT,Chennai | JAN 2009 to MAR 2012. |
| (iii) | Penalty for Non Payment of Excise Duty on Dolochar | 13.59 | CESTAT,Chennai | JAN 2009 to MAR 2012. |
| (iv) | Excise Duty on Dolochar | 3.84 | CESTAT,Chennai | JAN 2013 to MAY 2013. |



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| | | | | |
|--------|---|-------|----------------|------------------------|
| (v) | Penalty for Non Payment of Excise Duty on Dolochar | 0.40 | CESTAT,Chennai | JAN 2013 to MAY 2013. |
| (vi) | Excise Duty on Dolochar | 6.92 | CESTAT,Chennai | JUNE 2013 to MAY 2014. |
| (vii) | Penalty for Non Payment of Excise Duty on Dolochar | 0.70 | CESTAT,Chennai | JUNE 2013 to MAY 2014. |
| (viii) | Excise Duty on Dolochar | 12.15 | CESTAT,Chennai | JUNE 2014 to MAY 2015. |
| (ix) | Penalty for Non Payment of Excise Duty on Dolochar | 1.20 | CESTAT,Chennai | JUNE 2014 to MAY 2015. |
| (x) | Excise Duty on Dolochar | 15.99 | CESTAT,Chennai | JUNE 2015 to FEB 2017. |
| (xi) | Penalty for Non Payment of Excise Duty on Dolochar. | 1.59 | CESTAT,Chennai | JUNE 2015 to FEB 2017. |

(iv) (Rupees)

| Details | 2017-18 | 2016-17 |
|---|-----------|-----------|
| Claims against the Company not acknowledged as Debt | 68,55,065 | 68,55,065 |

28. Income Tax:

Income tax assessments for and up to the Assessment year 2016-17 have been completed. There are no tax arrears and no proceedings are pending against the company in respect of these years.

29. Auditor's Remuneration:

(In Rupees)

| Details | 2017-18 | 2016-17 |
|-------------------------|----------|----------|
| For Statutory Audit | 75,000 | 75,000 |
| For Tax & Other matters | 1,69,800 | 1,37,500 |



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30. Due to Micro, Small and Medium Enterprises:

The Company has not received any information from the Suppliers as regards their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and hence disclosure requirements in this regard as per schedule III of the Companies Act, 2013, could not be provided. However, no interest has been accrued / paid during the year to any of the suppliers.

31. CONSUMPTION OF MATERIALS, SALE OF FINISHED GOODS, OPENING STOCK AND CLOSING STOCK:

| (A) MATERIAL CONSUMPTION | | |
|---------------------------------|---------------------|---------------------|
| PARTICULARS | 2017-18 | 2016-17 |
| | (Rs) | (Rs) |
| RAW MATERIALS: | | |
| Iron Ore | 16,29,66,229 | 25,61,67,913 |
| Coal | 13,95,19,539 | 9,62,83,867 |
| Dolomite | 13,54,064 | 9,32,595 |
| | 30,38,39,832 | 35,33,84,375 |
| (B) FINISHED GOODS | | |
| PARTICULARS | 2016-17 | 2015-16 |
| | (Rs) | (Rs) |
| Sales | | |
| Sponge Iron - Fines & Lumps | 24,69,26,884 | 33,43,33,102 |
| Raw Material | 50,55,034 | 12,94,003 |
| Scrap | 62,67,384 | 1,34,01,892 |
| Conversion Charges | 5,19,38,880 | - |
| | 31,01,88,182 | 34,90,28,997 |
| Opening Stock | | |
| Sponge iron | 3,64,65,660 | 3,41,69,411 |
| Scrap | 5,29,047 | 11,47,008 |
| Closing Stock | | |
| Sponge iron | 4,24,22,564 | 3,64,65,660 |
| Scrap | 1,46,035 | 5,29,047 |

32. Value of raw materials consumed**(Rs. In lakhs)**

| Details | 2017-18 | | 2016-17 | |
|---------------|----------------|-------------|-----------------|-------------|
| | Value | Percentage | Value | Percentage |
| a) Indigenous | 2860.43 | 94.14 | 3,306.69 | 93.57 |
| b) Imported* | 177.97 | 5.86 | 227.15 | 6.43 |
| TOTAL | 3038.40 | 100% | 3,533.84 | 100% |

Note:

a. The consumption value includes freight and other charges incurred in connection with the purchase of raw material.

33. Disclosure in respect of Related parties pursuant to Accounting Standard 18:

a) Holding Company : M/s. Tulsyan NEC Ltd (Extent of Holding: 100%)

Transaction with related parties:

During the year the following transactions were carried out with the aforesaid parties in the ordinary course of business:

(Amount in lakhs)

| Transaction | Related Party | 2017-18 | 2016-17 |
|--|-----------------|---------|---------|
| Sales | Tulsyan NEC Ltd | 2469.27 | 3420.46 |
| Purchases (Raw Materials, Stores, Freight & Power) | Tulsyan NEC Ltd | 97.02 | 106.23 |
| <u>Balance as at year end :</u> | | | |
| Unsecured Loan | Tulsyan NEC Ltd | 200.39 | 200.39 |
| Balance Payable | Tulsyan NEC Ltd | 2292.36 | 1058.26 |



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34. Foreign Exchange Earnings: Export Sales : Rs. NIL (Previous year: Rs. NIL)

35. CIF Value of Imports:

Raw Materials : Rs.143.58 lakhs (Previous Year: Rs.426.90 lakhs)
Components & Spares : Nil (Previous Year: Nil)

36. First-time adoption of Ind-AS:

First Time Ind AS Adoption reconciliations.

(i) Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016:

| | Notes | As at March 31, 2017 | As at April 1, 2016 |
|---|-------|-------------------------|------------------------|
| Equity as reported under previous GAAP | | (22,79,62,230) | (15,97,31,791) |
| Ind AS: Adjustments increase (decrease): | | | |
| Dividends not recognised as liability until declared | | -- | -- |
| Expected credit loss provision | | -- | -- |
| Others (including reversal of straight lining of lease rentals, fair valuation of financial assets, etc.) | | -- | -- |
| Equity as reported under IND AS | | (22,79,62,230) | (15,97,31,791) |

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017:

| | Notes | As at March 31, 2017 |
|---|-------|-------------------------|
| Profit or Loss as per previous GAAP | | (6,82,30,438) |
| Ind AS: Adjustments increase (decrease): | | -- |
| ESOP fair value accounting | | -- |
| Remeasurements of the defined benefit liabilities / (asset) | | -- |
| Others | | -- |
| Total adjustment to profit or loss | | -- |
| Profit or Loss under Ind AS | | (6,82,30,438) |
| Other comprehensive income | | -- |
| Total comprehensive income under Ind Ass | | (6,82,30,438) |

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

37. Sponge Iron manufacture is the only reportable primary business segment. The Company caters only domestic market and hence there are no reportable geographic segments. Therefore, segment information as required by the AS-17 of ICAI is not applicable.

38. The Company has initiated legal action for recovery of the amount of Rs. 21,66,385/- paid to M/s. Yeses Infrastructure Pvt. Ltd., Hyderabad, to whom a fabrication work contract had been awarded and the said contractor failed to complete the work. At the same time, this Contractor has made a counter claim against the Company for a sum of Rs. 68,55,065/- and the same is rejected by the Company.




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The management reasonably expects that, there will not be any Liability, with respect to the claim made against the company, and hence no provision is considered necessary.

39. Previous year's figures have been regrouped or reclassified, wherever necessary to Conform to the Current year's presentation.


40. Figures shown in the account have been rounded off to the nearest rupee.

For P A REDDY & CO.,
Chartered Accountants
FRN: 007369


P ASHOK REDDY
Partner
M No. 023202




Sanjay Tulsyan
Director
Din: 00632802


Sanjay Agarwalla
Director
Din: 00632864

Place: Chennai
Date: 31.05.2018