

SAL SHAH ALLOYS LTD.

Corp. Office : Shah Alloys Corporate House, Sola - Kalol Road, Santej, Ta. Kalol, Dist. Gandhinagar- 382721
Regd. Office : 5/1, Shreeji House, 5th Floor, Behind M.J.Library, Ashram Road, Ahmedabad- 6. India
Phone : 02764 - 661100 | E-mail : info@shahalloys.com



Cert No. 15378-QMS
0026
ISO 9001

Date: 05.09.2021

To,

Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai - 400 001

Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400051

BSE Scrip Code: 513436

NSE Symbol – SHAHALLOYS

Sub: Submission of Annual Report 2020-21 including Notice of the 31st Annual General Meeting of the Company as per Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the year ended on 31st March, 2021 (2020-21) including Notice of the 31st Annual General Meeting ("31st AGM"). This will also be available on the website of the Company at www.shahalloys.com.

You are requested to take the same on record and acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
For Shah Alloys Limited

Vinay Kumar Mishra
Company Secretary & Compliance Officer



Encl.: As stated above

CIN - L27100GJ1990PLC014698

The logo for SAL, featuring the letters 'SAL' in a bold, blue, sans-serif font. A green plus sign is positioned between the 'A' and 'L'.

2020-21 Annual Report

SHAH ALLOYS LIMITED

31ST ANNUAL REPORT 2020-2021

CIN: L27100GJ1990PLC014698

Board of Directors

Shri Rajendra V. Shah
Shri K. S. Kamath
(Till January 23rd, 2021)
Shri Ashok A Sharma
Shri G.M. Shaikh
Shri Tejpal S. Shah
Shri Harshad M. Shah
Smt. Shefali M. Patel

Non-Executive Chairman
Jt. Managing Director

Whole-Time Director
Independent Director
Independent Director
Independent Director
Independent Director

Chief Financial Officer

Shri Ashok A Sharma

Company Secretary & Compliance Officer

Shri Vinay Kumar Mishra

Audit Committee

Shri G. M. Shaikh, Chairman
Smt. Shefali M. Patel
Shri Rajendra V. Shah

Nomination and Remuneration Committee

Shri G. M. Shaikh, Chairman
Shri Tejpal Shah
Shri Harshad M. Shah

Stakeholders' Relationship Committee

Shri G. M. Shaikh, Chairman
Smt. Shefali M. Patel
Shri Ashok Sharma

Registered Office

5/1 Shreeji House,
B/h M.J. Library, Ashram Road,
Ahmedabad - 380 006

Administrative Office

Shah Alloys Limited
Corporate House,
Sola-Kalol Road, Village Santej,
Dist.-Gandhinagar-382 721

Plant

Shah Industrial Estate,
Block No. 2221, Sola - Kalol Road,
Village - Santej, Dist. - Gandhinagar-382 721

Statutory Auditors

M/s. Parikh & Majmudar, Chartered Accountants,
303, "B" Wing, GCP Business Center,
Opp. Memnagar Fire Station, Nr. Vijay Cross Roads,
Ahmedabad - 380 009

Secretarial Auditors

Kamlesh M. Shah & Co.
Company Secretaries
801-A, 8th Floor, Mahalaya Complex,
Opp. Hotel President, B/h. Fairdeal House,
Swastik Cross Roads, Off C.G.Road,
Navrangpura, Ahmedabad 380 009

Registrar and Share Transfer Agents

Bigshare Services Private Limited
(Unit: Shah Alloys Limited)
Bharat Tin Works Building, 1stFloor,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri - East, Mumbai - 400059, Maharashtra
Board No. : 022 6263 8200
Email id.: info@bigshareonline.com
Website : www.bigshare.com

Bankers to the Company

ICICI Bank Ltd.
State Bank of India

CONTENTS	Page
Notice	01
Directors' Report	10
Corporate Governance Report.....	30
Management Discussion & Analysis	40
Independent Auditors' Report.....	44
Standalone Balance Sheet	52
Standalone Statement of Profit & Loss.....	53
Standalone Cash Flow Statement.....	54
Standalone Notes forming part of Financial Statements	57
Consolidated Independent Auditors' Report.....	85
Consolidated Balance Sheet.....	91
Consolidated Statement of Profit & Loss	92
Consolidated Cash Flow Statement	93
Consolidated Notes forming part of Financial Statements.....	96

NOTICE

NOTICE is hereby given that 31st Annual General Meeting (AGM) of the Members of SHAH ALLOYS LIMITED will be held on Tuesday, 28th September, 2021 at 10:00 AM through Video Conferencing/Other Audio-Visual Means (VC/OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on Standalone and Consolidated basis for the year ended 31st March 2021, and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Rajendra V. Shah (DIN 00020904), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. **To consider and if thought fit, to pass, with or without modification(s), following resolution as ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter as “SEBI (LODR)”], as amended from time to time, consent of the Members be and is hereby accorded for all material related party transactions, contracts or arrangements entered and to be entered into for the financial year 2021-22 between the Company and S.A.L. Steel Limited for purchase of power & materials, sale of material and services and also between Company and SAL Corporation Pvt. Ltd. (being the Company with significant influence) for sale of materials and services at a prevailing market price in the ordinary course of business.

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for ratification of related party transactions between the Company and S.A.L. Steel Limited entered into during the financial year 2020-21.

RESOLVED FURTHER THAT the Board of Directors (the “Board”) and/or any Committee constituted by the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things as may be deemed necessary, proper and desirable.”

4. **To consider and if thought fit, to pass, with or without modification(s), following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants (ICAI Registration No. 22646) appointed by the Board on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022 be paid the remuneration of Rs. 1,10,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit.”

**By Order of the Board of Directors
for Shah Alloys Limited**

Sd/-

Vinay Kumar Mishra

Company Secretary & Compliance Officer

Date: 12.08.2021

Place: Santej

NOTES

1. In view of the COVID-19 pandemic, social distancing norms and restrictions on movement of persons the Ministry of Corporate Affairs (“MCA”) had vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular dated May 12, 2020 and January 15, 2021 (“SEBI Circulars”), permitted the holding of the Annual General Meeting through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. . Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the 31st Annual General Meeting of the Company shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the

AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice

3. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. Complete instructions on e-voting facility provided by the Company are annexed to this Notice explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the Meeting on 28th September, 2021.
4. Pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Members (i.e. other than Individuals / HUF, NRI, etc.) can appoint their representatives to attend the AGM through VC/OAVM and vote through e-voting. They are requested to send the scanned copy (PDF/JPEG Format) of their Board or Governing Body Resolution/ Authorisation etc., authorising their representative to attend the AGM through VC/OAVM to the Scrutiniser by e-mail through its registered e-mail address to kshahcs@yahoo.co.in with a copy marked to helpdesk.evoting@cdsl.co.in.
5. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of directors seeking appointment/reappointment at the Annual General Meeting is given in detail, as annexed hereto.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting, is annexed hereto.
7. **The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 15th September, 2021 to Tuesday, 28th September, 2021 (both days inclusive).**
8. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will remain open and available for inspection by the members at the administrative office of the Company on all working days, except Saturdays and Sundays, during business hours up till the date of the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every member participating in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN to the Company or their Share Registrars and Transfer Agents.
11. **Members who have not registered their email IDs so far with their depository participants, are requested to register their email IDs for receiving all the Communications including Annual Report, Notices etc. in electronic mode.**
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.
13. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2021 is uploaded on the Company's website www.shahalloys.com and may be accessed by the members.
14. Electronic copy of the Annual Report for 2020-21 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING THE ANNUAL GENERAL MEETING

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.shahalloys.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

1. The voting period begins on 25.09.2021, 10:00 AM and ends on 27.09.2021, 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.

Type of shareholders	Login Method
	<p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

4. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders:

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on "Shareholders" module.
- iii. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

5. After entering these details appropriately, click on "SUBMIT" tab.
6. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

7. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
8. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
9. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
10. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
11. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
12. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
13. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
14. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
15. **Facility for Non - Individual Shareholders and Custodians -Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; kshahcs@yahoo.co.in and cs@shahalloys.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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

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

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

GENERAL INSTRUCTIONS FOR VOTING:

- a. Shri Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072, Address: 801-A, Mahalaya Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b. The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the e-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, submit to the Chairman of the Company.
- c. Results declared by the Chairman along with the Scrutinizer's Report shall be placed on the Company's website <http://www.shahalloys.com> and on the website of CDSL within 48 hours of passing of the resolutions at the AGM of the Company. The results shall be communicated to the NSE and BSE Limited and will also be uploaded on website of Stock Exchanges.
- d. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21.09.2021, may obtain the login ID and password by sending a request at www.evotingindia.com

Note: For detailed instructions for e-voting, please visit website of CDSL.

**By order of the Board of Directors
for Shah Alloys Limited**

**Place: Santej
Date: 12.08.2021
Registered Office:**

5/1 Shreeji House, B/h M.J. Library,
Ashram Road, Ahmedabad-380 006
CIN: L27100GJ1990PLC014698

**Sd/-
Vinay Kumar Mishra
Company Secretary & Compliance Officer**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER**Item No. 3:**

The Securities and Exchange Board of India, vide its Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015 (the "said circular"), introduced the regulations called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [herein after "SEBI (LODR)"]. As per regulation 23 (4) of the SEBI (LODR), all material related party transactions shall require approval of the shareholders through resolution in the General Meeting. Related party transactions set out below are all contractual obligations entered / to be entered into by the Company in its ordinary course of business and are at arm's length basis for financial year 2021-22:

Approval sought for financial year 2021-22

Name of the related party	Relation with the Company	Purpose of related party transaction	Amount Approx. (in Rs. crores)
S.A.L. Steel Limited	Associate Company	Purchase of Power & Material	300
		Sale of Material and Services	100
S.A.L. Corporation Pvt. Ltd.	Company with significant influence	Sale of Material and Services	100

Transaction during financial year 2020-21

As approved by the members in the Annual General Meeting held on 23.12.2020, Company entered into related party transactions for the financial year 2020-21 as below:

Name of Related Party	Relation with Company	Transaction	Limits approved by members for 2020-21 (Rs. in Crores)	Total transactions during 2020-21 (Rs. in Crores)
SAL Steel Limited	Associate Company	Purchase of Power & Material	300	150.73
		Sale of Material and Services	100	3.49
S.A.L. Corporation Pvt. Ltd.	Company with significant and influence	Sale of Material Services	100	22.63

Purpose of the aforementioned material related party transactions

Company promoted SAL Steel Ltd. in the year 2003. The project of SAL Steel is backward integration project since finished product of SAL Steel Ltd. is raw material for the Company. Further, SAL Steel Ltd. has installed group captive power plant of 40 MW and as such SAL Steel Ltd. has permission of wheeling of power to the Company. On account of above, Shah Alloys is purchasing finished product of SAL Steel Ltd. as also power generated by group captive power plant. Transactions made with SAL Steel Ltd. are at Arms' length basis in the ordinary course of business. S.A.L. Corporation Pvt. Ltd. is a company with significant influence of Shah Alloys Limited. During the year under review transactions made with S.A.L. Corporation Pvt. Ltd. are at Arms' length basis in the ordinary course of business.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions except Shri Rajendra V Shah.

Item No. 4:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 at the remuneration of Rs. 1,10,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the Notice.

**By order of the Board of Directors
for Shah Alloys Limited**

Place: Santej

Date: 12.08.2021

Registered Office:

5/1 Shreeji House, B/h M.J. Library,
Ashram Road, Ahmedabad-380 006

CIN: L27100GJ1990PLC014698

Sd/-

**Vinay Kumar Mishra
Company Secretary & Compliance Officer**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report of your company on the operations and performance along with the Audited Financial Statements for the year ended on 31st March 2021.

FINANCIAL HIGHLIGHTS

₹ in Crores

Particulars	March 31, 2021	March 31, 2020
Total Revenues	530.77	490.31
Less: Total Expenditure	487.36	555.33
Profit / (Loss) before interest, depreciation, extraordinary item and tax	43.41	(65.02)
Less: Depreciation and Interest	12.97	12.98
Profit / (Loss) after depreciation and Interest but before extraordinary item and Tax.	30.44	(78.00)
Extraordinary item (Income)	16.18	91.98
Profit after Extraordinary item but before tax	46.62	13.98
Less: Tax Expense / Deferred tax	98.28	28.47
Net Profit available for Appropriation	(51.65)	(14.49)
Balance to be carried forward	(51.52)	(14.35)

STATE OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW

During the year under review Total revenue from Operations and from other operating income increased from Rs. 490.31 crores in the previous year to Rs. 530.77 crores. Company has registered a net loss of Rs. 51.65 crores in comparison to the net loss of Rs. 14.49 crores during previous year.

During the year under review, Company has been regularly paying all the installments as per the terms of settlement with Banks & Financial Institution.

DIVIDEND

Due to high accumulated losses, your Directors have not recommended dividend for the financial year 2020-21.

BUSINESS ACTIVITY

The company is engaged in manufacturing of wide range of Stainless Steel, alloy & Special steel, Carbon/Mild Steel and Armour Steel in Flat and Long products. There has been no change in the nature of business of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company is not having holding or subsidiary company during the year and no other company has become holding / subsidiary/ joint venture. However, it has one associate company, details are as under:

Sr. No.	Name of the Company	CIN/GLN	Concern	% of shares held by Company	Applicable Section
1.	S.A.L. Steel Limited	L29199GJ2003PLC043148	Associate	35.61%	2(6)

The Consolidated Financial Statements of the Company and its Associate, viz., SAL Steel Ltd., has been prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors and form part of the Annual Report and are reflected in the Consolidated Accounts.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's associate in Form AOC-1 is attached to this report as **Annexure - 1**.

DEPOSIT

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

REGULATORY STATEMENT

In conformity with provision of regulation 34(2)(c) & 53(b) of SEBI (LODR), Regulations 2015, the Cash Flow Statement for the year ended 31.03.2021 is annexed hereto. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited (NSE).

The Company has paid listing fees for the year 2021-22 to above stock exchanges.

DETAILS OF DIRECTORS OR KMPs APPOINTMENT OR RESIGNATION

The Board of Directors consists of 6 members, of which 4 are Independent Directors including one Women Independent Director.

During the financial year 2020-21 Shri K. S. Kamath, ceased to be Jt. Managing Director of the Company with effect from closing hours of 23.01.2021 on account of his resignation from the Company. The Board appreciates the valuable services rendered by him during his tenure. However, during the year under review there was no change with respect to appointment or resignation of Key Managerial Persons.

MEETINGS OF THE BOARD

The Board met four times during the financial year. Details of meetings are given in the Corporate Governance Report annexed herewith and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the circulars issued by the Ministry of Corporate Affairs and SEBI from time to time considering the nationwide lockdown and restriction on movement of persons due to COVID-19 pandemic.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director of the Company confirming that he/she meets with the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Company follows diverse Board structure.

BOARD EVALUATION

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual Directors. The manner and detail in which evaluation was carried out is stated in the Corporate Governance Report which is annexed and forms a part of this report.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

CORPORATE GOVERNANCE REPORT

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2021, as per regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite Certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the annexure to this report as **Annexure - 2**.

RISK MANAGEMENT POLICY

The Company had put in place an enterprise wide risk management framework. This holistic approach provides the assurance that, to the best of its capabilities, the Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives. The Audit committee ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in business activities. The Committee reviews strategic decisions of the Company on regular basis, reviews the Company's portfolio of risks and considers it against the Company's Risk Appetite.

VIGIL MECHANISM POLICY

The Company had implemented a vigil mechanism, where by employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance of code of conduct to the Company. The policy safeguards the whistleblowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

Company has registered loss in the year under review. Also, the Company does not fulfill any criteria as laid down in section 135(1) of the Companies Act, 2013, therefore, provisions related to expenditure of atleast two percent of the average net profits in CSR activities as per section 135(5) of the Companies Act, 2013 is presently not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In Compliance with Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and hereby confirm the following:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2021, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) 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 profit and loss account of the Company for that period;
- c) 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;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 is available on the Company's website at www.shahalloys.com.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

PARTICULARS OF THE EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as **Annexure - 3**. Further, particulars of employees remuneration, as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable since there was no employee of the Company including Executive Directors who was in receipt of remuneration in excess of the limits set out in the said rules.

DETAILS OF RELATED PARTIES TRANSACTIONS PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013, were in the ordinary course of business on arm's length basis and as such did not attract provisions of Section 188 (1) of Companies Act, 2013. Company has formulated policy on related party transactions. Particulars of related party transactions pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is attached at **Annexure - 4**. Approvals from the Audit Committee are obtained even for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit Committee and to the Board in its meetings. Details of related party transactions are given in the notes to financial statements.

AUDITORS AND AUDIT REPORTS**a) Statutory Auditors**

Members at its 27th Annual General Meeting held on September 30, 2017 approved the appointment of M/s. Parikh & Majmudar, Chartered Accountants, as statutory auditors for a terms of five years as per provisions of the Companies Act, 2013.

b) Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under M/s. Ashish Bhavsar & Associates, Cost Accountants were appointed for auditing cost accounting records of the Company for the year ending 31st March, 2021. Board has further appointed M/s. Ashish Bhavsar & Associates, Cost Accountants as Cost Auditors for the year ending 31st March 2022 subject to approval of remuneration in the forthcoming Annual General Meeting.

c) Internal Auditor

The Company has appointed an Independent firm of Chartered Accountants to act as an Internal Auditor as per suggestion of auditors and recommendation of the Audit Committee in order to strengthen the internal control system for the Company.

d) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s Kamlesh Shah & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2021-22. The report submitted by the Secretarial Auditor in Form MR-3 for the financial year ended as on 31st March, 2021 is attached to this report as **Annexure - 5**.

BOARD'S RESPONSE ON THE REMARKS MADE BY STATUTORY AUDITORS

The Directors submit their explanations to various observations made by the Auditors in their report for the year 2020-21. Para nos. of Auditors' Report and reply are as under:

Para 1 of Standalone and Consolidated Independent Auditor's Report

On account of non-payment of principle and interest to the Banks, debts were declared NPA by the Banks. Since Company wants to settle the dues amicably with the Banks, it did not provide for interest.

Para 2 of Standalone and Consolidated Independent Auditor's Report

It is expected that the impact of "Effective Interest Method" to the Finance Cost as per the Requirements of IND AS 109 on the financial Results will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.

Annexure A to Standalone Independent Auditors' Report - Para viii

As per the scheme sanctioned by CDR (EG), consortium bankers were required to give working capital for the optimal utilization of production capacity. However, in the absence of non availability of funds from the lenders, the accruals were not in line with the sanctioned scheme and hence Company could not utilize optimally its production capacity. In view of this, company was not able to make payments to banks/institutions and debenture holders as per the sanctioned scheme. However, before due date of repayment, Company had approached Hon'ble BIFR for declaring it as a Sick company under Section 3(1)(D) of the SICA and was declared so before the due date, i.e., September 2011. On account of sick status of the company, payments will be made as per the scheme as may be approved by the Hon'ble BIFR.

Almost of the banks assigned the debts to various Asset Reconstruction Companies (ARCs). Company has entered into Settlement Agreements with ARCs. Company has made proposal settlement with other banks, financial institution and ARCs. Company is actively negotiating with lenders and ARCs' for settlement of debts and expecting a settlement soon.

Para 3 of Consolidated Independent Auditor's Report

It is expected that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.

MATERIAL CHANGES / INFORMATION:

1. No material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financials of the Company.
2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in Form MGT-9 in compliance with Section 92 of the Companies Act 2013 read with applicable rules made there under is annexed to this report at **Annexure - 6**.

APPRECIATION

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions, Banks and ARCs during the year. Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

For and on behalf of the Board

Date: 12th August, 2021
Place: Santej

Sd/-
Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 1**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Crores)
Company does not have subsidiary company; therefore Part A is not applicable

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	S.A.L. Steel Limited
1. Latest audited Balance Sheet Date	March 31, 2021
2. Shares of Associate/Joint Ventures held by the company on the year end	
a) No. of Shares	30256989
b) Amount of Investment in Associates/Joint Venture (in Cr.)	9.35
c) Extend of Holding %	35.61
3. Description of how there is significant influence	Based on Shareholding
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet (in Cr.)	-45.33
6. Profit/Loss for the year	
i. Considered in Consolidation (in Cr.)	-55.67
ii. Not Considered in Consolidation (in Cr.)	-51.52

1. Names of associates or joint ventures which are yet to commence operations - None
2. Names of associates or joint ventures which have been liquidated or sold during the year - None

ANNEXURE 2

Conservation of energy, technology absorption and foreign exchange earnings and outgo

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021)

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

Your company gives priority to Energy conservation. It regularly reviews measures to be taken for Energy Conservation/Consumption and its effective utilization.

(b) Total energy consumption and energy consumption per unit of production:

(I) POWER & FUEL CONSUMPTION

(Amount in ₹)

Sr. No.	Particulars	2020-21	2019-20
1	ELECTRICITY		
	(a) Purchased		
	Unit (Kwh)	9,83,69,514	10,46,19,380
	Total Amount (Rs.)	45,44,25,850	46,71,00,733
	Rate / Unit (Rs)	4.62	4.46
	(b) Own Generation		
	(i) Through Diesel Generator Unit (Kwh)		
	Unit Per Ltr of Diesel Oil	Nil	Nil
	Cost / Unit (Rs)	Nil	Nil
	(ii) Through Steam Turbine / Generator Unit (Kwh)	Nil	Nil
	Unit Per Kg of Lignite	Nil	Nil
	Cost Lignite / Unit (Rs)	Nil	Nil
	Cost Coal / Unit (Rs)	Nil	Nil
	Cost Coal & Lignite / Unit (Rs)	Nil	Nil
2	COAL (Including Coal Fines)	Nil	Nil
	Quantity (MT)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil
3	FURNACE OIL		
	(used in the generation of power)		
	Quantity (K Ltr)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil
4	OTHERS - LIGNITE		
	(used in the generation of steam)		
	Quantity (K Tonns)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil

(II) CONSUMPTION PER M.T. OF PRODUCTION

Particulars of Product	2020-21	2019-20
Electricity (in Unit)	1168	1084
Furnace Oil	Nil	Nil
Coal (Specify quantity)	Nil	Nil
Others	Nil	Nil

B. TECHNOLOGY ABSORPTION**(I) Research and Development (R & D)**

Particulars	2020-21	2019-20
1. Specific areas in which R&D carried out by the company.	Nil	Nil
2. Benefits derived as a result of the above R&D	Nil	Nil
3. Future plan of action:	Nil	Nil
a. Capital		
b. Recurring		
c. Total		
d. Total R&D expenditure as a percentage of total turnover		

(II) Technology absorption, adaptation:

Particulars	2020-21	2019-20
Company has not carried out research, development & innovation activities.		
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Nil	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil	Nil
a. Technology imported		
b. Year of import		
c. Has technology has been fully absorbed		
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

C. FOREIGN EXCHANGE EARNINGS AND OUTGO(Rs. in Cr.)

Particulars	2020-21	2019-20
1) EARNINGS & OUTGO		
a. Foreign Exchange earnings	10.13	0.51
b. Foreign Exchange outgo	56.98	37.33
2) TOTAL FOREIGN EXCHANGE USED AND EARNED		
As per notes on account		

For and on behalf of the Board

Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 12th August, 2021
Place: Santej

ANNEXURE 3 TO THE BOARD'S REPORT

PARTICULARS OF THE EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. no.	Name of director / KMP	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2020-21	% increase / (decrease) in remuneration in the FY 2020-21
a)	Shri K. S. Kamath (till 23.01.2021)	Jt. Managing Director	6.51:1	0
b)	Shri Ashok Sharma	Whole Time Director & CFO	7.44:1	0
c)	Shri Vinay Kumar Mishra	Company Secretary	4.03:1	0

II.	The percentage increase in the median remuneration of employees in the financial year:	5.23%
III.	The number of permanent employees on the rolls of company:	656
IV.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration;	During the year under review, the average annual increase was negligible.
V.	Affirmation that the remuneration is as per the remuneration policy of the Company.	All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

For and on behalf of the Board

Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 12 August, 2021
Place: Santej

ANNEXURE 4

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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.								
	Name (s) of the related party	Nature of transaction	Duration of the transaction	Salient terms of the transaction	Justification for transactions'	Date of approval by the Board	Amount paid as advances	Date of special resolution
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis							
	Name (s) of the related party	Nature of relationship	Nature of transaction	Duration of the transaction	Transactions value in	Date of approval by the Board	Amount paid as advances
1.	S.A.L. Steel Ltd.	Associate	Purchase of Power	April 2020-March 2021	27,21,54,109	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.	N.A.
			Purchase of material		1,23,52,87,967		
			Sale of material & Services		3,49,20,484		
2.	S.A.L. Corporation Pvt. Ltd.	Company with significant influence	Sale of material & Services	22,63,00,117			

Date: 12 August, 2021
Place: Santej

For and on behalf of the Board
Sd/-
Rajendra V. Shah
Chairman
(DIN: 00020904)

ANNEXURE 5**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,
The Members,
SHAH ALLOYSLIMITED
CIN: L27100GJ1990PLC014698

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAH ALLOYS LIMITED** (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the records of **SHAH ALLOYS LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **SHAH ALLOYS LIMITED (CIN: L27100GJ1990PLC014698)** for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act,1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE FOR THE YEAR**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (vi) As stated in the Annexure - A - all the laws, rules, regulations are applicable specifically to the company.
- (vii) No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Regulations etc., **except the fact that the Business operations were suffered/ closed due to Nation Wide Lock Down declared by the Central Government/ State Government. The Compliances and filings of the returns were filed as per the relaxations and extensions provided by various circulars by MCA and SEBI. The Company is in process of Filing of Pending E-Form DPT-3 for the year 2018-19, 2019-20, 2020-21**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f July 01, 2015 or any amendment, substation, if any, are adopted by the Company and are complied with.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non -executives directors, independent directors and woman director. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the act and with intimation to stock exchanges(s).

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with consent of directors at a shorter notice, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I Further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, **except the nationwide closure/ lock down declared by the Central/ State Government of all the business establishments**, there were no instances within the company that can have a bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guideline, standards, etc.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad

Date: August 13, 2021

ANNEXURE-A

Securities Laws

1. All Price Sensitive Information were informed to the stock exchanges from time to time
2. All investors complain directly received by the RTA & Company is recorded on the same date of receipts and all are resolved within reasonable time.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions relating to compliances of PF/ESI/Gratuity Act are applicable to Company and Complied with Except that the Company has not paid the Gratuity to some of the employees/ works with whom it has disputes pending for resolution.

Environmental Laws

As the company is engaged in the manufacturing activities, the environmental laws as are applicable to it and it has properly complied with such provisions to the extent applicable.

Taxation Laws

The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with Income tax department and all other necessary departments.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad

Date: August 13, 2021

ANNEXURE-B

To
The Members,
Shah Alloys Limited
CIN:L27100GJ1990PLC014698
5/1 SHREE HOUSE 5TH FLOOR M J LIBRRRY
ASHRAM ROAD AHMEDABAD GUJARAT INDIA

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on Management Representation Letter provided by the Company before issuing this Report to the Company.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

Place: Ahmedabad
Date: August 13, 2021

Certificate of Non-disqualification of Directors

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

To
The Members,
Shah Alloys Limited
Ahmedabad-06, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SHAH ALLOYS LIMITED bearing CIN: L27100GJ1990PLC014698 and having its registered office at 5/1 Shreeji House 5th Floor b/H M J Library Ashram Road Ahmedabad 380006, Gujarat, India (hereinafter referred to 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. **All the Independent Directors are Registered at www.independentdirectorsdatabank.in Portal.**

Sr. No.	Name of Director	DIN	Disqualified Under Section 164 of Companies Act, 2013	Deactivation of DIN Due to Non-Filing of DIR-3 KYC
1	Rajendrakumar Shah	00020904	N.A.	N.A.
2	Ashok Sharma	00038360	N.A.	N.A.
3	Srinivas Devidas Kamath	00261544	N.A.	N.A.
4	Gulamhussein M. Shaikh	00367186	N.A.	N.A.
5	Tejpal S. Shah	01195357	N.A.	N.A.
6	Harshad Mafattal Shah	01309096	N.A.	N.A.
7	Shefali Manojbhai Patel	07235872	N.A.	N.A.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

UDIN: A008356C000569664

Place: Ahmedabad

Date: July 02, 2021

ANNEXURE 6

Form No. MGT-9 Extract of Annual Return as on 31.03.2021

[Pursuant to section 92(3) of the Companies Act, 2013 and
rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1) REGISTRATION AND OTHER DETAILS:

1)	CIN :	L27100GJ1990PLC014698
2)	Registration date:	23/11/1990
3)	Name of the company :	SHAH ALLOYS LIMITED
4)	Category/ sub-category of the company:	Company limited by shares/ Indian Non-Government Company
5)	Address of the registered office and contact details:	5/1 Shreeji House, 5TH Floor B/h M J Library Ashram Road, Ahmedabad-380006 Gujarat
6)	Whether listed company:	YES
7)	Name, address and contact details of registrar and Transfer Agent, if any	BIGSHARE SERVICES PVT. LTD. Bharat Tin Works Building, 1stFloor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri - East, Mumbai - 400059, Maharashtra Board No. : 022 6263 8200 E-mail:info@bigshareonline.com Website: www.bigshareonline.com

2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and descriptions of main products/ services	NIC Code of the product/ Service	% to Total turnover of the company
1.	Ingots of iron & steel & other primary forms	24103	100%

3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN / GLN	Concern	% of shares held	Applicable Section
1.	S.A.L. Steel Limited	L29199GJ2003PLC043148	Associate	35.61%	2(6)

4) Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/HUF	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks FI	0	0	0	0	0	0	0	0	0
e) Any other....	0	0	0	0	0	0	0	0	0
Sub Total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10640991	0	10640991	53.75	10640991	0	10640991	53.75	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2345317	800	2346117	11.85	2483976	800	2484776	12.55	0.70
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto 1 lakh	2848185	366532	3214717	16.24	2751804	366332	3118136	15.75	-0.49
ii) Individual shareholders holding nominal share capital in excess of 1 lakh	2957676	0	2957676	14.94	3157743	0	3157743	15.95	1.01
c) Others									
Non Resident Indians	48786	2000	50786	0.26	44244	2000	46244	0.23	-0.02
HUF	316126	0	316126	1.60	335545	0	335545	1.69	0.10
Directors Relatives	0	0	0	0	0	0	0	0	0
Employee	0	0	0	0	0	0	0	0	0
Unclaimed Suspense Account	0	0	0	0	0	0	0	0	0
IEPF	0	0	0	0	0	0	0	0	0
Clearing Members	270927	0	270927	1.37	13905	0	13905	0.07	-1.30
Trusts	200	0	200	0	200	0	200	0	0
Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	8787217	369332	9156549	46.25	8787417	369132	9156549	46.25	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8787217	369332	9156549	46.25	8787417	369132	9156549	46.25	0
C. Shares held by Custodian for GDR& ADR	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19428208	369332	19797540	100.00	19428408	369132	19797540	100.00	0

II) Shareholding of promoters

Name of Promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shares holding during the year
	No. of share	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of share	% of total shares of the Company	% of shares pledged/encumbered to total shares	
Rajendrabhai V. Shah	7912404	39.97	100%	7912404	39.97	100%	NIL
Rajendrabhai V. Shah HUF	1531960	7.74	100%	1531960	7.74	100%	NIL
Ragini R Shah	1146006	5.79	100%	1146006	5.79	100%	NIL
Jayesh V Shah	28681	0.14	0	28681	0.14	0	NIL
Ashvin V Shah	21940	0.11	0	21940	0.11	0	NIL
Total	10640991	53.75	10590370	10640991	53.75	10590370	NIL

III) Change In Promoter's Shareholding (Please specify, if there is no change)

Name of promoter	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				Shareholding at the end of the year	
	No. of share	% of total shares of the company	Date	Increase / Decrease	No. of Shares	Reason	No. of share	% of total shares of the company
			No change					
Rajendrabhai V. Shah	7912404	39.97					7912404	39.97
Rajendrabhai V. Shah - HUF	1531960	7.74					1531960	7.74
Ragini R Shah	1146006	5.79					1146006	5.79
Jayesh V. Shah	28681	0.14					28681	0.14
Ashvin V. Shah	21940	0.11					21940	0.11
TOTAL	10640991	53.75					10640991	53.75

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (31/03/2020)/ end of the year (31/03/2021)	% of total shares of the company				No. of Shares	% of total shares of the company
1	GUJARAT NRE COKE LTD.	969769	4.90	31-Mar-2020	0		969769	4.90
		969769	4.90	31-Mar-2021	0		969769	4.90
2	SATELLITE MERCANTILES PVT LTD.	761675	3.85	31-Mar-2020	0		761675	3.85
			0.00	19-Mar-2021	-761675	Sell	0	0.00
			0.00	31-Mar-2021	0		0	0.00
3	GOURIPUTRA CONSULTANTS PVT LTD	0	0.00	31-Mar-2020		Sell	0	0.00
			0.12	19-Mar-2021	24000	Buy	24000	0.12
			3.80	26-Mar-2021	728765	Buy	752765	3.80
			3.79	31-Mar-2021	-2625	Sell	750140	3.79
		750140	3.79	31-Mar-2021	0		750140	3.79

Sr. No.	NAME	Shareholding		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (31/03/2020)/ end of the year (31/03/2021)	% of total shares of the company				No. of Shares	% of total shares of the company
4	JAIDEEP NARENDRA SAMPAT	432036	2.18	31-Mar-2020	0		432036	2.18
			1.86	07-Aug-2020	-63226	Sell	368810	1.86
			2.18	04-Sep-2020	63226	Buy	432036	2.18
		432036	2.18	31-Mar-2021	0		432036	2.18
5	ANAND MOHAN .	321602	1.62	31-Mar-2020	0		321602	1.62
			1.62	02-Oct-2020	10	Buy	321612	1.62
		321612	1.62	31-Mar-2021	0		321612	1.62
6	JM FINANCIAL SERVICES LIMITED	256995	1.30	31-Mar-2020	0		256995	1.30
			0.63	17-Apr-2020	-132751	Sell	124244	0.63
			0.26	26-Jun-2020	-72800	Sell	51444	0.26
			0.16	10-Jul-2020	-19227	Sell	32217	0.16
			0.00	17-Jul-2020	-32217	Sell	0	0.00
			0.00	08-Jan-2021	800	Buy	800	0.00
			0.00	15-Jan-2021	-800	Sell	0	0.00
			0.00	31-Mar-2021	0		0	0.00
7	SHEELA LALIT MEHTA.	200000	1.01	31-Mar-2020	0		200000	1.01
		200000	1.01	31-Mar-2021	0		200000	1.01
8	ADHUNIK DEALCOM PRIVATE LIMITED	177021	0.89	31-Mar-2020	0		177021	0.89
		177021	0.89	31-Mar-2021	0		177021	0.89
9	MALTI NARENDRA SAMPAT	174901	0.88	31-Mar-2020	0		174901	0.88
			0.54	07-Aug-2020	-68727	Sell	106174	0.54
			0.88	04-Sep-2020	68727	Buy	174901	0.88
		174901	0.88	31-Mar-2021	0		174901	0.88
10	ASSET RECONSTRUCTION COMPANY (INDIA) LTD. (TRUST HOLDINGS)	200000	1.01	31-Mar-2020	0		200000	1.01
		200000	1.01	31-Mar-2021	0		200000	1.01
11	MANISH SHAH	0	0.00	31-Mar-2020		Sell	0	0.00
			0.67	17-Apr-2020	132751	Buy	132751	0.67
		132751	0.67	31-Mar-2021	0		132751	0.67
12	RAMASWAMY . ANAND	110000	0.56	31-Mar-2020	0		110000	0.56
		110000	0.56	31-Mar-2021	0		110000	0.56

5) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Rajendra V. Shah, Chairman of the Company holds 7912404 equity shares in the Company in addition to 1531960 shares as Karta of HUF and no other Director or Key Managerial personnel have any shareholding in the company.

6). INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,47,23,25,628	-	-	2,47,23,25,628
ii) Interest due but not paid	15,52,65,433	-	-	15,52,65,433
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,62,75,91,061	-	-	2,62,75,91,061
Change in Indebtedness during the financial year				
i) Principal Amount	(81,56,88,064)	-	-	(81,56,88,064)
ii) Interest due but not paid	(6,74,76,137)	-	-	(6,74,76,137)
iii) Interest accrued but not due	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	1,65,66,37,564	-	-	1,65,66,37,564
ii) Interest due but not paid	8,77,89,296	-	-	8,77,89,296
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,74,44,26,860	-	-	1,74,44,26,860

7) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Salary	Shri Ashok Sharma*	1198846
		Shri K.S. Kamath#	1048418
2.	Stock Option	NIL	-
3.	Sweat Equity	NIL	-
4.	Commission		
	- as % of profit		
	- others, specify	NIL	-
5.	Others, please specify	NIL	-
	Total (A)	NIL	-
	Ceiling as per the Act	Within the Ceiling of Section II of Part II of Schedule V of the Companies Act, 2013	

*Salary inclusive of services rendered in the capacity of CFO of the Company

Salary till 23.01.2021

b. Remuneration to other Directors

(Amount in ₹)

Particulars of remuneration	Name of Directors				Total Amount
	Shri G.M. Shaikh	Shri Tejpal S. Shah	Shri Harshad M. Shah	Smt. Shefali M. Patel	
Fee for attending board / committee meetings	80,000	30,000	30,000	70,000	2,10,000
Commission	Nil	Nil	Nil	Nil	Nil
Others, if any	Nil	Nil	Nil	Nil	Nil
Total	80,000	30,000	30,000	70,000	2,10,000

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
		Shri Vinay Kumar Mishra	
1	Gross salary	6,48,814	6,48,814
2	Stock Option	-	N.A.
3	Sweat Equity	-	N.A.
4	Commission:	-	N.A.
	- as % of profit	-	N.A.
	- others, if any	-	N.A.
5	Others, if any	-	N.A.
	Total	6,48,814	6,48,814

d. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(Amount in ₹)

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	No	NA	NA	NA	NA
Punishment	No	NA	NA	NA	NA
Compounding	No	NA	NA	NA	NA
B. DIRECTORS					
Penalty	No	NA	NA	NA	NA
Punishment	No	NA	NA	NA	NA
Compounding	No	NA	NA	NA	NA
C. Other Officers In Default					
Penalty	No	NA	NA	NA	NA
Punishment	No	NA	NA	NA	NA
Compounding	No	NA	NA	NA	NA

CORPORATE GOVERNANCE REPORT

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

Detailed report on Corporate Governance for the financial year ended March 31 2021, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings.

The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit.

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY

Composition of Board and Directorship held as on March 31, 2021 and numbers of meetings held and attended during the year are as follows:

Name of Director	Category	Numbers of Board Meetings		No. of other Directorships held	Committee Memberships held in other companies		Attendance at Last AGM
		Held during the year	Attended during the year		as Member	as Chairman	
NON-EXECUTIVE DIRECTOR							
Shri Rajendra V. Shah	Promoter Non- Executive Chairman	4	4	1	1	Nil	Yes
EXECUTIVE DIRECTORS							
Shri Kondadi S Kamath	Non Promoter Executive Director	4	3*	Nil	Nil	Nil	Yes
Shri Ashok A Sharma	Non Promoter Whole time Director	4	4	Nil	Nil	Nil	Yes
INDEPENDENT DIRECTORS							
Shri G.M. Shaikh	Non - Executive & Independent	4	4	1	Nil	Nil	Yes
Shri Harshad M. Shah	Non-Executive & Independent	4	3	1	2	Nil	No
Shri Tejpal S. Shah	Non-Executive & Independent	4	3	1	Nil	Nil	No
Smt. Shefali M. Patel	Non-Executive & Independent	4	4	1	1	Nil	Yes

*Shri Kondadi S. Kamath ceased to be Director from 23.01.2021 till that time he attended 3 Board Meetings

None of the director holds chairpersonship of the Board Committees in excess of the maximum ceiling of five and membership in excess of the maximum ceiling of ten, as specified under Regulation 26 of SEBI (LODR) Regulations, 2015. No Director of the Company is related to any other director on the Board.

No independent director serves as a Whole-time Director/Managing Director in any other listed company. Further, none of the Non-Executive Director of the Company, holds Directorship/Independent Directorship in more than seven listed companies and the Executive Directors of the Company does not hold Independent Directorship in any listed companies as provided under Regulation 17A of SEBI (LODR) Regulations, 2015.

The composition of the Board of Directors of the Company represents an appropriate mix of executive and non-executive directors to ensure the independence of the Board and to separate the board functions of governance and management. The Board currently comprises of One Executive Director and Five Non-Executive Directors including the Chairman of the Board.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board met 4 times:

- 30.07.2020
- 11.09.2020
- 07.11.2020
- 10.02.2021

INDEPENDENT DIRECTORS' MEETING

Independent Directors met on 10.02.2021 without presence of Non - Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

As on March 31 2021, Shri Rajendra V. Shah, Chairman of the Company held 79,12,404 shares in the equity share capital of the Company in addition to 15,31,960 shares as Karta of HUF. None of the other Non-Executive Directors hold any equity shares in the Company.

DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarize the independent directors through various programs about the Company. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company's operations, function, strategy, business model of the company, roles, rights, responsibilities of independent directors and risk management plan of the Company.

3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is governed by its Charter which outlines the scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for its approval.

The various Board level Committees are as under:-

- Audit Committee;
- Nomination & Remuneration Committee;
- Stakeholders Relationship Committee; and
- Corporate Social Responsibility Committee

AUDIT COMMITTEE:

The terms of reference of the Audit Committee are wide enough to cover matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligations and Disclosure requirements), Regulations 2015 as well as in Section 177 of the Companies Act, 2013 besides other terms as may be referred to by Board of Directors from time to time.

The Audit Committee comprises of three non-executive Directors and two of them are Independent Directors.

During the period under review, four Audit Committee meetings were held respectively on 30.07.2020, 11.09.2020, 07.11.2020 and 10.02.2021.

The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Director	Position	No. of Meetings	Meetings attended
Shri G.M. Shaikh	Chairman	4	4
Shri Tejpal Shah*	Member	1	0
Shri Rajendra V. Shah	Member	4	4
Smt. Shefali M. Patel#	Member	3	3

* Shri. Tejpal Shah was the member of the Audit Committee till 31.07.2020.

Smt. Shefali M. Patel became the member of the Audit Committee w.e.f. 01.08.2020

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of three independent Non-executive directors. During the period under review, four meetings of Nomination and Remuneration Committee were held on 30.07.2020, 11.09.2020, 07.11.2020 and 10.02.2021.

Name of Director	Position	No. of Meetings	Meetings attended
Shri G.M. Shaikh	Chairman	4	4
Shri Tejpal Shah*	Member	1	0
Shri Rajendra V. Shah	Member	4	4
Smt. Shefali M. Patel#	Member	3	3

* Shri. Tejpal Shah was the member of the Nomination and Remuneration Committee till 31.07.2020.

Smt. Shefali M. Patel became the member of the Nomination and Remuneration Committee w.e.f. 01.08.2020

Nomination and Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/ Whole Time Directors and KMPs based on performance and defined criteria.

Board Evaluation

Pursuant to section 134 of the Companies Act, 2013, the Board is responsible for the formal Annual Evaluation of its own performance, of its committee & Individual Directors. Further, as per regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Independent Directors shall be done by entire Board of Directors, excluding directors being evaluated.

During the year, Board in concurrence with Nomination & Remuneration Committee has laid down the evaluation criteria for itself, Committees, Chairperson, Executive and Non-Executive Directors and Independent Directors. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of the Board of Directors.

The following broad parameters were considered to evaluate the performance of the independent Directors:

- Integrity, maintenance of high standard and confidentiality;
- Commitment and participation at the Board & Committee meetings;
- Effective deployment of knowledge and expertise;
- Exercise of independent judgment in the best interest of Company;
- Interpersonal relationships with other directors and management.

The following broad parameters were considered to evaluate the performance of the Board and Committees:

- Size, structure and expertise of the Board/Committees;
- Review of strategies, risk assessment, robustness of policies and procedures by Board;
- Oversight of the financial reporting process & monitoring Company's internal control system;
- Quality of agenda, conduct of meeting, procedures and process followed for effective discharge of functions;
- Effective discharge of functions and duties by Committee as per terms of reference;
- Appropriateness and timeliness of the updates given on regulatory developments;
- Board's engagement with senior management team.

Feedback received on evaluation process was discussed in detail by the Chairman of the Board with Directors and, independent and collective action points for improvement put in place.

The Directors recognized that Board and Committees are functioning effectively and acknowledged the efforts and contributions made by the Chairperson, Executive and Non-Executive Directors and Independent Directors towards the Company's performance.

5. Remuneration of Directors

- a. All Pecuniary Relationship or Transactions of the Non- Executive Directors

There were no pecuniary relationships or transactions of the non-executive directors vis-a-vis the Company.

- b. Criteria for Making Payment to Non- Executive Directors

Role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the non-executive/independent directors is recommended.

c. Compensation/Fees Paid to Non-Executive Directors

Non-Executive Independent Directors were paid sitting fees for attending the Board and Committee Meetings.

d. Details of Remunerations

Details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2021 are as under:

(Amount in ₹)

Name of Director	Sitting Fees	Salaries & Perquisites	Commission	Total
Shri Rajendra V. Shah	Nil	Nil	Nil	Nil
Shri Kondadi S. Kamath*	Nil	10,48,418	Nil	10,48,418
Shri Ashok Sharma	Nil	11,98,846	Nil	11,98,846
Shri G. M Shaikh	80,000	Nil	Nil	80,000
Shri Harshad M. Shah	30,000	Nil	Nil	30,000
Shri Tejpal S. Shah	30,000	Nil	Nil	30,000
Smt. Shefali M. Patel	70,000	Nil	Nil	70,000

*Shri Kondadi S. Kamath ceased to be the Director of the Company with effect from 23.01.2021 on account of his resignation

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Committee is empowered to oversee the redressal of Investors' complaints and other miscellaneous complaints. The Company as a matter of policy disposes of investor complaints within a span of five working days.

During the period under review, four meetings of Stakeholders' Grievance Committee were held on 30.07.2020, 11.09.2020, 07.11.2020 and 10.02.2021.

Name of Director	Position	No. of Meetings	Meetings attended
Shri G.M. Shaikh	Chairman	4	4
Shri Tejpal Shah*	Member	1	0
Shri Ashok Sharma	Member	4	4
Smt. Shefali M. Patel#	Member	3	3

* Shri. Tejpal Shah was the member of the Stakeholders' Relationship Committee till 31.07.2020.

Smt. Shefali M. Patel became the member of the Stakeholders' Relationship Committee w.e.f. 01.08.2020

Name and designation of Compliance Officer

Shri Vinay Kumar Mishra, Company Secretary has been appointed as the Compliance Officer of the Company as per regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to discharge all duties under the listing regulations.

Details of Shareholders Complaints

The details of shareholders complaints received, resolved and pending till March 31, 2021 are as under:

Complaints received during the year: 04

Complaints resolved during the year: 04

Pending Complaints: NIL

7. GENERAL BODY MEETING

Date, Time and Venue of the last three Annual General Meetings:

Year	Date	Time	Venue	No. of special resolutions passed
2017-18	September 29th, 2018	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2018-19	September 25th, 2019.	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	03
2019-20	December 23rd, 2020	10:00 A.M.	Video Conferencing (VC)/ Other Audio and Visual Means (OAVM) Deemed Venue of the AGM: SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380 060	03

1. No extra-ordinary general meeting of the shareholders was held during the year.
2. Postal ballot: during the year under review, no resolution was put through by postal ballot.

8. MEANS OF COMMUNICATION

- a. All Quarterly / Annual financial results are immediately sent to stock exchanges after being taken on record by the Board.
- b. As per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, results are also published in leading daily local & English National newspapers namely Indian Express and Financial Express. The said results are also displayed at Company's web site.
- c. The Company's website www.shahalloys.com contains a separate dedicated section named "Investors" where information for shareholders is available. Press releases, if any, are also displayed at Company's website as well as published in newspapers.

9. GENERAL SHAREHOLDERS INFORMATION

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as L27100GJ1990PLC014698.

a) Annual General Meeting.

Date : 28th September, 2021
Time : 10:00 AM
Mode : VC/OAVM

Deemed Venue : SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380 060.

b) Financial Year

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

The Quarterly Results for the financial year 2020-21 will be taken on record by the Board of Directors as per the following schedule:

Quarter ending 30th June 2021	: By 14th August 2021
Quarter ending 30th September 2021	: By 14th November 2021
Quarter ending 31st December 2021	: By 14th February 2022
Quarter ending 31st March 2022	: By 30th May 2022

c) **Dividend Payment Date** : Not Applicable

d) **Listing on Stock Exchange** : **Bombay Stock Exchange Ltd.(BSE)**
 Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
 Scrip Code: 513436
 : **National Stock Exchange of India Ltd (NSE)**
 "Exchange Plaza", BandraKurla Complex, Bandra (E), Mumbai – 400051
 NSE Symbol: SHAHALLOYS

Company has paid listing fees in respect of financial year 2020-21 to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

e) **Demat ISIN No. for NSDL and CDSL** : INE640C01011

f) **Stock code** : **Bombay Stock Exchange Ltd. (BSE)**
 Scrip Code: 513436
National Stock Exchange of India Ltd. (NSE)
 NSE Symbol: SHAHALLOYS

f) Share Price Data

(Rs. per share)

Month	Price at BSE		Price at NSE	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr-20	7.16	5.71	6.90	4.65
May-20	7.30	4.51	6.90	4.70
Jun-20	8.67	4.51	8.65	4.50
Jul-20	9.07	6.21	8.60	6.30
Aug-20	7.59	5.47	8.25	6.75
Sep-20	8.44	7.22	8.00	6.35
Oct-20	7.81	5.85	8.30	5.80
Nov-20	7.82	6.24	7.85	5.95
Dec-20	10.19	8.05	10.50	8.05
Jan-21	12.96	8.94	12.95	8.60
Feb-21	10.50	8.93	8.50	7.10
Mar-21	9.68	7.96	9.70	6.50

g) Registrar to an Issue and Share Transfer Agents

The members of the Company may address all its communication relating to transfer, transmission, Refund order, Dividend, National Electronic Clearing system (NECS) dematerialization etc. to Company's Share Transfer Agent i.e. Bigshare Services Private Limited at the below address and may also write to the Company.

Bigshare Services Private Limited

(Unit: Shah Alloys Limited)

Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri - East,

Mumbai - 400059, Maharashtra

Board No. : 022 6263 8200

Email id.: info@bigshareonline.com

h) Share Transfer System

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulations 40(9) of SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the stock exchanges.

i) Shareholding pattern as on 31st March, 2021

Category	No. of Shares	% of Shares
Clearing Member	13905	0.0702
Corporate Bodies	2484776	12.5509
Non Resident Indian	46244	0.2336
Promoters	10640991	53.7491
Public	6611424	33.3952
Trusts	200	0.0010
Total	19797540	100.0000

j) Distribution of shareholding as on 31st March, 2021

Shareholding		No. of Share Holders	% to Total	No. of Shares	% to Total
1	5000	6432	82.1351	10839490	5.4752
5001	10000	694	8.8622	5762160	2.9105
10001	20000	314	4.0097	4851250	2.4504
20001	30000	113	1.4430	2951580	1.4909
30001	40000	65	0.8300	2330560	1.1772
40001	50000	37	0.4725	1744590	0.8812
50001	100000	76	0.9705	5443400	2.7495
100001	9999999999	100	1.2770	164052370	82.8650
Total		7831	100.0000	197975400	100.0000

k) Dematerialization of Shares and Liquidity

On March 31st 2021, nearly 98.13% of the shareholders of Company were holding Company's shares in DEMAT form. In the same way, Promoters & Promoters-group shareholding was also fully dematerialized.

k) Plant Location:

The Company's plant is located at:

2221/2222, Shah Industrial Estate, Sola-Kalol Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

l) Registered & Administrative Offices:

Registered Office

5/1, Shreeji House,
Behind M. J. Library, Ashram Road
Ahmedabad – 380006, Gujarat

Corporate / Administrative Office:

Corporate House,
Sola-Kalol Road, Village Santej,
Dist: Gandhinagar, Gujarat – 382721

m) Address for Investor Correspondence:

In case any problem or query shareholders can contact at:

Name : Shri Vinay Kumar Mishra, Company Secretary and Compliance officer

Address : Shah Alloys Corporate House,
Sola-Kalol Road, Santej, Dist.Gandhinagar, Gujarat 382 721

Phone : 91-02764-661100/11

Fax : 91-02764-661110

Email : sal.investor@shahalloys.com; cs@shahalloys.com

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

Name : Bigshare Services Private Limited

Address : Bharat Tin Works Building, 1stFloor, Opp. Vasant Oasis, Makwana Road,
Marol, Andheri – East, Mumbai – 400059, Maharashtra

Board No. : 022 6263 8200

Fax No. : 022 2847 5207

Email id. : info@bigshareonline.com

Website : www.bigshare.com

OTHER OTHER DISCLOSURES :**Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

There is no materially significant related party transaction that may have potential conflict with the interests of the Company at large have been entered.

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013, were in the ordinary course of business and on an arm's length basis, and did not attract provisions of Section 188 of Companies Act, 2013, relating to approval of shareholders. However, prior approvals from the Audit Committee are obtained for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit Committee and to the Board.

Details of related party transactions are also presented in the notes to financial statements.

The Company has formulated the policy on materiality of related party transactions and on dealing with related party transactions and it is available at the website of the Company at: <http://www.shahalloys.com>

Details of non-compliance by the listed entity, penalties and structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

No statutory authority or the Board has imposed penalty on any matter related to capital markets, during the last three years.

Establishment of vigil mechanism and affirmation that no personnel have been denied access to the audit committee

The Company has implemented a Vigil Mechanism Policy, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance to code of conduct to the Company. The policy safeguards the whistleblowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the financial year none of the personnel has been denied access to the audit committee.

Corporate Governance Compliance Certificate

Compliance Certificate from M/s Kiran Kumar Patel, Practicing Company Secretaries, as regarding compliance of conditions of corporate governance is annexed with Corporate Governance report.

Key Board qualifications, expertise and attributes

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board along with the name of Directors who possesses such Skill/ experience/ competencies:

Skill/ experience/ competencies	Name of the Directors						
	Sh. Rajendra V. Shah	Sh. Ashok Sharma	Sh. K. S. Kamath (till 23.01.2021)	Sh. G. M. Shaikh	Sh. Tejpal Shah	Sh. Harshad M. Shah	Smt. Shefali M. Patel
Leadership	✓	✓	✓	✓	✓	✓	✓
General Management and Business Operations	✓	✓	✓	✓	✓	✓	✓
Senior Management Expertise	✓	✓	✓	✓	✓	✓	✓
Industry Expertise	✓	✓	✓	✓	✓	✓	✓
Public Policy/ Governmental Regulations	✓	✓	✓	✓	✓	✓	✓
Accounting/Finance/Legal Skills	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓
Business Development/Sales/ Marketing	✓	✓	✓	✓	✓	✓	✓
International Business	✓	✓	✓	✓	✓	✓	✓
Strategy/ M&A/ Restructuring/ Forging Joint Ventures/ Partnerships and Turning around Organisations	✓	✓	✓	✓	✓	✓	✓
Technical / Professional skills and specialized knowledge in relation to Company's business	✓	✓	✓	✓	✓	✓	✓

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are provided in Note no. 28 of the Standalone Financial Statements forming part of this Annual Report.

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014.

CEO AND CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CFO has given Compliance Certificate on financial statements to the Board of Directors.

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL UNDER REGULATION 17(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

I, Ashok Sharma, Whole-Time Director and CFO of the Company, hereby certify that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange. Company has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on 12th August, 2021.

Place: Santej
Date: 12.08.2021

For, Shah Alloys Limited
Sd/-
(Ashok Sharma)
Whole Time Director & CFO
(DIN 00038360)

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

SHAH ALLOYS LIMITED

We have examined the compliance of conditions of Corporate Governance by Shah Alloys Limited ('the Company'), for the year ended 31st March, 2021 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in the Listing Regulations for the period 1st April, 2020 to 31st March, 2021.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

For, K. K. Patel & Associates

Sd/-

(Kiran Kumar Patel)

Company Secretary

C.P.No.6352

UDIN: F006384C000891895

Place: Gandhinagar

Date: 03.09.2021

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

World Economic Environment

A year and a half since the onset of the COVID-19 pandemic, the global economy is poised to stage its most robust post-recession recovery in 80 years in 2021. But the rebound is expected to be uneven across countries, as major economies look set to register strong growth even as many developing economies lag.

Global growth is expected to accelerate to 5.6% this year, largely on the strength in major economies such as the United States and China. And while growth for almost every region of the world has been revised upward for 2021, many continue to grapple with COVID-19 and what is likely to be its long shadow. Despite this year's pickup, the level of global GDP in 2021 is expected to be 3.2% below pre-pandemic projections, and per capita GDP among many emerging market and developing economies is anticipated to remain below pre-COVID-19 peaks for an extended period. As the pandemic continues to flare, it will shape the path of global economic activity.

The United States and China are each expected to contribute about one quarter of global growth in 2021. The U.S. economy has been bolstered by massive fiscal support, vaccination is expected to become widespread by mid-2021, and growth is expected to reach 6.8% this year, the fastest pace since 1984. China's economy – which did not contract last year – is expected to grow a solid 8.5% and moderate as the country's focus shifts to reducing financial stability risks.

World Steel Scenario

Asia produced 1,374.9 Mt of crude steel in 2020, an increase of 1.5% compared to 2019. China's crude steel production in 2020 reached 1,053.0 Mt, up by 5.2% on 2019. China's share of global crude steel production increased from 53.3% in 2019 to 56.5% in 2020. Japan produced 83.2 Mt in 2020, down 16.2% on 2019. South Korea produced 67.1 Mt, down 6.0% on 2019.

The EU produced 138.8 Mt of crude steel in 2020, a decrease of 11.8% compared to 2019. Germany produced 35.7 Mt of crude steel in 2020, down 10.0% on 2019.

In the CIS, production was 102.0 Mt in 2020, up by 1.5% on 2019. Russia is estimated to have produced 73.4 Mt in 2020, up 2.6% on 2019. Ukraine produced 20.6 Mt in 2020, down 1.1% on 2019.

Crude steel production in North America was 101.1 Mt in 2020, down 15.5% on 2019. The United States produced 72.7 Mt in 2020, down 17.2% on 2019.

The Middle East produced 45.4 Mt of crude steel in 2020, an increase of 2.5% on 2019. Iran is estimated to have produced 29.0 Mt in 2020, up 13.4% on 2019.

Annual crude steel production for South America was 38.2 Mt in 2020, a decrease of 8.4% on 2019. Brazil produced 31.0 Mt in 2020, down by 4.9% compared to 2019.

Indian Steel Scenario

India was the world's second-largest steel producer in 2019. India surpassed Japan to become the world's second-largest steel producer in 2019, with crude steel production of 111.2 million tonnes (MT).

In FY21, the production of crude steel and finished steel stood at 102.49 MT and 94.66 MT, respectively. According to CARE Ratings, crude steel production is expected to reach 112-114 MT (million tonnes), an increase of 8-9% YoY in FY22. The consumption of finished steel stood at 93.43 MT in FY21.

Steel companies are looking to restart expansion projects on the back of burgeoning steel processes with a capacity addition of 29 MT. In April 2021, India's finished steel consumption stood at 6.78 MT.

Export and import of finished steel stood at 8.42 MT and 6.69 MT, respectively, in FY20.

Exports and imports of finished steel stood at 10.79 MT and 4.75 MT, respectively, in FY21. In April 2021, India's export rose by 121.6% YoY, compared with 2020. In FY20, India exported 8.24 MT of finished steel.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000 and March 2021, Indian metallurgical industries attracted FDI inflow of US\$ 14.74 billion.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement.

The industry is also benefitting from the developments happening across various industries. The new Vehicle Scrappage policy will help in reducing the steel prices since the policy enables recycling the materials used in old vehicles. In the healthcare

front, major steel producers are now exceeding their production capacities to produce oxygen cylinders for COVID patients. In 2021, Indian Railways is planning to procure over 11 lakh tons of steel from Steel Authority of India Limited (SAIL) for the track renewal and laying new lines across the country.

OPPORTUNITIES & THREATS:

Opportunities:

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

Huge Infrastructure demand

Rapid urbanization

Increasing demand for consumer durables

Untapped rural demand

Increasing interest of foreign steel producers in India

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India, Digital India and Aatmanirbhar Bharat Abhiyan. The Government of India launched **Atmanirbhar Bharat Abhiyan**, which translates to 'self-reliant India' or 'self-sufficient India', is the vision of making India "a bigger and more important part of the global economy", pursuing policies that are efficient, competitive and resilient, and being self-sustaining and self-generating. Atmanirbhar Bharat does not mean "self-containment", "isolating away from the world" or being "protectionist". The first mention of this came in the form of the 'Atmanirbhar Bharat Abhiyan or 'Self-Reliant India Mission during the announcement of India's COVID-19 pandemic related economic package on 12 May 2020. The five pillars of 'Atmanirbhar Bharat' are stated as economy, infrastructure, technology-driven systems, vibrant demography and demand.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

Threats:

Steel is a capital-intensive sector. Nearly INR 700 crore is required to set up 1 tonne of steel-making capacity through the greenfield route. Naturally, the cost of financing any expansion or new steel capacity is usually through borrowed capital. And in India the cost of finance is extremely high compared to the cost of finance in developed countries such as China, Japan and Korea. This adds about USD 30-35 USD to the final cost of steel. Moreover, steel demand is cyclical. So, during a downturn, the return on investments gets eroded. From 2004-2011, steel demand increased at a fast pace. This prompted most steel makers to expand existing capacities. However, the Indian steel industry faced a severe downturn between 2014 and 2016. This eventually resulted in many steel makers facing bankruptcy proceedings in 2018. The industry, in fact, is yet to resolve all the bankruptcy cases. Today, financial institutions have become wary of lending to the sector. In conclusion, therefore, a large share of the challenges that the steel industry has faced since 2014 can be traced to the extremely high finance costs or cost of borrowed capital. Although India's Reserve Bank has lowered the policy repo rate five times and by 135 basis points in 2019 alone, the cost of capital in India still remains significantly high and Indian steel makers continue to face a relative disadvantage vis-à-vis their competitors from the developed world.

If the Indian steel industry is to fulfil the vision outlined in the National Steel Policy, 2017, financing capacity addition of 100-150 million tonnes will be the biggest challenge. The policy document acknowledges that additional investment of INR 10 lakh crore will be required and financing it is the primary challenge

OUTLOOK:

Indian Steel Industry in the post-COVID-19 World

The COVID-19 has disrupted operations globally is well-known. Moreover, the new normal that will emerge is likely to witness a realignment of power centres in different domains. The coronavirus crisis has impacted almost all supply chains dependent on China, which includes the steel sector.

The pandemic and subsequent waves have eroded demand as a result of reduced consumption in end-user industries. Steel demand dropped 54 percent YoY in May, and capacity utilization in crude steel production dropped to 26.5 percent in April. The pandemic is also impeding plans to add capacity due to the crunched liquidity of Indian producers pre-COVID, which worsened amid falling demand. Additionally, high debt is expected to lead to higher interest expenses and labor shortages

preventing economical production. The steel ministry has invited request for proposal (RFP) from consulting firms for developing an action plan to mitigate the impact of slowdown induced by the Covid-19 pandemic.

Apart from identifying the current challenges of both the integrated and secondary steel producers, the preferred consultancy firm will have to assess their impact on the steel sector as a whole including their bearings on the supply-chain, logistics, cost of raw materials and pricing of products, availability and cost of labour, international trade-related issues, demand in both domestic and international markets, external and internal threat analysis and cost and availability of finance.

RISKS AND CONCERNS:

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's Structured Risk Management Process attempts to provide confidence to the stakeholders that the Company's risks are known and well managed. The company management has a Risk Management Team comprising of Functional heads as Champions and accountable for risks associated in their areas. The company has review mechanism of risks at regular intervals. The management of the Company has identified some of the major areas of concern having inherent risk, viz. Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans. The processes are continuously improved.

Risk Management comprises three key components which are as below:

- i. Risk identification
- ii. Risk assessment and mitigation
- iii. Risk monitoring and assurance

Your Company has identified the following aspects as the major risks for its operations:

- i. Market Risk – in terms of Price increase of Raw Material
- ii. Foreign Exchange Risk

The risk mitigation plans are reviewed regularly by the Management and Audit Committee of your Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes which consist of adopting appropriate management systems and implementing them are followed. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review company concentrated on manufacturing of Bars, beams, flats, plate, coil, slab, billets etc. Production of bars, beams etc. during the year was 2638 MT. and sale was 2731 MT. Production of plate & coil during the year was 51527 MT and sales were 56347 MT. Production of Slab, billets etc. was 19372 MT and sales was 17640 MT. Likewise, production of Stainless Steel Flat was 10676 MT and sales was 11567 MT. Total production of all items taken together during the year decreased from 96473 MT to 84212 MT whereas total sales decreased from 96193 MT to 88285 MT.

During the year under review Total revenue from Operations and from other operating income increased from Rs. 490.31 crores in the previous year to Rs. 530.77 crores. Company has registered a loss of Rs. 51.65 crores in comparison to the loss of Rs. 14.49 crores during previous year.

DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever- changing market realities. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Company has more than 650 employees on its permanent rolls as on 31st March, 2021.

DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed all relevant Indian Accounting Standards while preparing the financial statements.

CAUTIONARY STATEMENT: Statement in this “Management Discussion and Analysis” describing the Company's objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

Independent Auditors' Report

To the Members of
SHAH ALLOYS LIMITED
Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s SHAH ALLOYS LIMITED** ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India of the state of affairs (financial Position) of the Company as at March 31, 2021, and its losses (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. For the Year ending on 31st March ,2021, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding on the settlement entered with ARCs for specific loans which are assigned to them and also on the loans which are time barred under the law of limitation).Had the company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March, 2021, the loss for the year would have been higher by Rs 146.61 lacs and current liabilities would have been higher to that extent. (Refer Note No 33 of notes forming part of standalone IND AS financial statements)
2. The Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2021. (Refer Note No 43 of notes forming part of standalone IND AS financial statements)
3. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2021. (Refer Note No 44 of notes forming part of standalone IND AS financial statements)

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

Material Uncertainty Related to Going Concern

The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in the view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Company have been prepared on a "going concern basis". (Refer Note no 42 of notes forming part of standalone Ind AS financial statements)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key audit Matter	Our response and results
<p>Litigations and claims (Refer note 37) to the standalone financial statements)</p> <p>The cases are pending with multiple tax authorities like Service tax, and Excise, and there are claims against the company which have not been acknowledged as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the standalone Ind AS financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the company's management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/response including on the claims lodged by customers were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone Ind AS financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the standalone Ind AS financial statements.</p>

Emphasis of Matter

- The company has regarded the Loan/Debt of one Bank and one Financial Institutions in respect of which no claim for recovery of either Interest or Principal has been made since more than last 10 fiscal years as no longer payable . Thus, the company has identified such Loan/Debt of Rs. 1642.78 Lakhs as no longer payable and the same has been credited to "Capital Reserve Account" in the Statement of Assets and Liabilities as at 31st March, 2021. Further the Interest Liability on the above Loan/Debt amounting to Rs 1618.86 lakhs relating to the earlier years has also been written back to the Statement of Profit & Loss for the year under review and accordingly has been reflected as an Exceptional Item in the Statement of Profit and loss for the year ended on 31st March,2021. (Refer Note No 45 of notes forming part of standalone IND AS financial statements)
- The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Company have been prepared on a "going concern basis". (Refer Note No 42 of notes forming part of standalone IND AS financial statements)Our opinion is not modified on the above matters.

Our opinion is not modified on the above matters.

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

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and except for the matters described in the Basis for Qualified opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b. Except for the possible effects of the matter described in the Basis for 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,
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the. books of account.
 - d. Except for the possible effects of the matter described in Basis of Qualified opinion paragraph In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e. On the basis of written representations, received from the directors as on March 31,2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31,2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS financial statements (Refer Note No 37 the Standalone Ind AS financial statements.)
 - ii The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAAHD9631

Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place:Ahmedabad
Date: 30/06/2021

ANNEXURE A –TO THE INDEPENDENT AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF SHAH ALLOYS LIMITED
ON THE STANDALONE FIANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

- (i) In respect of its Property, Plant & Equipments:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment on the basis of available information.
- (b) As explained to us, major portion of Property, Plant & Equipments are physically verified by the management during the year in accordance with a phased program of verification adopted by company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, title deeds of the immovable properties held are in the name of the company.
- (ii)
- (ii) As explained to us, inventories (excluding goods lying at port) were physically verified by management at reasonable intervals during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us and on the basis of records produced before us, the company has not granted any loan, secured or unsecured to the companies, limited liability partnership or firms or other parties covered in the register maintained u/s 189 of the companies Act, 2013 and hence sub-clause (a)&(b) & (c) of paragraph 3 of companies auditor's report order 2016 are not applicable to the company.
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year under review. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public during the year under review.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of Cost records specified under section 148 of Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts & records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) :
- (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, ESIC, income-tax, Goods & Service Tax, , duty of customs, cess and other statutory dues have not been generally regularly deposited during the year with the appropriate authorities.
- According to the information and explanation given to us no undisputed amounts payable in respect of provident fund, ESIC, income-tax, Goods & Service Tax, , duty of customs, cess and other statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable
- b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed dues that have not been deposited as on 31st March, 2021 on account of matters pending before the appropriate authorities are as under:

Sr. no	Name of the statue	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in Rs lakhs.)
1	Custom , Service tax and Excise	Service tax	January 2005 to July 2011	The Commissioner of Central Excise , Ahmedabad III	51.58
2	Custom , Service tax and Excise	Service tax	November 2012 to March 2013	The Addl. Commissioner of Central Excise , Ahmedabad III	1.71

Sr. no	Name of the statute	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in Rs lakhs.)
3	Custom , Service tax and Excise	Service tax	2013-14	The Joint Commissioner of Central Excise , Ahmedabad III	1.48
4	Custom , Service tax and Excise	Service tax	November 1997 to June 1998	Gujarat High Court	25.43
5	Custom , Service tax and Excise	Excise duty	September 2010 to Dec. 2013	Custom Excise and Service Tax , Appellate Tribunal, Ahmedabad	1909.76
6	Custom , Service tax and Excise	Service tax	Dec. 2014 to May 2015	The Dy, Commissioner of Central Excise Division Kalol, Ahmedabad III	0.87
7	Custom , Service tax and Excise	Service tax	June 2015 to Dec. 2015	The Asst. Commissioner of Central Excise & CGST, Div.Kalol	5.75
8	Custom , Service tax and Excise	Service tax	January 2016 to July 2016	The Asst. Commissioner of Central Excise & CGST, Division Kalol	1.22
9	Custom , Service tax and Excise	Service tax	August 2016 to June 2017	The Asst. Commissioner of Central Excise & CGST, Division Kalol	1.83
10	Custom , Service tax and Excise	Service tax	2012-13	The Dy. Commissioner of Central Excise & CGST, Division Kalol	10.11

- (viii) Consequent upon the sanction of the restructuring package given under CDR mechanism by bank, the company was required to start repaying the loans sanctioned by bank from June 2011 onwards, however the company has made default in repaying the dues as per the terms stipulated in CDR Rework Proposal. The amount and the period of default in respect of term loan, Funded interest term Loans, Interest Payable, on the said loan from bank is as under :

NAME OF THE BANK/FINANCIAL INSTITUTIONS	NATURE OF FACILITY	AMOUNT OF DEFAULT AS AT 31-03-2021 (Rs in lacs)	PERIOD OF DEFAULT (No. of days)
HDFC BANK	Term Loan	1196.46	1-3561
	Funded Interest Term loan	449.41	1-2646
	Interest Payable	877.89	1-3895

Except above the company has not defaulted in repayment of its dues to Financial Institutions. The company does not have any borrowings from Debenture holders or Government

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAAHD9631

Sd/-

[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place:Ahmedabad
Date: 30/06/2021

**Annexure B to the Independent Auditor's Report
of Even Date to the Members of SHAH ALLOYS LIMITED**

on the Standalone Ind AS Financial Statements for the year ended on 31st March 2021

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

In conjunction with our audit of the standalone Ind AS financial statements of M/s SHAH ALLOYS LIMITED ("the Company") as at and for the year ended 31st March 2021, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's 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 Act.

Auditor's' 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 Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 31st March 2021, 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 issued by the ICAI.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAHD9631

Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place:Ahmedabad
Date: 30/06/2021

Standalone Balance Sheet as at 31st March, 2021

(Amount in ₹ in lakhs)

S.No. Particulars	Note No.	As At 31.03.2021	As At 31.03.2020
ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	9322.90	10620.07
b) Capital work-in-progress	2	900.50	900.50
c) Financial Assets			
(i) Investments	3	934.94	520.42
(ii) Trade receivables	4	-	-
(iii) Loans		-	-
d) Deferred tax Assets (net)	5	9816.73	19648.53
e) Other non-current assets	6	986.16	780.45
2) Current assets			
a) Inventories	7	7068.33	8529.19
b) Financial Assets			
(i) Trade receivables	8	1358.25	2414.12
(ii) Cash and cash equivalents	9	160.13	23.75
c) Loans	10	5.71	17.83
d) Other Financial assets	10A	6.17	-
e) Other current assets	11	840.10	195.91
TOTAL ASSETS		31399.92	43650.77
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	12	1979.75	1979.75
b) Other Equity	13	-6512.81	-3253.20
LIABILITIES :			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7488.98	17023.23
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1838.13	1591.65
(b) Provisions	16	161.57	151.43
(c) Non-current liabilities	17	-	-
(d) Other non-current liabilities		-	-
2) Current liabilities			
(a) Borrowings	17A	1500.00	-
(b) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		13039.10	14541.45
(c) Other financial liabilities	19	10323.02	9620.41
(d) Other current liabilities	20	718.93	1088.40
(e) Provision for Employee Benefits	21	863.25	907.65
Total Equity and Liabilities		31399.92	43650.77

The accompanying Notes 1 to 51 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar

Chartered Accountants

(Firm Regn.No.107525W)

UDIN : 21040230AAAHD9631

Sd/-

CA Dr. Hiten Parikh

Partner

Membership No.040230

PLACE : AHMEDABAD

DATE : 30th June,2021

For and on behalf of the Board of Directors,

Shah Alloys Limited

Sd/-

[Rajendra V Shah]

Chairman

(DIN : 00020904)

Sd/-

[G.M.Shaikh]

Independent Director

(DIN - 00367186)

Sd/-

[Ashok Sharma]

Whole Time Director & C F O

(DIN : 0038360)

Sd/-

[Vinay Kumar Mishra]

Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in ₹ in lakhs)

S.No. Particulars	Note No.	Year ended 31st March,2021	Year ended 31st March,2020
I Revenue from Operations	22	50191.98	48933.95
II Other Income	23	2885.20	97.45
III Total Income (I +II)		53077.18	49031.40
IV Expenses:			
Cost of Materials Consumed	24	32093.40	35752.90
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	25	2442.95	68.48
Employee Benefits Expense	26	2019.23	2111.63
Finance Costs	27	162.59	45.40
Depreciation and Amortization Expense		1296.70	1297.91
Other Expenses	28	12018.74	17555.28
Total Expenses (IV)		50033.61	56831.60
V Profit before tax and Exceptional Item (III- IV)		3043.57	-7800.20
VI Exceptional Item (Refer Note No 45)		1618.86	9198.21
VII Profit before tax (V+VI)		4662.43	1398.01
VIII Tax expense :			
(1) Current Tax		-	-
(2) Deferred Tax		9827.52	2846.71
Total Tax Expenses (VIII)		9827.52	2846.71
IX Profit for the period (VII -VIII)		-5165.09	-1448.70
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-16.97	-20.64
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.27	7.21
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Income (X)		-12.70	-13.43
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)		-5152.39	-1435.27
XII Earnings per equity share (Face Value of Rs 10/- each)			
Basic & Diluted	29	-26.09	-7.32

The accompanying Notes 1 to 51 are integral part of these Standalone Ind AS Financial Statements.
As per our report of even date attached.

For Parikh & Majmudar

Chartered Accountants

(Firm Regn.No.107525W)

UDIN: : 21040230AAAHD9631

Sd/-

CA Dr. Hiten Parikh

Partner

Membership No.040230

PLACE : AHMEDABAD

DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-

[Rajendra V Shah]

Chairman

(DIN : 00020904)

Sd/-

[G.M.Shaikh]

Independent Director

(DIN- 00367186)

Sd/-

[Ashok Sharma]

Whole Time Director & C F O

(DIN : 0038360)

Sd/-

[Vinay Kumar Mishra]

Company Secretary

Standalone Cash Flow Statement for the year ended 31st March 2021

(Amount in ₹ in lakhs)

PARTICULARS	2020-21		2019-20	
	Amount in		Amount in	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax		4,679.40		1,418.65
Adjustments for :				
Depreciation	1,296.70		1,297.91	
Loss / (Profit) on Sale of Assets	0.19		-	
Interest expenses	162.59		45.40	
Interest Reversal	(1,618.86)		(9,198.21)	
Interest Income	(45.52)		(18.53)	
		(204.91)		(7,873.42)
		4,474.49		(6,454.77)
Operating Profit Before Working Capital Changes				
Adjustments for :				
Trade and other receivables	417.64		1,070.70	
Inventories	1,460.86		3,981.62	
Trade Payable and others (including non current liabilities)	(1,659.61)		3,631.07	
		218.89		8,683.39
Cash Generated From Operations		4,693.38		2,228.63
Direct Taxes Paid				
Net Cash from Operating Activities before Extra Ordinary Items		4,693.38		2,228.63
Extra-ordinary Items				
Changes in non current assets	(205.71)		(316.03)	
Interest Reversal	1,618.86		9,198.21	
Provision for diminution in value of long term investments	(414.52)		983.35	
		998.65		9,865.54
Net Cash from Operating Activities after Extra Ordinary Items(A)		5,692.03		12,094.16
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed assets	-		-	
Sale of Fixed Assets	0.28		-	
Interest Income	45.52		18.53	
		45.80		18.53
Net Cash from Investing Activities(B)		45.80		18.53
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term and Short Term Borrowings (Net)	(5,438.86)		(12,078.70)	
Interest Paid	(162.59)	(5,601.45)	(45.40)	(12,124.10)
Net Cash from Financing Activities(C)		(5,601.45)		(12,124.10)
Net Increase in Cash and Equivalent.(A+B+C)		136.38		(11.41)
Cash And Cash Equivalents as at the Beginning of the year		23.75		35.16
Cash And Cash Equivalents as at the Close of the year		160.13		23.75

Standalone Cash Flow Statement for the year ended 31st March 2019 (Contd.)

Note:

As per our Report of even date

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

(Amount in ₹ in lakhs)

S.No. Particulars	As At 31.03.2021	As At 31.03.2020
Cash and Bank Balances:		
a) Balances with banks (in Current Accounts)	160.01	23.37
b) Cash on Hand	0.12	0.38
Total	160.13	23.75

The accompanying Notes 1 to 51 are integral part of these Standalone Ind AS Financial Statements.

For Parikh & Majmudar
Chartered Accountants
 (Firm Regn.No.107525W)
 UDIN: : 21040230AAAHD9631
 Sd/-
CA Dr. Hiten Parikh
 Partner
 Membership No.040230
 PLACE : AHMEDABAD
 DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-
[Rajendra V Shah]
 Chairman
 (DIN : 00020904)
 Sd/-
[G.M.Shaikh]
 Independent Director
 (DIN- 00367186)

Sd/-
[Ashok Sharma]
 Whole Time Director & C F O
 (DIN : 0038360)
 Sd/-
[Vinay Kumar Mishra]
 Company Secretary

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in ₹ in lakhs)

Particulars	
Balance as at 1st April 2020	1979.75
Changes during the year	-
Balance as at 31st March, 2021	1979.75

Other Equity as at 1st April 2019

(Amount in ₹ in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium Reserve	Capital Reserve	Other Comprehensive income	Retained Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	41.31	(62523.29)	(17,055.81)
Addition During the year	(5,400.00)	-	15,237.88	(13.43)	5,400.00	15,251.31
Profit for the year	-	-	-	-	(1,448.70)	(1,448.70)
Balance at the end of the reporting period	600.00	502.61	54,244.06	27.88	(58,571.99)	(3,253.20)

Other Equity as at 1st April 2020

(Amount in ₹ in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium Reserve	Capital Reserve	Other Comprehensive income	Retained Earnings	Total
Balance at the beginning of the reporting period	600.00	502.61	54,244.06	27.88	(58,571.99)	(3,253.20)
Addition/ Deduction During the year	(600.00)	-	1,892.78	(12.70)	600.00	1,905.48
Profit for the year	-	-	-	-	(5,165.09)	(5,165.09)
Balance at the end of the reporting period	-	502.61	56,136.84	15.18	(63,137.08)	(6,512.81)

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN: : 21040230AAAHD9631
Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[G.M.Shaikh]
Independent Director
(DIN- 00367186)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021:**A. DISCLOSURE OF ACCOUNTING POLICIES****1.1 CORPORATE INFORMATION**

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The company is engaged in manufacturing and sale of Wide range of Stainless Steel, Alloys & Special Steel, Carbon / Mild Steel in Flat and Long products. The Company presently has manufacturing facilities at Santej, District : Gandhinagar (Gujarat).

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 - 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees in Lakhs. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

1.2 USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit available) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013)
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) Capital work in progress is stated at cost.
- vii) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and

Notes forming part of the Standalone Financial Statements

Discard of Fixed Assets.

- viii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

Buildings - 30 to 60 years

Plant and Equipments - 15 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 5 to 10 years

Others - Computer Hardware 3 to 6 years

1.4 INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) Intangible assets are amortised on straight-line method as follows :
Computer Software - 5 years
- iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 REVENUE RECOGNITION

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. 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. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss are excluding, returns, trade discounts, cash discounts, Goods & Service Tax.
- iii) Services: Revenue from Services are recognized as and when the services are rendered.
- iv) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) Export Benefits are accounted on accrual basis.
- vi) Government Grants/ Refunds are accounted for as an when received.

1.6 EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

Notes forming part of the Standalone Financial Statements

1.7 VALUATION OF INVENTORIES

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts are valued at cost; and of those in transit and at port related to these items are valued at cost.
- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value.

1.8 CASH FLOW STATEMENT

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

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

1.9 FINANCIAL ASSETS:

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.
- ii) Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Company has transferred the rights to receive cashflows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.
- v) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current /Long-term investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-current investments are at lower of cost or market value on individual investment basis.

1.10 FINANCIAL LIABILITIES:

- i) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iii) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially and subsequently measured at amortized cost.
- iv) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes forming part of the Standalone Financial Statements

1.11 FAIR VALUE MEASUREMENT:

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.12 FOREIGN CURRENCY TRANSACTIONS:

- i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.
- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

1.13 BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

1.14 ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.
- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any un used tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward un used tax credits and un used tax losses can be utilized.
- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that

Notes forming part of the Standalone Financial Statements

have been enacted or substantively enacted at the reporting date.

- v) Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation;(b)when no reliable estimate is possible;(c)unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted nor disclosed.

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

- i) A related party is a person or entity that is related to the reporting entity preparing its financial statements
 - (a) A person or a close member of that person's family is related to reporting entity if that person;
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity;or
 - (iii) is member of the key management personnel of the reporting entity or of a parent of the reporting entity.
 - (b) An entity is related to a reporting entity if any of the following conditions applies;
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in(a);
 - (vii) A person identified in Has significant influence over the entity or is a member of the key management personnel of the entity(or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Notes forming part of the Standalone Financial Statements

- ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

- iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

1.18 EARNINGS PER SHARE:

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

1.19 LEASE**Operating Lease**

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

1.20 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (Rs) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (Rs).

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors

Notes forming part of the Standalone Financial Statements

(significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(ii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has tax losses carried forward on which deferred tax asset is created, based on probability that future profits will be available against which the deductible temporary difference can be realized.

(iv) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Company.

(v) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

1.21 INVESTMENTS

Investment in quoted equity shares are stated at its fair value through Profit and loss account

Notes forming part of the Standalone Financial Statements

Note No -2 Property, Plant and Equipment

TANGIBLE ASSETS :

(Amount in ₹ in lakhs)

Particulars	Freehold Land	Factory Building	Office Building	Plant and Machinery	Laboratory Equipments	Vehicles	Office Equipments	Furniture & Fixtures	TOTAL
Cost of Assets									
As at 1st April 2019	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2020	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	-9.26	0.00	0.00	-9.26
As at 31st March 2021	689.99	2,276.72	326.92	51,672.69	49.17	296.84	210.23	197.24	55,719.79
Depreciation									
As at 1st April 2019	0.00	1219.27	59.04	41808.17	46.71	290.79	199.72	187.38	43,811.07
Charge for the year 2020	0.00	64.00	5.16	1228.76	0.00	0.00	0.00	0.00	1,297.91
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2020	0.00	1283.27	64.20	43036.93	46.71	290.79	199.72	187.38	45,108.98
Charge for the year 2021	0.00	64.00	5.16	1227.55	0.00	0.00	0.00	0.00	1,296.70
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	-8.80	0.00	0.00	-8.80
As at 31st March 2021	0.00	1,347.26	69.36	44,264.48	46.71	281.99	199.72	187.38	46,396.89
Net Block									
As at 31st March 2020	689.99	993.45	262.72	8,635.76	2.46	15.31	10.51	9.86	10,620.07
As at 31st March 2021	689.99	929.46	257.56	7,408.21	2.46	14.85	10.51	9.86	9,322.90

CAPITAL WORK IN PROGRESS	31.03.2021	31.03.2020
Plant & Machinery	900.50	900.50
Total	900.50	900.50

Notes:

- 1) Cost of Fixed Assets and pre-operative expenses, being technical matter, are capitalized or allocated to Capital work in progress on the basis of data certified by technical person & the Management.
- 2) Borrowing cost includes interest and other bank charges to the extent that they are regarded as an adjustment to interest costs which are directly related to the acquisition & construction of a qualifying asset.

(Amount in ₹ in lakhs)

NOTE NO : 3	As at	As at
Investments:	March 31, 2021	March 31, 2020
Trade Investments- At FVTPL		
Quoted		
Investment in Equity instruments of Associate Company	3994.96	3994.96
3,02,56,989 Equity shares of Face value Rs 10/- each in SAL Steel Limited (P.Y: 3,02,56,989 Equity shares)		
Less : Provision for Diminution in value of Investment	3060.02	3474.54
TOTAL	934.94	520.42

Aggregate amount of Quoted Investment and Market Value Rs 934.94 Lakhs as at 31st March 2021 (P.Y. Rs 520.42 Lakhs)

NOTE NO : 4	As at	As at
Trade Receivables :	March 31, 2021	March 31, 2020
Non-current Trade Receivable		
Unsecured, considered Doubtful	20.82	10.84
Less : Allowance for credit loss	20.82	10.84
TOTAL	-	-

(Amount in ₹ in lakhs)

NOTE NO : 5	As at	As at
Deferred tax Assets (Net)	March 31, 2021	March 31, 2020
Deferred tax Assets (Net)	9816.74	19648.53
TOTAL	9816.74	19648.53
DEFERRED TAX ASSETS		
Unabsorbed Depreciation and Business Loss	10604.95	20463.35
On account of disallowances under the Income tax act, 1961	524.72	1267.20
Gross deferred tax asset (A)	11129.67	21730.55
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	1312.93	2082.02
Gross deferred tax liability (B)	1312.93	2082.02
Net Deferred tax (A-B)	9816.74	19648.53

(Amount in ₹ in lakhs)

NOTE NO : 6	As at	As at
Other non-current assets :	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
(a) Loans & Advance Recoverable in cash or in kind	77.48	77.48
(b) Security Deposit	507.27	304.50
(c) Advances to Supplier	9.46	9.46
(d) Advance Income Tax , TDS & TCS	25.06	21.95
(e) Balance with Govt. Authorities	366.89	367.06
TOTAL	986.16	780.45

(Amount in ₹ in lakhs)

NOTE NO : 7	As at	As at
Inventories :	March 31, 2021	March 31, 2020
(Inventories are taken, valued and certified by the management)		
(a) Raw Materials	1629.01	757.15
(b) Work in progress	2420.16	2319.56
(c) Finished goods	2408.73	4952.28
(d) Stores and spares	610.43	500.20
TOTAL	7068.33	8529.19

NOTE NO : 8	As at	As at
Trade receivables :	March 31, 2021	March 31, 2020
Un Secured, considered good	1358.25	2414.12
TOTAL	1358.25	2414.12

(Amount in ₹ in lakhs)

NOTE NO : 9	As at	As at
Cash and cash equivalents	March 31, 2021	March 31, 2020
(a) Balances with Scheduled Banks		
On current Account	160.01	23.37
(b) Cash on hand	0.12	0.38
TOTAL	160.13	23.75

(Amount in ₹ in lakhs)

NOTE NO : 10	As at	As at
Loans	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
Loans & Advance Recoverable in cash or in kind	5.71	17.83
TOTAL	5.71	17.83

(Amount in ₹ in lakhs)

NOTE NO : 10A	As at	As at
Other Financial assets :	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
Security Deposit	6.17	-
TOTAL	6.17	-

(Amount in ₹ in lakhs)

NOTE NO : 11	As at	As at
Other current assets :	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
Balance with government authorities	464.17	75.13
Advance to Suppliers	374.89	119.78
Prepaid Expenses	1.04	1.00
	840.10	195.91

(Amount in ₹ in lakhs)

NOTE NO : 12	As at	As at
Share Capital :	March 31, 2021	March 31, 2020
Authorised :		
3,50,00,000 Equity Shares of Rs 10/- each		
(Previous year : 3,50,00,000 Equity Shares of Rs 10/- each)	3500.00	3500.00
	3500.00	3500.00
Issued & Subscribed and Paid up :		
1,97,97,540 Equity Shares of Rs.10/- each fully paid up		
(Previous year : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up)	1979.75	1979.75
	1979.75	1979.75

Notes forming part of the Standalone Financial Statements

a) Reconciliation of number of shares:

(Amount in ₹ in lakhs)

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Shares outstanding at the beginning of the year	1 97 97 540	1979.75	1 97 97 540	1979.75
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	1 97 97 540	1979.75	1 97 97 540	1979.75

b) Rights, Preferences and restrictions attached to shares

Equity shares:

The company has one class of equity share having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares				
Mr. Rajendra V. Shah #	94 44 364	47.71%	94 44 364	47.71%
Mrs. Ragini R. Shah	11 46 006	5.79%	11 46 006	5.79%

including 7.74 % shares held as Karta of HUF

(Amount in ₹ in lakhs)

NOTE NO : 13	Amount		Amount	
Other Equity :	31.03.2021		31.03.2020	
Securities Premium Account				
Opening Balance	502.61		502.61	
Add : Addition during the year	-		-	
		502.61		502.61
Capital Reserve				
Opening Balance	54244.06		39006.18	
Add : Addition during the year	1892.78		15237.88	
		56136.84		54244.06
Debenture Redemption Reserve:				
Opening Balance	600.00		6000.00	
Less : Transfer to Retained Earnings	-600.00	-	-5400.00	600.00
Retained Earnings				
Balance Brought Forward From Previous Year	-58571.99		-62523.29	
Add : Transfer From Debenture Redemption Reserve	600.00		5400.00	
	-57971.99		-57123.29	
Add: Profit/(Loss) for the year	-5165.09	-63137.08	-1448.70	-58571.99
Other Comprehensive Income/(Expenses)				
Re-measurement of the defined benefit plans				
Opening Balance	27.88		41.31	
Add: Addition during the year	-12.70		-13.43	
Closing Balance		15.18		27.88
TOTAL		-6512.81		-3253.20

Notes forming part of the Standalone Financial Statements

Purpose of Reserve

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings are the profits and gains that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Capital Reserve : The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

NOTE NO : 14 Borrowings :	As at March 31, 2021		As at March 31, 2020	
(A) SECURED :				
I) Term Loans				
a) From Banks	-		-	
b) From Financial Institutions	7121.25	7121.25	16655.50	16655.50
(B) UNSECURED:				
Loans & Advances from related parties				
- From Director		367.73		367.73
TOTAL		7488.98		17023.23

(A) SECURED :

Term Loan from Bank / Financial Institution:

First Mortgage and charge on the company's all immovable and movable properties (other than working capital assets), both present and future, ranking pari-passu with all term lenders.(except Punjab National Bank's Corporate loan which has exclusive charge on 26,00,000 shares of Shah Alloys Limited. Thus First charge on fixed assets is not extended to Punjab national bank over the Corporate loan) Second charges on WC assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all CDR lenders except for 26,00,000 shares on which Punjab national bank has exclusive charge . Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

a) Terms of repayment for term loans are as set out below :

(Amount in ₹ in lakhs)

Particulars / Financial Year	2021-22	2022-23	2023-24
Term Loans from Financial Institution	7799.25	6194.75	926.50
Total	7799.25	6194.75	926.50

Notes forming part of the Standalone Financial Statements

(Amount in ₹ in lakhs)

b) Period and Amount of default as on the Balance sheet

The company has made a default in repayment as follows:

(Amount in ₹ in lakhs)

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in payment of interest	Period of default (Days)
Rupee Term Loan From Bank	2011-12	124.63	3285-3561	119.65	3285-3622
	2012-13	149.56	2920-3196	119.65	2920-3257
	2013-14	149.56	2555-2831	119.65	2555-2892
	2014-15	149.56	2190-2466	119.65	2190-2527
	2015-16	149.56	1825-2101	119.65	1825-2162
	2016-17	149.56	1460-1736	119.65	1460-1796
	2017-18	149.56	1095-1370	-	(*)
	2018-19	149.56	730-1005	-	(*)
	2019-20	24.92	365-640		(*)
Funded Interest Term Loan	2010-11			22.86	3651-3895
	2011-12			22.86	3286-3530
	2012-13			22.86	2921-3165
	2013-14	44.94	2555-2646	22.86	2556-2800
	2014-15	89.88	2190-2281	22.86	2191-2435
	2015-16	89.88	1825-1916	22.86	1826-2069
	2016-17	89.88	1460-1551	22.86	1461-1704
	2017-18	89.89	1095-1186	-	(*)
	2018-19	44.94	730-821		(*)
TOTAL		1645.87		877.89	

(*) Refer Note No 33 of Notes forming part of Standalone Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 15 Trade Payable	As at March 31, 2021	As at March 31, 2020
Trade Payables	1838.13	1591.65
TOTAL	1838.13	1591.65

Refer Note No 18(a) of Notes forming part of Standalone Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 16 Long term provisions :	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	161.57	151.43
TOTAL	161.57	151.43

(Amount in ₹ in lakhs)

NOTE NO : 17 Non-current liabilities :	As at March 31, 2021	As at March 31, 2020
(a) Advances from Customer	-	-
(b) Other Liabilities	-	-
TOTAL	-	-

Notes forming part of the Standalone Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 17A	As at	As at
Borrowings	March 31, 2021	March 31, 2020
Unsecured		
Inter Corporate Deposits	1500.00	-
TOTAL	1500.00	-

(Amount in ₹ in lakhs)

NOTE NO : 18	As at	As at
Trade payables :	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No 18a)	13039.10	14541.45
TOTAL	13039.10	14541.45

(Amount in ₹ in lakhs)

NOTE NO : 18a	As at	As at
	March 31, 2021	March 31, 2020
Trade Payables - Total outstanding dues of Micro & Small Enterprises*		
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(Amount in ₹ in lakhs)

NOTE NO : 19	As at	As at
Other financial liabilities :	March 31, 2021	March 31, 2020
(a) Current maturities of long-term debt;	7799.25	3835.00
(b) Interest accrued and due on borrowings;	877.89	1552.65
(c) Unpaid Matured Debentures	-	1000.00
(d) Other Payables to Banks	1645.88	3232.76
TOTAL	10323.02	9620.41

Notes forming part of the Standalone Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 20	As at	As at
Other Current Liabilities :	March 31, 2021	March 31, 2020
Advance from customers	465.11	259.21
Duties and taxes	253.82	476.80
Credit baalance in current account with Schedule banks (Book over draft)	-	352.39
TOTAL	718.93	1088.40

(Amount in ₹ in lakhs)

NOTE NO : 21	As at	As at
Provision for Employee Benefits	March 31, 2021	March 31, 2020
-Gratuity	48.33	53.94
- Others	814.92	853.71
TOTAL	863.25	907.65

(Amount in in lakhs)

NOTE NO : 22	As at		As at	
I. Revenue from operations	March 31, 2021		March 31, 2020	
I. Sale of Products				
Direct Export Turnover	1048.53		294.10	
Domestic Turnover	49115.75	50164.28	48446.97	48741.07
II. Sale of service				
Technical Consultancy Service Income (TDS Nil P Y Rs 18.00 Lakhs)	-		180.00	
-Job work Income (TDS Rs 0.02 Lakhs PY Rs Nil)	1.46	1.46	-	180.00
III. Other Operating Revenues				
Export Incentives- Duty Draw Back		26.24		12.88
Total Revenue from operations		50191.98		48933.95

(Amount in ₹ in lakhs)

NOTE NO : 23	As at	As at
Other Income :	March 31, 2021	March 31, 2020
Interest Income (TDS Rs 3.41 Lakhs P Y Rs 1.55 Lakhs)	45.52	18.53
Foreign exchange fluctuation Gain (Net)	132.02	68.97
Sundry balances written back (Net)	43.79	-
Electricity Refund	2249.35	-
VAT Refund	-	9.96
" Gain on Fair value of investments (Non operating Income)	414.52	-
TOTAL	2885.20	97.45

Notes forming part of the Standalone Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 24 Cost of Materials Consumed:	As at March 31, 2021	As at March 31, 2020
Opening Stock of Raw Material	757.15	1367.82
Add : Purchases	32965.26	35142.22
	33722.41	36510.05
Less : Closing Stock of Raw Material	1629.01	757.15
TOTAL	32093.40	35752.90

(Amount in ₹ in lakhs)

NOTE NO : 25	Amount in lakhs	31.03.2021	Amount in lakhs	31.03.2020
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress				
Opening Stock				
Finished Goods	4952.28		4354.52	
Stock-in-Progress	2319.56	7271.84	2985.80	7340.32
Less : Closing Stock				
Finished Goods	2408.73		4952.28	
Stock-in-Progress	2420.16	4828.89	2319.56	7271.84
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		2442.95		68.48

(Amount in ₹ in lakhs)

NOTE NO : 26 Employee benefits expenses	As at March 31, 2021	As at March 31, 2020
Salary & Bonus	1909.07	1991.72
Contribution to Provident Fund etc.	60.39	70.83
Staff welfare expenses	49.77	49.09
TOTAL	2019.23	2111.63

(Amount in ₹ in lakhs)

NOTE NO : 27 Finance Costs	As at March 31, 2021	As at March 31, 2020
Interest to Others	162.59	45.40
	162.59	45.40

Notes forming part of the Standalone Financial Statements

(Amount in ₹ in lakhs)

NOTE NO. : 28	Amount	31.03.2021	Amount	31.03.2020
Other Expenses	in lakhs		in lakhs	
Stores & Spares Consumed :				
Opening Stock	500.20		3802.67	
Add : Purchases	5666.35		6463.16	
	6166.55		10265.83	
Less: Closing Stock	610.43	5556.12	500.20	9765.63
Power & fuel		4544.26		4671.01
Factory Labour expense		1025.66		1122.33
Factory Expenses		47.22		61.23
Repairs & Maintenance :				
Machinery	164.09		162.88	
Building	12.19		8.43	
Others	0.72	177.00	0.29	171.60
Selling costs		38.01		52.75
Packing Cost		4.90		6.63
Freight outward expenses		351.92		331.73
Travelling, Conveyance and Vehicle Expenses		24.33		36.98
Legal, Consultancy and Professional Fees		102.33		114.64
Miscellaneous expenses		35.91		32.40
Advertisement, Stationery and Communication		17.09		22.30
Payment to Auditors #		8.00		8.00
Rent		9.60		9.60
Rates and Taxes		31.59		144.10
Insurance		20.86		17.41
Bank Charges		3.12		3.57
Provision for Bad debt		20.82		-
" Loss on Fair value of investments (Non operating Expenses)		-		983.37
TOTAL		12018.74		17555.28

(Amount in ₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
As auditors - Statutory audit	8.00	8.00
For other Services	-	-
	8.00	8.00

(Amount in ₹ in lakhs)

NOTE NO : 29	Year Ended March 31, 2019	Year Ended March 31, 2018
Earnings Per Share :		
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year (Lakhs)	197.98	197.98
Number of Equity Shares allotted during the year (Lakhs)	-	-
Number of Equity Shares at the end of the year (Lakhs)	197.98	197.98
Weighted average number of equity shares		
Profit for the year (after tax, available for equity shareholders)	-5165.09	-1448.70
Basic and Diluted Earnings Per Share in Rs.	-26.09	-7.32

Notes forming part of the Standalone Financial Statements

30. Financial and derivative instruments

Capital Management

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes to financial statements.

(i) Categories of Financial Instruments

(Amount in Rs.in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	1358.25	2414.12
(ii) Cash and Cash Equivalents	160.13	23.75
(iii) Loans	5.71	17.83
(iv) Other Financial Assets	6.17	--
(v) Investments at FVTPL	934.94	520.42
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	8988.98	17023.23
(ii) Trade Payables	14877.23	16133.10
(iii) Other Financial Liabilities	10323.02	9620.41

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

Notes forming part of the Standalone Financial Statements

Interest Rate Risk

(Amount in in lakhs)

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount Rs in lakhs.)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2021				
Borrowings	1500.00	7488.98	--	8988.98
Trade Payables	13039.10	1838.13	--	14877.23
Other Financial Liabilities	10323.02	--	--	10323.02
Total	24862.12	9327.11	-	34189.23
As at 31st March, 2020				
Borrowings	--	17023.23	--	17023.23
Trade Payables	14541.45	1591.65	--	16133.10
Other Financial Liabilities	9620.41	--	--	9620.41
Total	24161.86	18614.88	-	42776.74

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 4 and 8, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The Company has made assessment of Allowance for Credit Loss in respect of Trade Receivables. The Company has analysed its trade receivables for ageing analysis and grouped them accordingly and then applied ear wise percentage to calculate the amount of Allowance for Credit Loss in respect of the same.

Movement in the expected Allowance for Credit Loss in respect of Trade Receivables

(Amount in Rs.in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at beginning of the year	10.84	10.84
Add: Provided during the year	20.82	----
Less: Reversals of provision	10.84	---
Less: Amounts written back	---	----
Balance at the end of the year	20.82	10.84

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(Amount Rs.in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March,2021				
Investments (At FVTPL)	--	--	934.94	934.94
Loans	5.71	--	--	5.71
Other Financial Assets	6.17	--	---	6.17
Cash & Cash Equv	160.13	--	--	160.13
Trade Receivables	1358.25	--	--	1358.25
Total	1530.26	--	934.94	2465.20
As at 31st March,2020				
Investments(At FVTPL)	--	--	520.42	520.42
Loans	17.83	--	--	17.83
Cash & Cash Equv	23.75	--	--	23.75
Trade Receivables	2414.12	--	--	2414.12
Total	2455.70	--	520.42	2976.12

31. Disclosures Regarding Employee Benefits

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

Particulars	2020-21 (Amount Rs in Lakhs)	2019-20 (Amount Rs in Lakhs)
Employers contribution to provident fund	60.39	70.83

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the as-sumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected.

Since there is no condition of vesting on the death benefit, the acceleration of

Cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than as-sumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may

Notes forming part of the Standalone Financial Statements

not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees re-sign/retire from the company there can be strain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(iv) Defined Benefit Cost (Amount in ₹ in lakhs)

Particulars	For the year ended 31st March 2021 (Amount Rs in Lakhs)	For the year ended 31st March 2020 (Amount Rs in Lakhs)
Current Service Cost	40.41	42.11
Interest Expense on Defined Benefit Obligation (DBO)		
Defined Benefit Cost included in Profit and Loss		
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Assumptions	-	(0.56)
Remeasurements - Due to Experience Adjustments	-	(2.66)
Return on plan assets excluding amounts included in interest income	(16.97)	(17.42)
Defined Benefit Cost included in Other Comprehensive Income	(16.97)	(20.64)
Total Defined Benefit Cost in Profit and Loss and OCI	23.44	21.47

(v) Movement in Defined benefit liability:

Particulars	For the year ended 31st March 2021 (Amount Rs in Lakhs)	For the year ended 31st March 2020 (Amount Rs in Lakhs)
Opening Defined Benefit Obligation	205.37	191.41
Interest Expense on Defined Benefit Obligation (DBO)	11.15	11.86
Current Service Cost	29.26	30.24
Total Remeasurements included in OCI	(16.97)	(20.64)
Less: Benefits paid	18.90	7.51
Less: Contributions to plan assets		
Closing benefit obligation	209.91	205.36
Current Liabilities of Closing benefit obligation	48.33	53.94
Non-Current Liabilities of Closing benefit obligation	161.58	151.42

Notes forming part of the Standalone Financial Statements

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount Rs in Lakhs)

	2020-21	2019-20
(A) Discount rate Sensitivity		
Increase by 0.5%	204.18	199.92
(% change)	-2.73%	-2.65%
Decrease by 0.5%	215.97	211.14
(% change)	2.89%	2.81%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	215.15	211.11
(% change)	2.88%	2.80%
Decrease by 0.5%	204.15	199.89
(% change)	-2.74%	-2.67%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	209.03	204.59
(% change)	-0.42%	-0.38%
W.R. x 90%	210.79	206.16
(% change)	0.42%	0.38%

(vii) Actuarial assumptions:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount Rate (per annum)	6.25%	6.25%
Salary Growth Rate (per annum)	6.00%	6.00%
Withdrawal rate	30% at younger ages reducing to 5% at older ages	30% at younger ages reducing to 5% at older ages

(viii) The above details are certified by the actuary.

- 32 During the year under review the company has received Electricity refund of Rs 2249.35 lakhs and the same has been credited to Other income in the Statement of Profit and loss account.
33. For the year ending on 31st March,2021, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding on the settlement entered with ARCs for specific loans which are assigned to them and also on the loans which are time barred under the law of limitation).amounting to Rs 146.61 lakhs.
34. The Company has long term investment in the shares of SAL Steel Limited amounting to Rs 3,994.96 Lakhs. There is no major movement in the prices of stock in share market. such circumstances indicate that there is decline, other than temporary, in the value of a long term investment. And as a result, we have accounted for investment in shares of SAL Steel Ltd at market rate of shares @ Rs 3.09 per share reducing the value of investment to Rs. 934.94 Lakhs and provided for Rs. 3060.02 Lakhs as diminution other than temporary in the value of investment in books of accounts.

35 RELATED PARTY DISCLOSURES:

Sr. no	Name of the Concern	Nature of Relationship
1	SAL Steel Limited	Associate
2	SAL Corporation Pvt. Ltd	Enterprise with significant influence
3	SAL Care Pvt Ltd	Enterprise with significant influence
4	SAL Pharmacy (A Division of SAL Corporation Pvt. Ltd.)	Enterprise with significant influence
5	SAL Hospital & Medical Institute (A Division of SAL Care Pvt Ltd.)	Enterprise with significant influence
6	SAL Institute of Technical & Engineering Research (A Division of Adarsh Foundation)	Enterprise with significant influence
7	SAL Institute of Pharmacy (A Division of Adarsh Foundation)	Enterprise with significant influence

Notes forming part of the Standalone Financial Statements

8	SAL Institute of Management (A Division of Adarsh Foundation)	Enterprise with significant influence
9	SAL College of Engineering (A Division of Adarsh Foundation)	Enterprise with significant influence

(REALTED PARTIES HAVE BEEN IDENTIFIED BY THE MANAGEMENT)

Key Management Personnel and Relatives

1	Mr. Rajendra V. Shah	Chairman
2	Mr. K. S. Kamath (till 23.01.2021)	Jt. Managing Director
3	Mr. Ashok Sharma	Whole Time Director & CFO
4	Mr. Vinay Kumar Mishra	Company Secretary

iii) Disclosure of Related Party Transactions

(Amount Rs In lakhs)

Sr No.	Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
		2020-21	2019-20	2021-20	2019-20
1	Purchase of goods & Services	12,352.94	13,699.67		
2	Purchase of Power	2,721.54	3,524.55		
3	Purchase of MEIS Licence	11.54	71.82		
4	Sales of Goods & Services	2,612.21	1,493.44		
5	Rent paid	9.60	9.60		
6	Interest Paid	66.88	9.48		
7	Loan Availed	2,095.00	300.00		
8	Loan Repaid	615.00	300.00		
9	Remuneration			28.96	31.90

iv) Disclosures of material transactions with related parties during the year:

Amount Rs in Lakhs

S.N	Description	Related Parties	2020-21 (P Y 2019-20)	Balance outstanding as at 31/03/2021 (P Y 31.03.2020)
1	Purchase of Goods & Services	SAL Steel Ltd	12,352.88	7,845.57
			(13,699.54)	(11,216.67)
		SAL Pharmacy	0.06	26.67
			(0.13)	(26.61)
2	Purchase of power	SAL Hospital & Medical Institute	-	7.45
			(-)	(7.45)
		SAL Steel Ltd	2,721.54	-
3	Purchase of MEIS Licence		(3,524.55)	(-)
		SAL Steel Ltd	11.54	-
4	Sales of goods & Services		(71.82)	(-)
		SAL Steel Ltd	349.20	-
			(504.96)	(-)
5	Rent paid	SAL Corporation Pvt.Ltd	2,263.00	68.42
			(988.48)	(134.86)
6	Interest Paid	SAL Steel Ltd	9.60	-
			(9.60)	(-)
7	Remuneration to Key Management Personnel	SAL Care Pvt. Ltd	66.88	70.39
			(9.48)	(8.53)
		Mr. K S Kamath	10.48	
		Mr. Ashok Sharma	11.99	
			(12.92)	
			(12.00)	

Notes forming part of the Standalone Financial Statements

	Mr. Vinaykumar Mishra	6.49	
		(6.98)	
8	Loan Availed	SAL Care Pvt. Ltd.	2,095.00
			1,480.00
		(300.00)	(-)
	Mr. Rajendra V Shah	-	367.73
		-	(367.73)
9	Loan Repaid	SAL Care Pvt. Ltd.	615.00
		(300.00)	-
			(-)

The remuneration of directors and other members of Key management personal during the year is as follows :

(Amount Rs in Lakhs)

Particulars	2020-21	2019-20
Short term Benefits	28.96	31.90

36 Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	As at 31-03-2021	As at 31-03-2020
Advance Payment to Suppliers		
Rupees in Lakhs	86.16	56.05
US Dollar in Lakhs	1.20	0.78
Sundry Creditors for goods		
Rupees in Lakhs	0.30	-
US Dollar in Lakhs (USD 410)	-	-
Advance From Customers		
Rupees in Lakhs	24.12	-
US Dollar in Lakhs	0.32	-
Sundry Debtors		
Rupees in Lakhs	165.25	-
US Dollar in Lakhs	1.80	-
Euro in Lakhs	0.39	-

37. Contingent liabilities :

(1) Claims against the Company not acknowledged as debts

Particulars

1. Disputed Excise, Service Tax Demand Matter Under Appeal Rs 2009.74 Lakhs (P.Y.Rs 1999.63 Lakhs)
2. Claim against the company not acknowledged as debt – Claim by parties Rs 26509.56 Lakhs (P.Y 26509.56 Lakhs) Bank / Financial Institutions Rs. 73140.68 Lakhs (P Y Rs 73140.68 Lakhs)

Note:

(a) It is not practicable for the company to estimate the timings of cash out-flows, if any, in respect of the above, pending resolution of the respective pro-ceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.

(b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(2) Corporate Guarantee given to consortium Bank for SAL Steel Ltd. Rs 20750.00 Lakhs (P.Y. Rs 20750.00 Lakhs)

- 38.** Certain Balance of Creditors, Loans & Advances are non- moving / sticky . However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.
- 39.** In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.
- 40** The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.

41. The company's operation falls under single segment namely " IRON & STEEL- "and hence segment information as required by INDAS 108 "Operating Segment is not applicable. All assets are located in the company's country of domicile)

Revenue from sale of products represents revenue generated from external cus-tomers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount in in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Earnings Per Share :		
Revenue from		
- Outside India	1048.53	294.10
- In India	49153.45	48,639.85

No Single customer contributed 10% or more to the company's revenue for 2020-21 and 2019-20.

42. The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a ma-terial uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in the view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Company have been prepared on a "going concern basis".
43. The Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable.
44. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable.
45. The company has regarded the Loan/Debt of one Bank and one Financial Institutions in respect of which no claim for recovery of either Interest or Principal has been made since more than last 10 fiscal years as no longer payable . Thus, the company has identified such Loan/Debt of Rs. 1642.78 Lakhs as no longer payable and the same has been credited to "Capital Reserve Account" in the Statement of Assets and Liabilities as at 31st March, 2021. Further the Interest Liability on the above Loan/Debt amounting to Rs 1618.86 lakhs relating to the earlier years has also been written back to the Statement of Profit & Loss for the year under review and accordingly has been reflected as an Exceptional Item in the State-ment of Profit and loss for the year ended on 31st March,2021.
46. The out break of COVID-19 pandemic globally and in india caused significant dis-turbance and slowed down economic activity in general. The company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption possible. The company has as-sessed internal and external information upto the date of approval of the financial statements while reviewing the recoverability of assets, adequacy of financial resources, performance of contractual obligations, ability to service the debt, liabilities, etc. Based on such assessment, the company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts & obligations. Hence, the management does not envisage any material impact on its financial statements. Further, the company will continue to closely monitor any material changes to future economic conditions. As the COVID-19 situation continues to evolve in india and globally, the impact on future op-erations would depend upon how the uncertainties associated with pandemic's nature and duration unfold.

47 IND AS 115- Illustrative disclosures

The Company has recognised the following amounts relating to revenue in the statement of profit or loss:

(Amount in in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Earnings Per Share :		
Revenue from contracts with customers	50,191.98	48,933.95
Total revenue	50,191.98	48,933.95

Revenue is recognized upon transfer of control of products to customers

Notes forming part of the Standalone Financial Statements

(a) Disaggregation of revenue from contract with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount in ₹ in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from		
- Outside India	1,048.53	294.10
- In India	49,143.45	48,639.85

No Single customer contributed 10% or more to the company's revenue for 2020.21 and 2019-20.

(b) Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities

(Amount in ₹ in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Contract Assets	1,358.25	2,414.12
Total contract assets	1,358.25	2,414.12
Contract liability	465.11	259.21
Total contract liabilities	465.11	259.21

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

(Amount in ₹ in lakhs)

NOTE NO -48 TAX RECONCILIATION	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Income taxes recognised in Statement of Profit and Loss		
Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
	-	-
Deferred tax(credit) /Charged	9,827.52	2,846.71
Total income tax expense recognised in respect of continuing operations	9,827.52	2,846.71

Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in ₹ in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Profit before taxes	4,662.43	1,398.01
Enacted tax rate in India	25.168%	34.944%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	1,173.44	488.52
Non deductible expenses for Tax Purpose	353.00	526.00
Deductible Expenses for Tax purposes	1526.44	1014.52
Effect of:		
Deferred tax(credit) /Charged	9,827.52	2,846.71
Income taxes recognised in the Statement of Profit and Loss	9,827.52	2,846.71

The tax rate used for the 2020-21 22% plus surcharge @ 10% and cess @ 4% and 2019-20 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Income tax recognised in other comprehensive income

(Amount in ₹ in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	4.27	7.21
Total income tax recognised in other comprehensive income	4.27	7.21
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	4.27	7.21
Income tax recognised in other comprehensive income	4.27	7.21

Note: Deferred tax liability has been calculated using effective tax rate for 2020-21 is 25.168 % and 2019-20 is 34.944%

Components of deferred tax assets and liabilities

(Amount in ₹ in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
(A) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	524.72	1,267.20
Unabsorbed loss	10,604.95	20,463.35
	11,129.67	21,730.55
(B) Deferred tax Liabilities		
Difference between book and tax depreciation	1,312.93	2,082.02
	1,312.93	2,082.02
Deferred Tax Assets (Net)	9,816.74	19,648.53

Notes forming part of the Standalone Financial Statements

49. The Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-grouped / rearranged, wherever necessary to make them comparable with those of current year.
50. The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has accordingly recognized Provision for Income tax for the year ended 31st March, 2021 and re-measured its net Deferred Tax Assets and Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit and Loss for the year ended 31st March, 2021.
51. The financial statements were authorized for issue by the directors on 30th June 2021.

The accompanying Notes 1 to 51 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN: : 21040230AAAAHD9631
Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[G.M.Shaikh]
Independent Director
(DIN- 00367186)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Independent Auditors' Report

To the Members of
SHAH ALLOYS LIMITED
Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated IND AS Financial Statements of **M/s SHAH ALLOYS LIMITED** ("the Holding Company"), and its Associate (the Holding Company and its Associate together referred to as 'the Group'), which comprise the Consolidated balance sheet as at March 31, 2021, and the Consolidated statement of profit and loss (including other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, and based on the other financial information of the Associate, the aforesaid Consolidated IND AS Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India of the Consolidated state of affairs (Consolidated financial Position) of the Group as at March 31, 2021, and its Consolidated losses (Consolidated financial performance including other comprehensive income), its Consolidated Cash flows and Consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. For the Year ending on 31st March ,2021, the holding company has discontinued to make the provision of interest on loans from banks (excluding on the settlement entered with ARCs for specific loans which are assigned to them and also on the loans which are time barred under the law of limitation).Had the holding company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March, 2021, the loss for the year would have been higher by Rs 146.61 lacs and current liabilities would have been higher to that extent. (Refer Note No 33 of notes forming part of consolidated IND AS financial statements)
2. The Holding Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2021. (Refer Note No 43 of notes forming part of Consolidated IND AS financial statements)
3. The Holding Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2021. (Refer Note No 44 of notes forming part of Consolidated IND AS financial statements)

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

Material Uncertainty Related to Going Concern

The Holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, in the view of the management, the Holding Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Holding Company have been prepared on a "going concern basis". (Refer Note no 41 of notes forming part of Consolidated Ind AS financial statements)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate Consolidated IND AS Financial Statements and on the other financial information of the Associate were of most significance in our audit of the consolidated IND AS Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated IND AS Financial Statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter:

Description of Key audit Matter	Our response and results
<p>Litigations and claims (refer note no. 37 of consolidated financial statements).</p> <p>The cases are pending with multiple tax authorities like Service tax, and Excise, and there are claims against the Holding company which have not been acknowledged as debt by the Holding company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the Holding company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the Consolidated Ind AS financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the Consolidated Ind AS financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the Holding company's management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/ response including on the claims lodged by customers were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the Consolidated Ind AS financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the Consolidated Ind AS financial statements.</p>

Emphasis of Matter

1. The Holding company has regarded the Loan/Debt of one Bank and one Financial Institutions in respect of which no claim for recovery of either Interest or Principal has been made since more than last 10 fiscal years as no longer payable . Thus, the Holding company has identified such Loan/Debt of Rs. 1642.78 Lakhs as no longer payable and the same has been credited to "Capital Reserve Account" in the Statement of Assets and Liabilities as at 31st March, 2021. Further the Interest Liability on the above Loan/Debt amounting to Rs 1618.86 lakhs relating to the earlier years has also been written back to the Statement of Profit & Loss for the year under review and accordingly has been reflected as an Exceptional Item in the Statement of Profit and loss for the year ended on 31st March,2021. (Refer Note No 45 of notes forming part of Consolidated IND AS financial statements)
2. The Holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the management, the Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the financial results of the Holding Company have been prepared on a "going concern basis". (Refer Note No 41 of notes forming part of consolidated IND AS financial statements)
3. The financial results describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard - 108 'Operating Segments' by the associate company . As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the consolidated financial results due to non disclosure. (Refer Note No 47 of notes forming part of Consolidated IND AS financial statements)

Our opinion is not modified in the above matters

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated IND AS Financial Statements and our auditor's report thereon.

Our opinion on the consolidated IND AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated IND AS Financial Statements, our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the consolidated IND AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated IND AS Financial Statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated Profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS Financial Statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets 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 Consolidated IND AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These Consolidated IND AS Financial Statements have been used for the purpose of preparation of the consolidated IND AS Financial Statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated IND AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated IND AS Financial Statements, including the disclosures, and whether the consolidated IND AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated IND AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the Holding company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and except for the matters described in the Basis for Qualified opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated IND AS Financial Statements,
 - b. Except for the possible effects of the matter described in the Basis for Qualified opinion, paragraph above, In our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books .
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. Except for the possible effects of the matter described in Basis of Qualified opinion paragraph In our opinion, the aforesaid standalone Consolidated IND AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e. On the basis of written representations, received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding and the reports of the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on March 31,2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, & its Associate covered under the Act, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report express an unmodified opinion on the adequacy and operating effectiveness of the Holding Company & its Associate's internal financial control over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Consolidated IND AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note No 37 to the Consolidated IND AS Financial Statements.)
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Associate company during the year ended 31st March 2021.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAAHD9631
Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place:Ahmedabad
Date: 30/06/2021

Annexure A to the Independent Auditor's Report off Even Date to the Members of Shah Alloys Limited on the Consolidated Ind AS financial Statements for the year ended on 31st March,2021**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Ind AS financial statements of M/s Shah Alloys LIMITED ("the Holding Company") and its associates (the Holding company and its associates together referred to as the Group) as at and for the year ended 31st March 2021, We have audited the internal financial controls over financial reporting of the Holding company and its associates ,which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its associate company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding company and its associate as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate which are companies covered under the Act, have, 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 31st March 2021, based on the internal control over financial reporting criteria established by the Holding Company and its associate as aforesaid, 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: Ahmedabad
Date: 30/06/2021

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAAHD9631
Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Consolidated Balance Sheet as at 31st March, 2021

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	As At 31.03.2021	As At 31.03.2020
ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	9322.90	10620.07
b) Capital work-in-progress	2	900.50	900.50
c) Financial Assets			
(i) Investments	3	-	-
(ii) Trade receivables	4	-	-
(iii) Loans		-	-
d) Deferred tax Assets (net)	5	9816.73	19648.53
e) Other non-current assets	6	986.16	780.45
2) Current assets			
a) Inventories	7	7068.33	8529.19
b) Financial Assets			
(i) Trade receivables	8	1358.25	2414.12
(ii) Cash and cash equivalents	9	160.13	23.75
c) Loans	10	5.71	17.83
d) Other Financial assets	10A	6.17	-
d) Other current assets	11	840.10	195.91
TOTAL ASSETS		30464.98	43130.35
EQUITY & LIABILITIES			
EQUITY:			
a) Equity Share capital	12	1979.75	1979.75
b) Other Equity	13	-7447.75	-3773.62
LIABILITIES :			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7488.98	17023.23
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1838.13	1591.65
(b) Provisions	16	161.57	151.43
(c) Non-current liabilities	17	-	-
(d) Other non-current liabilities		-	-
2) Current liabilities			
(a) Borrowings	17A	1500.00	-
(b) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		13039.10	14541.45
(c) Other financial liabilities	19	10323.02	9620.41
(d) Other current liabilities	20	718.93	1088.40
(e) Provision for Employee Benefits	21	863.25	907.65
Total Equity and Liabilities		30464.98	43130.35

The accompanying Notes 1 to 54 are integral part of these Consolidated IndAS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN: 21040230AAAHD9631
Sd/-

CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[G.M.Shaikh]
Independent Director
(DIN : 00367186)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021
(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	Year ended 31st March,2021	Year ended 31st March,2020
I Revenue from Operations	22	50191.98	48933.95
II Other Income	23	2470.68	97.45
III Total Income (I +II)		52662.66	49031.40
IV Expenses:			
Cost of Materials Consumed	24	32093.40	35752.90
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	25	2442.95	68.48
Employee Benefits Expense	26	2019.23	2111.63
Finance Costs	27	162.59	45.40
Depreciation and Amortization Expense		1296.70	1297.91
Other Expenses	28	12018.74	16571.93
Total Expenses (IV)		50033.61	55848.25
V Profit before tax and Exceptional Item (III- IV)		2629.05	-6816.85
VI Exceptional Item (Refer Note No 45)		1618.86	9198.21
VII Profit before tax (V+VI)		4247.91	2381.36
VIII Tax expense :			
(1) Current Tax		-	-
(2) Deferred Tax		9827.52	2846.71
Total Tax Expenses (VIII)		9827.52	2846.71
IX Profit for the period (VII -VIII)		-5579.61	-465.35
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-16.97	-20.64
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.27	7.21
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (X)		-12.70	-13.43
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)		-5566.91	-451.92
XII Earnings per equity share (Face Value of Rs 10/- each)			
Basic & Diluted	29	-28.18	-2.35

The accompanying Notes 1 to 54 are integral part of these Consolidated IndAS Financial Statements.
As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN: 21040230AAAHD9631
Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June,2021

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Shah Alloys Limited

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[G.M.Shaikh]
Independent Director
(DIN : 00367186)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2021

(Amount ₹ in Lakhs)

PARTICULARS	2020-21		2019-20	
	Amount in ₹		Amount in ₹	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax		4,264.88		2,402.00
Adjustments for :				
Depreciation	1,296.70		1,297.91	
Loss / (Profit) on Sale of Assets	0.19		-	
Interest expenses	162.59		45.40	
Interest Reversal	(1,618.86)		(9,198.21)	
Interest Income	(45.52)		(18.53)	
		(204.91)		(7,873.42)
		4,059.97		(5,471.42)
Operating Profit Before Working Capital Changes				
Adjustments for :				
Trade and other receivables	417.64		1,070.70	
Inventories	1,460.86		3,981.62	
Trade Payable and others (including non current liabilities)	(1,659.61)		3,631.07	
		218.89		8,683.39
Cash Generated From Operations		4,278.86		3,211.98
Direct Taxes Paid				
Net Cash from Operating Activities before Extra Ordinary Items		4,278.86		3,211.98
Extra-ordinary Items				
Changes in non current assets	(205.71)		(316.03)	
Interest Reversal	1,618.86		9,198.21	
Provision for diminution in value of long term investments	-		-	
		1,413.17		8,882.19
Net Cash from Operating Activities after Extra Ordinary Items(A)		5,692.03		12,094.16
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed assets	-		-	
Sale of Fixed Assets	0.28		-	
Interest Income	45.52		18.53	
Net Cash from Investing Activities(B)		45.80		18.53
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term and Short Term Borrowings (Net)	(5,438.86)		(12,078.70)	
Interest Paid	(162.59)	(5,601.45)	(45.40)	(12,124.10)
Net Cash from Financing Activities(C)		(5,601.45)		(12,124.10)
Net Increase in Cash and Equivalent.(A+B+C)		136.38		(11.41)
Cash And Cash Equivalents as at the Beginning of the year		23.75		35.16
Cash And Cash Equivalents as at the Close of the year		160.13		23.75

Consolidated Cash Flow Statement for the year ended 31st March 2021 (Contd.)

Note:

As per our Report of even date

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

S.No. Particulars	(Amount in Lakhs)	
	As At 31.03.2021	As At 31.03.2020
Cash and Bank Balances:		
a) Balances with banks (in Current Accounts)	160.01	23.37
b) Cash on Hand	0.12	0.38
Total	160.13	23.75

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN: 21040230AAAAHD9631
Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[G.M.Shaikh]
Independent Director
(DIN : 00367186)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in ₹ in lakhs)

Particulars	
Balance as at 1st April 2020	1979.75
Changes during the year	-
Balance as at 31st March, 2021	1979.75

Other Equity as at 1st April 2019

(Amount in ₹ in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium Reserve	Capital Reserve	Other Comprehensive income	Retained Earnings	Total
Balance at the beginning of the reporting period	6,000.00	502.61	39,006.18	41.31	(64027.06)	(18,559.58)
Addition During the year	(5,400.00)	-	15,237.88	(13.43)	5,400.00	15,251.31
Profit for the year	-	-	-	-	(465.35)	(465.35)
Balance at the end of the reporting period	600.00	502.61	54,244.06	27.88	(59,092.41)	(3,773.62)

Other Equity as at 1st April 2020

(Amount in ₹ in lakhs)

Particulars	Debenture Redemption Reserve	Securities Premium Reserve	Capital Reserve	Other Comprehensive income	Retained Earnings	Total
Balance at the beginning of the reporting period	600.00	502.61	54,244.06	27.88	(59,092.41)	(3,773.62)
Addition During the year	(600.00)	-	1,892.78	(12.70)	600.00	1,905.48
Profit for the year	-	-	-	-	(5,579.61)	(5,579.61)
Balance at the end of the reporting period	-	502.61	56,136.84	15.18	(64,072.02)	(7,447.75)

The accompanying Notes 1 to 54 are integral part of these Consolidated Ind AS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
 (Firm Regn.No.107525W)
 UDIN: 21040230AAAAHD9631
 Sd/-
CA Dr. Hiten Parikh
 Partner
 Membership No.040230
 PLACE : AHMEDABAD
 DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-
[Rajendra V Shah]
 Chairman
 (DIN : 00020904)
 Sd/-
[G.M.Shaikh]
 Independent Director
 (DIN : 00367186)

Sd/-
[Ashok Sharma]
 Whole Time Director & C F O
 (DIN : 0038360)
 Sd/-
[Vinay Kumar Mishra]
 Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021:**DISCLOSURE OF ACCOUNTING POLICIES****1.1 CORPORATE INFORMATION**

The Holding Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The Holding company is engaged in manufacturing and sale of Wide range of Stainless Steel, Alloys & Special Steel, Carbon / Mild Steel in Flat and Long products. The Holding Company presently has manufacturing facilities at Santej, District : Gandhinagar (Gujarat)

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Holding Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 - 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the Consolidated financial statements.

The consolidated financial statements are presented in Indian Rupees in Lakhs. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

1.2 USE OF ESTIMATES :

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013)
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

Notes forming part of the Consolidated Financial Statements

- vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
- Buildings - 30 to 60 years
 - Plant and Equipments - 15 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
 - Others - Computer Hardware 3 to 6 years

1.4 INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) Intangible assets are amortised on straight-line method as follows :
 - Computer Software - 5 years
- iv) At each balance sheet date, the Holding Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 Revenue Recognition

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Holding Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Holding Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss are excluding, returns, trade discounts, cash discounts, Goods & Service Tax.
- iii) Services: Revenue from Services are recognized as and when the services are rendered.
- iv) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) Export Benefits are accounted on accrual basis.
- vi) Government Grant/ Refunds are accounted for as and when received.

1.6 EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Holding Company pays provident fund contributions to publicly administered provident funds as per local regulations. The holding Company has no further payment obligations once the contributions have been paid.

Notes forming part of the Consolidated Financial Statements

1.7 Valuation of Inventories

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts are valued at cost; and of those in transit and at port related to these items are valued at cost.
- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value.

1.8 Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Holding Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank,

cash/cheques in hand and short term investments with an original maturity of three months or less.

1.9 FINANCIAL ASSETS:

- i) The Holding Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.
- ii) Trade receivables represent receivables for goods sold by the Holding Company upto the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Holding Company has transferred the rights to receive cashflows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.
- v) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current /Long-term investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-current investments are at lower of cost or market value on individual investment basis.

1.10 FINANCIAL LIABILITIES:

- i) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- ii) Borrowings are classified as current liabilities unless the holding company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iii) Trade Payables represent liabilities for goods and services provided to the holding Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially and subsequently measured at amortized cost.
- iv) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes forming part of the Consolidated Financial Statements**1.11 FAIR VALUE MEASUREMENT:**

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Holding Company.
- ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv) The holding Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.12 FOREIGN CURRENCY TRANSACTIONS:

- i) The Holding Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.
- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Holding Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

1.13 BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

1.14 ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.
- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any un used tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward un used tax credits and un used tax losses can be utilized.
- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that

Notes forming part of the Consolidated Financial Statements

have been enacted or substantively enacted at the reporting date.

- v) Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Holding Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted nor disclosed.

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Holding Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Holding Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

- i) A related party is a person or entity that is related to the reporting entity preparing its consolidated financial statements
 - (a) A person or a close member of that person's family is related to reporting entity if that person;
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is member of the key management personnel of the reporting entity or of a parent of the reporting entity.
 - (b) An entity is related to a reporting entity if any of the following conditions applies;
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in Has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services

Notes forming part of the Consolidated Financial Statements

to the reporting entity or to the parent of the reporting entity.

- ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

- iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Consolidated Financial Statements.

1.18 EARNINGS PER SHARE:

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

1.19 LEASE**Operating Lease****As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Holding Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

1.20 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Holding Company operates ("the functional currency") is Indian Rupee (Rs) in which the company primarily generates and expends cash. Accordingly, the Management of the holding company has assessed its functional currency to be Indian Rupee (Rs).

Notes forming part of the Consolidated Financial Statements

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortized over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management of the holding company reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortization to be recorded during any reporting period. The depreciation/amortization for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortized/depreciable amount is charged over the remaining useful life of the assets.

(ii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the holding company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognized. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Holding Company has tax losses carried forward on which deferred tax asset is created, based on probability that future profits will be available against which the deductible temporary difference can be realized.

(iv) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Holding Company.

(v) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. for the effects of all dilutive potential equity shares.

Notes forming part of the Consolidated Financial Statements

Note No -2 Property, Plant and Equipment

TANGIBLE ASSETS :

(Amount in ₹ in lakhs)

Particulars	Freehold Land	Factory Building	Office Building	Plant and Machinery	Laboratory Equipments	Vehicles	Office Equipments	Furniture & Fixtures	TOTAL
Cost of Assets									
As at 1st April 2019	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2020	689.99	2,276.72	326.92	51,672.69	49.17	306.10	210.23	197.24	55,729.05
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	-9.26	0.00	0.00	-9.26
As at 31st March 2021	689.99	2,276.72	326.92	51,672.69	49.17	296.84	210.23	197.24	55,719.79
Depreciation									
As at 1st April 2019	0.00	1219.27	59.04	41808.17	46.71	290.79	199.72	187.38	43,811.07
Charge for the year 2020	0.00	64.00	5.16	1228.76	0.00	0.00	0.00	0.00	1,297.91
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2020	0.00	1283.27	64.20	43036.93	46.71	290.79	199.72	187.38	45,108.98
Charge for the year 2021	0.00	64.00	5.16	1227.55	0.00	0.00	0.00	0.00	1,296.70
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	-8.80	0.00	0.00	-8.80
As at 31st March 2021	0.00	1,347.26	69.36	44,264.48	46.71	281.99	199.72	187.38	46,396.89
Net Block									
As at 31st March 2020	689.99	993.45	262.72	8,635.76	2.46	15.31	10.51	9.86	10,620.07
As at 31st March 2021	689.99	929.46	257.56	7,408.21	2.46	14.85	10.51	9.86	9,322.90

CAPITAL WORK IN PROGRESS	31.03.2021	31.03.2020
Plant & Machinery	900.50	900.50
Total	900.50	900.50

Notes:

- 1) Cost of Fixed Assets and pre-operative expenses, being technical matter, are capitalized or allocated to Capital work in progress on the basis of data certified by technical person & the Management
- 2) Borrowing cost includes interest and other bank charges to the extent that they are regarded as an adjustment to interest costs which are directly related to the acquisition & construction of a qualifying asset.

(Amount in ₹ in lakhs)

NOTE NO : 3 Investments:	As at March 31, 2021	As at March 31, 2020
Trade Investments		
Quoted		
Investment in Equity instruments of Associate Company	3994.96	3994.96
3,02,56,989 Equity shares of Face value Rs 10/- each in SAL Steel Limited (P.Y: 3,02,56,989 Equity shares)		
Less : Provision for Diminution in value of Investment	3060.02	3474.54
TOTAL	934.94	520.42
Less : Share of Loss of Associate	934.94	520.42
TOTAL	-	-

Aggregate amount of Quoted Investment and Market Value Rs 934.94 Lakhs as at 31st March 2021 (P.Y. Rs 520.42 Lakhs)

NOTE NO : 4	As at	As at
Trade Receivables :	March 31, 2021	March 31, 2020
Non-current Trade Receivable		
Unsecured, considered Doubtful	20.82	10.84
Less : Allowance for Credit Loss	20.82	10.84
TOTAL	-	-

(Amount in ₹ in lakhs)

NOTE NO : 5	As at	As at
Deferred tax Assets (Net)	March 31, 2021	March 31, 2020
Deferred tax Assets (Net)	9816.74	19648.53
TOTAL	9816.74	19648.53
DEFERRED TAX ASSETS		
Unabsorbed Depreciation and Business Loss	10604.95	20463.35
On account of disallowances under the Income tax act, 1961	524.72	1267.20
Gross deferred tax asset (A)	11129.67	21730.55
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	1312.93	2082.02
Gross deferred tax liability (B)	1312.93	2082.02
Net Deferred tax (A-B)	9816.74	19648.53

(Amount in ₹ in lakhs)

NOTE NO : 6	As at	As at
Other non-current assets :	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
(a) Loans & Advance Recoverable in cash or in kind	77.48	77.48
(b) Security Deposit	507.27	304.50
(c) Advances to Supplier	9.46	9.46
(d) Advance Income Tax , TDS & TCS	25.06	21.95
(e) Balance with Govt. Authorities	366.89	367.06
TOTAL	986.16	780.45

(Amount in ₹ in lakhs)

NOTE NO : 7	As at	As at
Inventories :	March 31, 2021	March 31, 2020
(Inventories are taken, valued and certified by the management)		
(a) Raw Materials	1629.01	757.15
(b) Work in progress	2420.16	2319.56
(c) Finished goods	2408.73	4952.28
(d) Stores and spares	610.43	500.20
TOTAL	7068.33	8529.19

NOTE NO : 8	As at	As at
Trade receivables :	March 31, 2021	March 31, 2020
Un Secured, considered good	1358.25	2414.12
TOTAL	1358.25	2414.12

(Amount in ₹ in lakhs)

NOTE NO : 9	As at	As at
Cash and cash equivalents	March 31, 2021	March 31, 2020
(a) Balances with Scheduled Banks		
On current Account	160.01	23.37
(b) Cash on hand	0.12	0.38
TOTAL	160.13	23.75

(Amount in ₹ in lakhs)

NOTE NO : 10	As at	As at
Loans	March 31, 2021	March 31, 2020
Loans & Advance Recoverable in cash or in kind	5.71	17.83
	5.71	17.83

(Amount in ₹ in lakhs)

NOTE NO : 10A	As at	As at
Other Financial assets :	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
Security Deposit	6.17	-
TOTAL	6.17	-

(Amount in ₹ in lakhs)

NOTE NO : 11	As at	As at
Other current assets :	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
Balance with government authorities	464.17	75.13
Advance to Suppliers	374.89	119.78
Prepaid Expenses	1.04	1.00
	840.10	195.91

(Amount in ₹ in lakhs)

NOTE NO : 12	As at	As at
Share Capital :	March 31, 2021	March 31, 2020
Authorised :		
3,50,00,000 Equity Shares of Rs 10/- each		
(Previous year : 3,50,00,000 Equity Shares of Rs 10/- each)	3500.00	3500.00
	3500.00	3500.00
Issued & Subscribed and Paid up :		
1,97,97,540 Equity Shares of Rs.10/- each fully paid up		
(Previous year : 1,97,97,540 Equity Shares of Rs.10/- each fully paid up)	1979.75	1979.75
	1979.75	1979.75

a) Reconciliation of number of shares:

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Shares outstanding at the beginning of the year	1 97 97 540	1979.75	1 97 97 540	1979.75
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	1 97 97 540	1979.75	1 97 97 540	1979.75

b) Rights, Preferences and restrictions attached to shares

Equity shares:

The holding company has one class of equity share having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Mr. Rajendra V. Shah #	94 44 364	47.71%	94 44 364	47.71%
Mrs. Ragini R. Shah	11 46 006	5.79%	11 46 006	5.79%

including 7.74 % shares held as Karta of HUF

(Amount in in lakhs)

NOTE NO : 13	Amount		Amount	
Other Equity :	31.03.2021		31.03.2020	
Securities Premium Account				
Opening Balance	502.61		502.61	
Add : Addition during the year	-		-	
		502.61		502.61
Capital Reserve				
Opening Balance	54244.06		39006.18	
Add : Addition during the year	1892.78		15237.88	
		56136.84		54244.06
Debenture Redemption Reserve:				
Opening Balance	600.00		6000.00	
Less : Transfer to Retained Earnings	-600.00	-	-5400.00	600.00
Retained Earnings				
Balance Brought Forward From Previous Year	-59092.41		-64027.06	
Add : Transfer From Debenture Redemption Reserve	600.00		5400.00	
	-58492.41		-58627.06	
Add: Profit/(Loss) for the year	-5579.61	-64072.02	-465.35	-59092.41
Other Comprehensive Income/(Expenses)				
Re-measurement of the defined benefit plans				
Opening Balance	27.88		41.31	
Add: Addition during the year	-12.70		-13.43	
Closing Balance		15.18		27.88
TOTAL		-7447.75		-3773.62

Notes forming part of the Consolidated Financial Statements

Purpose of Reserve

Security Premium : Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings : Retained Earnings are the profits and gains that the holding Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Capital Reserve : The holding Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

(Amount in ₹ in lakhs)

NOTE NO : 14 Borrowings :	As at March 31, 2021		As at March 31, 2020	
(A) SECURED :				
Term Loans				
a) From Banks	-		-	
b) From Financial Institutions	7121.25	7121.25	16655.50	16655.50
(B) UNSECURED:				
Loans & Advances from related parties				
- From Director		367.73		367.73
TOTAL		7488.98		17023.23

(A) SECURED :

Term Loan from Bank / Financial Institution:

First Mortgage and charge on the holding company's all immovable and movable properties (other than working capital assets), both present and future, ranking pari-passu with all term lenders.(except Punjab National Bank's Corporate loan which has exclusive charge on 26,00,000 shares of Shah Alloys Limited. Thus First charge on fixed assets is not extended to Punjab national bank over the Corporate loan) Second charges on WC assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all CDR lenders except for 26,00,000 shares on which Punjab national bank has exclusive charge . Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

(a) Terms of repayment for term loans are as set out below :

(Amount in ₹ in lakhs)

Particulars / Financial Year	2021-22	2022-23	2023-24
Term Loans from Financial Institution	7799.25	6194.75	926.50
Total	7799.25	6194.75	926.50

Notes forming part of the Consolidated Financial Statements

b) Period and Amount of default as on the Balance sheet

The company has made a default in repayment as follows:

(Amount in ₹ in lakhs)

Particulars	Period to which default relates	Default in repayment of principal	Period of default (Days)	Default in payment of interest	Period of default (Days)
Rupee Term Loan From Bank	2011-12	124.63	3285-3561	119.65	3285-3622
	2012-13	149.56	2920-3196	119.65	2920-3257
	2013-14	149.56	2555-2831	119.65	2555-2892
	2014-15	149.56	2190-2466	119.65	2190-2527
	2015-16	149.56	1825-2101	119.65	1825-2162
	2016-17	149.56	1460-1736	119.65	1460-1796
	2017-18	149.56	1095-1370	-	(*)
	2018-19	149.56	730-1005	-	(*)
Funded Interest Term Loan	2019-20	24.92	365-640		(*)
	2010-11			22.86	3651-3895
	2011-12			22.86	3286-3530
	2012-13			22.86	2921-3165
	2013-14	44.94	2555-2646	22.86	2556-2800
	2014-15	89.88	2190-2281	22.86	2191-2435
	2015-16	89.88	1825-1916	22.86	1826-2069
	2016-17	89.88	1460-1551	22.86	1461-1704
2017-18	89.89	1095-1186	-	(*)	
2018-19	44.94	730-821		(*)	
TOTAL		1645.87		877.89	

(*) Refer Note No 33 of Notes forming part of Consolidated Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 15 Trade Payable	As at March 31, 2021	As at March 31, 2020
Trade Payables	1838.13	1591.65
TOTAL	1838.13	1591.65

(Refer Note No.18a of Notes forming part of Consolidated financial Statement)

(Amount in ₹ in lakhs)

NOTE NO : 16 Long term provisions :	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	161.57	151.43
TOTAL	161.57	151.43

(Amount in ₹ in lakhs)

NOTE NO : 17 Non-current liabilities :	As at March 31, 2021	As at March 31, 2020
(a) Advances from Customer	-	-
(b) Other Liabilities	-	-
TOTAL	-	-

NOTE NO : 17A Borrowings	As at March 31, 2021	As at March 31, 2020
Unsecured		
Inter Corporate Deposits	1500.00	-
TOTAL	1500.00	-

(Amount in ₹ in lakhs)

NOTE NO : 18 Trade payables :	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No 18a)	13039.10	14541.45
TOTAL	13039.10	14541.45

(Amount in ₹ in lakhs)

NOTE NO : 18a	As at March 31, 2021	As at March 31, 2020
Trade Payables - Total outstanding dues of Micro & Small Enterprises*		
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the holding Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Notes forming part of the Consolidated Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 19	As at	As at
Other financial liabilities :	March 31, 2021	March 31, 2020
(a) Current maturities of long-term debt;	7799.25	3835.00
(b) Interest accrued and due on borrowings;	877.89	1552.65
(c) Unpaid Matured Debentures	-	1000.00
(d) Other Payables to Banks	1645.88	3232.76
TOTAL	10323.02	9620.41

(Amount in ₹ in lakhs)

NOTE NO : 20	As at	As at
Other Current Liabilities :	March 31, 2021	March 31, 2020
Advance from customers	465.11	259.21
Duties and taxes	253.82	476.80
Credit balance in current account with Schedule banks (Book over draft)	-	352.39
TOTAL	718.93	1088.40

(Amount in ₹ in lakhs)

NOTE NO : 21	As at	As at
Provision for Employee Benefits	March 31, 2021	March 31, 2020
-Gratuity	48.33	53.94
- Others	814.92	853.71
TOTAL	863.25	907.65

(Amount in ₹ in lakhs)

NOTE NO : 22	As at		As at	
I. Revenue from operations	March 31, 2021		March 31, 2020	
I. Sale of Products				
Direct Export Turnover	1048.53		294.10	
Domestic Turnover	49115.75	50164.28	48446.97	48741.07
II. Sale of service				
Technical Consultancy Service Income (TDS Nil P Y Rs 18.00 Lakhs)	-		180.00	
-Job work Income (TDS Rs 0.02 Lakhs PY Rs Nil)	1.46	1.46	-	180.00
III. Other Operating Revenues				
Export Incentives- Duty Draw Back		26.24		12.88
Total Revenue from operations		50191.98		48933.95

Notes forming part of the Consolidated Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 23	As at	As at
Other Income :	March 31, 2021	March 31, 2020
Interest Income (TDS Rs 3.41 Lakhs P Y Rs 1.55 Lakhs)	45.52	18.53
Foreign exchange fluctuation Gain (Net)	132.02	68.97
Sundry balances written back (Net)	43.79	-
Electricity Refund	2249.35	-
VAT Refund	-	9.96
TOTAL	2470.68	97.45

(Amount in ₹ in lakhs)

NOTE NO : 24	As at	As at
Cost of Materials Consumed:	March 31, 2021	March 31, 2020
Opening Stock of Raw Material	757.15	1367.82
Add : Purchases	32965.26	35142.22
	33722.41	36510.05
Less : Closing Stock of Raw Material	1629.01	757.15
TOTAL	32093.40	35752.90

NOTE NO : 25	Amount	31.03.2021	Amount	31.03.2020
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	in lakhs		in lakhs	
Opening Stock				
Finished Goods	4952.28		4354.52	
Stock-in-Progress	2319.56	7271.84	2985.80	7340.32
Less : Closing Stock				
Finished Goods	2408.73		4952.28	
Stock-in-Progress	2420.16	4828.89	2319.56	7271.84
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		2442.95		68.48

(Amount in ₹ in lakhs)

NOTE NO : 26	As at	As at
Employee benefits expenses	March 31, 2021	March 31, 2020
Salary & Bonus	1909.07	1991.72
Contribution to Provident Fund etc.	60.39	70.83
Staff welfare expenses	49.77	49.09
TOTAL	2019.23	2111.63

(Amount in ₹ in lakhs)

NOTE NO : 27	As at	As at
Finance Costs	March 31, 2021	March 31, 2020
Interest to Others	162.59	45.40
TOTAL	162.59	45.40

Notes forming part of the Consolidated Financial Statements

(Amount in ₹ in lakhs)

NOTE NO : 28	Amount	31.03.2021	Amount	31.03.2020
Other Expenses	in lakhs		in lakhs	
Stores & Spares Consumed :				
Opening Stock	500.20		3802.67	
Add : Purchases	5666.35		6463.16	
	6166.55		10265.83	
Less: Closing Stock	610.43	5556.12	500.20	9765.63
Power & fuel		4544.26		4671.01
Factory Labour expense		1025.66		1122.33
Factory Expenses		47.22		61.23
Repairs & Maintenance :				
Machinery	164.09		162.88	
Building	12.19		8.43	
Others	0.72	177.00	0.29	171.60
Selling costs		38.01		52.75
Packing Cost		4.90		6.63
Freight outward expenses		351.92		331.73
Travelling, Conveyance and Vehicle Expenses		24.33		36.98
Legal, Consultancy and Professional Fees		102.33		114.64
Miscellaneous expenses		35.91		32.40
Advertisement, Stationery and Communication		17.09		22.30
Payment to Auditors #		8.00		8.00
Rent		9.60		9.60
Rates and Taxes		31.59		144.10
Insurance		20.86		17.41
Bank Charges		3.12		3.57
Impairment Loss recognized / (reversed) under Expected Credit Loss Model in respect of Trade Receivables Provision for Bad debt		20.82		-
TOTAL		12018.74		16571.93

(Amount in in lakhs)

	As at March 31, 2021	As at March 31, 2020
As auditors - Statutory audit	8.00	8.00
For other Services	-	-
	8.00	9.25

(Amount in in lakhs)

NOTE NO : 29	Year Ended March 31, 2021	Year Ended March 31, 2020
Earnings Per Share :		
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year (Lakhs)	197.98	197.98
Number of Equity Shares allotted during the year (Lakhs)	0.00	0.00
Number of Equity Shares at the end of the year (Lakhs)	197.98	197.98
Weighted average number of equity shares		
Profit for the year (after tax, available for equity shareholders)	-5579.61	-465.35
Basic and Diluted Earnings Per Share in Rs.	-28.18	-2.35

Notes forming part of the Consolidated Financial Statements

30. Financial and derivative instruments**Capital Management**

The holding company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The holding company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

Disclosures

This section gives an overview of the significance of financial instruments for the holding Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes to consolidated financial statements.

(i) Categories of Financial Instruments

(Amount in Rs. in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	1358.25	2414.12
(ii) Cash and Cash Equivalents	160.13	23.75
(iii) Loans	5.71	17.83
(iv) Other financial assets	6.17	--
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	8988.98	17023.23
(ii) Trade Payables	14877.23	16133.10
(iii) Other Financial Liabilities	10323.02	9620.41

(ii) Fair Value Measurement

This note provides information about how the holding Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of consolidated financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet holding Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the holding Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a consolidated financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Consolidated Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Notes forming part of the Consolidated Financial Statements

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The holding Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The holding Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the holding Company.

Interest Rate Risk

The holding Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The holding Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The holding Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of consolidated financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the holding Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the holding Company can be required to pay. The contractual maturity is based on the earliest date on which the holding Company may be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount Rs in lakhs.)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2021				
Borrowings	1500.00	7488.98	--	8988.98
Trade Payables	13039.10	1838.13	--	14877.23
Other Financial Liabilities	10323.02	--	--	10323.02
Total	24862.12	9327.11	-	34189.23
As at 31st March, 2020				
Borrowings	--	17023.23	--	17023.23
Trade Payables	14541.45	1591.65	--	16133.10
Other Financial Liabilities	9620.41	--	--	9620.41
Total	24161.86	18614.88	-	42776.74

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The holding Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 4 and 8, as the holding Company does not hold collateral as security. The holding Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The holding Company has made assessment of Allowance for Credit Loss in respect of Trade Receivables. The holding Company has analysed its trade receivables for ageing analysis and grouped them accordingly and then applied ear wise percentage to calculate the amount of Allowance for Credit Loss in respect of the same.

Notes forming part of the Consolidated Financial Statements

Movement in the expected Allowance for Credit Loss in respect of Trade Receivables

(Amount in Rs.in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at beginning of the year	10.84	10.84
Add: Provided during the year	20.82	----
Less: Reversals of provision	10.84	---
Less: Amounts written back	---	----
Balance at the end of the year	20.82	10.84

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Movement in the expected Allowance for Credit Loss in respect of Trade Receivables

(Amount Rs.in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March,2021				
Loans	5.71	--	--	5.71
Other Financial Assets	6.17	--	---	6.17
Cash & Cash Equv	160.13	--	--	160.13
Trade Receivables	1358.25	--	--	1358.25
Total	1530.26	--	---	1530.26
As at 31st March,2020				
Loans	17.83	--	--	17.83
Cash & Cash Equv	23.75	--	--	23.75
Trade Receivables	2414.12	--	--	2414.12
Total	2455.70	--	--	2455.70

31. Disclosures Regarding Employee Benefits

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

Particulars	2018-19 (Amount Rs in Lakhs)	2017-18 (Amount Rs in Lakhs)
Employers contribution to provident fund	60.39	70.83

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the holding Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the

Notes forming part of the Consolidated Financial Statements

Gratuity Benefits will be paid earlier than expected.

(Amount in in lakhs)

Since there is no condition of vesting on the death benefit, the acceleration of

Cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than as-sumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees re-sign/retire from the company there can be strain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(iv) **Defined Benefit Cost**

(Amount in ₹in lakhs)

Particulars	For the year ended 31st March 2021 (Amount Rs in Lakhs)	For the year ended 31st March 2020 (Amount Rs in Lakhs)
Current Service Cost	40.41	42.11
Interest Expense on Defined Benefit Obligation (DBO)		
Defined Benefit Cost included in Profit and Loss	-	-
Remeasurements - Due to Financial Assumptions	-	(0.56)
Remeasurements - Due to Experience Assumptions	-	(2.66)
Remeasurements - Due to Experience Adjustments	(16.97)	(17.42)
Return on plan assets excluding amounts included in interest income		
Defined Benefit Cost included in Other Comprehensive Income	(16.97)	(20.64)
Total Defined Benefit Cost in Profit and Loss and OCI	23.44	21.47

Notes forming part of the Consolidated Financial Statements

(v) Movement in Defined benefit liability:

Particulars	For the year ended 31st March 2021 (Amount Rs in Lakhs)	For the year ended 31st March 2020 (Amount Rs in Lakhs)
Opening Defined Benefit Obligation	205.37	191.41
Interest Expense on Defined Benefit Obligation (DBO)	11.15	11.86
Current Service Cost	29.26	30.24
Total Remeasurements included in OCI	(16.97)	(20.64)
Less: Benefits paid	18.90	7.51
Less: Contributions to plan assets		
Closing benefit obligation	209.91	205.36
Current Liabilities of Closing benefit obligation	48.33	53.94
Non-Current Liabilities of Closing benefit obligation	161.58	151.42

(vi) Sensitivity Analysis of Defined Benefit Obligation:

	(Amount Rs in Lakhs)	
	2020-21	2019-20
(A) Discount rate Sensitivity		
Increase by 0.5%	204.18	199.92
(% change)	-2.73%	-2.65%
Decrease by 0.5%	215.97	211.14
(% change)	2.89%	2.81%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	215.15	211.11
(% change)	2.88%	2.80%
Decrease by 0.5%	204.15	199.89
(% change)	-2.74%	-2.67%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	209.03	204.59
(% change)	-0.42%	-0.38%
W.R. x 90%	210.79	206.16
(% change)	0.42%	0.38%

(vii) Actuarial assumptions:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount Rate (per annum)	6.25%	6.25%
Salary Growth Rate (per annum)	6.00%	6.00%
Withdrawal rate	30% at younger ages reducing to 5% at older ages	30% at younger ages reducing to 5% at older ages

(viii) The above details are certified by the actuary.

32. During the year under review the Holding company has received Electricity refund of Rs 2249.35 lakhs and the same has been credited to Other income in the Statement of Profit and loss account.
33. For the year ending on 31st March,2021, the holding company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding on the settlement entered with ARCs for specific loans which are assigned to them and also on the loans which are time barred under the law of limitation).amounting to Rs 146.61 lakhs.
34. The Holding Company's share of losses in the Associate has been recognized in the books of accounts to the extent of the carrying amount of the value of Investment. This is in accordance with Indian Accounting Standard 28, " Accounting for Investment in Associates and Joint Venture " which state that If Investor's share of losses in associate equal or exceed the carrying amount of investment, the investor discontinues recognizing its share of further losses and investment is reported at nil.

Notes forming part of the Consolidated Financial Statements

36. RELATED PARTY DISCLOSURES:

i) Concern where significant interest exists.

Sr. no	Name of the Concern	Nature of Relationship
1	SAL Steel Limited	Associate
2	SAL Corporation Pvt. Ltd	Enterprise with significant influence
3	SAL Care Pvt Ltd	Enterprise with significant influence
4	SAL Pharmacy (A Division of SAL Corporation Pvt. Ltd.)	Enterprise with significant influence
5	SAL Hospital & Medical Institute (A Division of SAL Care Pvt Ltd.)	Enterprise with significant influence
6	SAL Institute of Technical & Engineering Research (A Division of Adarsh Foundation)	Enterprise with significant influence
7	SAL Institute of Pharmacy (A Division of Adarsh Foundation)	Enterprise with significant influence
8	SAL Institute of Management (A Division of Adarsh Foundation)	Enterprise with significant influence
9	SAL College of Engineering (A Division of Adarsh Foundation)	Enterprise with significant influence

(RELATED PARTIES HAVE BEEN IDENTIFIED BY THE MANAGEMENT)

Key Management Personnel and Relatives

1	Mr. Rajendra V. Shah	Chairman
2	Mr. K. S. Kamath (till 23.01.2021)	Jt. Managing Director
3	Mr. Ashok Sharma	Whole Time Director & CFO
4	Mr. Vinay Kumar Mishra	Company Secretary

(a) Disclosure of Related Party Transactions

(Amount Rs In lakhs)

Sr No.	Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
		2020-21	2019-20	2020-21	2019-20
1	Purchase of goods & Services	12,352.94	13,699.67		
2	Purchase of Power	2,721.54	3,524.55		
3	Purchase of MEIS Licence	11.54	71.82		
4	Sales of Goods & Services	2,612.21	1,493.44		
5	Rent paid	9.60	9.60		
6	Interest Paid	66.88	9.48		
7	Loan Availed	2,095.00	300.00		
8	Loan Repaid	615.00	300.00		
9	Remuneration			28.96	31.90

Notes forming part of the Consolidated Financial Statements

iv) Disclosures of material transactions with related parties during the year:

Amount Rs in Lakhs				
S.N	Description	Related Parties	2020-21 (P Y 2019-20)	Balance outstanding as at 31/03/2021 (P Y 31.03.2020)
1	Purchase of Goods & Services	SAL Steel Ltd	12,352.88	7,845.57
			(13,699.54)	(11,216.67)
		SAL Pharmacy	0.06	26.67
			(0.13)	(26.61)
		SAL Hospital & Medical Institute	-	7.45
			(-)	(7.45)
2	Purchase of power	SAL Steel Ltd	2,721.54	-
			(3,524.55)	(-)
3	Purchase of MEIS Licence	SAL Steel Ltd	11.54	-
			(71.82)	(-)
4	Sales of goods & Services	SAL Steel Ltd	349.20	-
			(504.96)	(-)
		SAL Corporation Pvt.Ltd	2,263.00	68.42
			(988.48)	(134.86)
5	Rent paid	SAL Steel Ltd	9.60	-
			(9.60)	(-)
6	Interest Paid	SAL Care Pvt. Ltd	66.88	70.39
			(9.48)	(8.53)
7	Remuneration to Key Management Personnel	Mr. K S Kamath	10.48	-
			(12.92)	-
		Mr. Ashok Sharma	11.99	-
			(12.00)	-
		Mr. Vinay Kumar Mishra	6.49	-
		(6.98)	-	
8	Loan Availed	SAL Care Pvt. Ltd.	2,095.00	1,480.00
			(300.00)	(-)
		Mr. Rajendra V Shah	-	367.73
			-	(367.73)
9	Loan Repaid	SAL Care Pvt. Ltd.	615.00	-
			(300.00)	(-)

The remuneration of directors and other members of Key management personal during the year is as follows :

(Amount In lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Short term Benefits	28.96	31.90

36. Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	As at 31-03-2021	As at 31-03-2020
Advance Payment to Suppliers		
Rupees in Lakhs	86.16	56.05
US Dollar in Lakhs	1.20	0.78
Sundry Creditors for goods		
Rupees in Lakhs	0.30	-
US Dollar in Lakhs (USD 410)	-	-
Advance From Customers		
Rupees in Lakhs	24.12	-
US Dollar in Lakhs	0.32	-
Sundry Debtors		
Rupees in Lakhs	165.25	-
US Dollar in Lakhs	1.80	-
Euro in Lakhs	0.39	-

Notes forming part of the Consolidated Financial Statements

37. Contingent liabilities :

(1) Claims against the Company not acknowledged as debts

Particulars
1. Disputed Excise, Service Tax Demand Matter Under Appeal Rs 2009.74 Lakhs (P.Y.Rs 1999.63 Lakhs)
2. Claim against the company not acknowledged as debt - Claim by parties Rs 26509.56 Lakhs (P.Y 26509.56 Lakhs) Bank / Financial Institutions Rs.73140.68 Lakhs (P Y Rs 73140.68 Lakhs)

Note:

(a) It is not practicable for the company to estimate the timings of cash out-flows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.

(b) The holding Company has reviewed all its pending litigations and pro-ceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(2) Corporate Guarantee given to consortium Bank for SAL Steel Ltd. Rs 20750.00 Lakhs (P.Y. Rs 20750.00 Lakhs)

38. Certain Balance of Creditors, Loans & Advances are non- moving / sticky . However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.

39. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

40. The holding company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.

41. The holding Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the holding Company's ability to continue as a going concern. However, in the view of the management, the holding Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future and therefore the consolidated financial results of the holding Company have been prepared on a "going concern basis".

42. The holding company,s operation falls under single segment namely " IRON & STEEL- "and hence segment information as required by INDAS 108 "Operating Segment is not applicable. All assets are located in the company's country of domicile)

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount in ₹in lakhs)

Particulars	For the Year Ended	For the Year Ended
	March 31, 2021	March 31, 2020
Revenue from		
- Outside India	1048.53	294.10
- In India	49153.45	48,639.85

No Single customer contributed 10% or more to the holding company's revenue for 2020-21 and 2019-20.

43. The holding Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable.

44. The holding Company has not evaluated the provisioning requirement of a loss allowance on its consolidated financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the consolidated Financial Results is not identifiable.

45. The holding company has regarded the Loan/Debt of one Bank and one Financial Institutions in respect of which no claim for recovery of either Interest or Principal has been made since more than last 10 fiscal years as no longer payable. Thus, the holding company has identified such Loan/Debt of Rs. 1642.78 Lakhs as no longer payable and the

Notes forming part of the Consolidated Financial Statements

same has been credited to "Capital Reserve Account" in the Statement of Assets and Liabilities as at 31st March, 2021. Further the Interest Liability on the above Loan/Debt amounting to Rs 1618.86 lakhs relating to the earlier years has also been written back to the consolidated Statement of Profit & Loss for the year under review and accordingly has been reflected as an Exceptional Item in the consolidated Statement of Profit and loss for the year ended on 31st March, 2021.

46. The out break of COVID-19 pandemic globally and in india caused significant disturbance and slowed down economic activity in general. The holding compa-ny has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption possible. The holding company has assessed internal and external information upto the date of approval of the consolidated financial statements while reviewing the recoverability of assets, adequacy of financial resources, performance of contractual obligations, ability to service the debt, liabilities, etc. Based on such assessment, the company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts & obligations. Hence, the management does not envisage any material impact on its financial statements. Further, the company will continue to closely monitor any material changes to future economic conditions. As the COVID-19 situation continues to evolve in india and globally, the impact on future operations would depend upon how the uncertainties associated with pandemic's nature and duration unfold
47. The associate company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the associate company in its power plant is used for captive as well as trading purpose. In view of this, the associate company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Indian Accounting Standard - 108 'Operating Segments'. Reporting. However, due to substantial competition, risk, on-going position of associate Company and largely in the interest of the associate Company as well as interest of the stake holders involved, management has not made disclosure of Primary Reportable segment as per Indian Accounting Standard - 108 'Operating Segments'. All the assets are located in the associate company's country of domicile.

Revenue from sale of products represents revenue generated from external customers which is attributable to the associate company's country of domicile i.e. India and external customers outside India as under:

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from		
- Outside India	188.05	2,422.04
- In India	29,903.14	38,361.87

Single customer contributed 10% or more to the company's revenue for 2020-21 Amounting to Rs.15085.96 Lakh (Including GST) and in 2019-20 amounting to Rs. 17282.09 Lakh. (Including GST)

48. Holding company's accumulated share of losses in the Associate since the date of being an Associate till March 31, 2021 exceeds its investment value in shares of SAL Steel Limited (Associate). Hence Holding Company's Share of accumulated losses in the Associate completely reduces the Investment value and hence, adjustment of share of loss can be made to the carrying value of investment to the extent of the balance of Investment only in F Y 2020-21. This is in accordance with Indian Accounting Standard 28, " Accounting for Investment in Associates and Joint Venture " which states that If Investor's share of losses in associate equal or exceed the carrying amount of investment, the investor discontinues recognizing its share of further losses and investment is reported at nil value.
49. The holding Company has long term investment in the shares of SAL Steel Limited amounting to Rs 3,994.96 Lakhs. As there is no major movement in the prices of stock in share market. Such circumstances indicate that there is decline, other than temporary, in the value of a long term investment. And as a result, we have accounted for investment in shares of SAL Steel Ltd at market rate of shares @ Rs 3.09 per share reducing the value of investment to Rs. 934.94 Lakhs and provided for Rs.3060.02 Lakhs as diminution other than temporary in the value of investment in books of accounts.

50 IND AS 115- Illustrative disclosures

The holding Company has recognised the following amounts relating to revenue in the statement of profit or loss:

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from contracts with customers	50,191.98	48,933.95
Total revenue	50,191.98	48,933.95

Revenue is recognized upon transfer of control of products to customers

Disaggregation of revenue from contract with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the holding company's country of domicile i.e. India and external customers outside India as under:

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from		
- Outside India	1,048.53	294.10
- In India	49,143.45	48,639.85

No Single customer contributed 10% or more to the holding company's revenue for 2020-21 and 2019-20.

(b) Contract assets and liabilities

The holding Company has recognised the following revenue-related contract assets and liabilities

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contract Assets	1,358.25	2,414.12
Total contract assets	1,358.25	2,414.12
Contract liability	465.11	259.21
Total contract liabilities	465.11	259.21

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

(Amount in ₹in lakhs)

51 TAX RECONCILIATION	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Income taxes recognised in consolidated Statement of Profit and Loss		
Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
Deferred tax(credit) /Charged	9,827.52	2,846.71
Total income tax expense recognised in respect of continuing operations	9,827.52	2,846.71

Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in ₹ in lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Profit before taxes	4,247.91	2,381.36
Enacted tax rate in India	25.168%	34.944%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	1,069.11	832.14
Non deductible expenses for Tax Purpose	353.00	526.00
Deductible Expenses for Tax purposes	1,526.44	1,014.52
	-	-
Effect of:	-	-
Deferred tax(credit) /Charged	9,827.52	2,846.71
Income taxes recognised in the Statement of Profit and Loss	9,827.52	2,846.71

The tax rate used for the 2020-21 22% plus surcharge @ 10% and cess @ 4% and 2019-20 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Income tax recognised in other comprehensive income

(Amount ₹ in lakhs.)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	4.27	7.21
Total income tax recognised in other comprehensive income	4.27	7.21
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	4.27	7.21
Income tax recognised in other comprehensive income	4.27	7.21

Note: Deferred tax liability has been calculated using effective tax rate for 2020-21 is 25.168 % and 2019-20 is 34.944%

Components of deferred tax assets and liabilities

(Amount ₹ in lakhs.)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
(a) Deferred tax liabilities		
Disallowances of employee benefits u/s. 43B of the Income Tax	524.72	1,267.20
Unabsorbed loss	10,604.95	20,463.35
	11,129.67	21,730.55
(b) Deferred tax assets		
Difference between book and tax depreciation	1,312.93	2,082.02
	1,312.93	2,082.02
Deferred Tax Liabilities (Net)	9,816.74	19,648.53

52. The holding Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-grouped / rearranged, wherever necessary to make them comparable with those of current year.
53. The holding Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Or-dinance, 2019. The holding Company has accordingly recognized Provision for In-come tax for the year ended 31st March, 2021 and re-measured its net Deferred Tax Assets and Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the consolidated Statement of Profit and Loss for the year ended 31st March, 2021.
54. The financial statements were authorized for issue by the directors on 30th June 2021.

The accompanying Notes 1 to 54 are integral part of these Consolidated Ind AS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN: 21040230AAAAHD9631
Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June,2021

For and on behalf of the Board of Directors,
Shah Alloys Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[G.M.Shaikh]
Independent Director
(DIN : 00367186)

Sd/-
[Ashok Sharma]
Whole Time Director & C F O
(DIN : 0038360)
Sd/-
[Vinay Kumar Mishra]
Company Secretary



SHAH ALLOYS LTD.

If undelivered please return to

Corporate Office

Shah Alloys Corporate House, Sola-Kalol Road,
Santej, Ta. Kalol, Dist.-Gandhinagar- 382 721.

www.shahalloys.com

CIN: L27100GJ1990PLC014698