



SRB & Associates
CHARTERED ACCOUNTANTS

5TH FLOOR, IDCO TOWER, JANAPATH,
BHUBANESWAR - 751 022, ODISHA
TEL : 0674 - 2541043, 2545880
FAX : 91- 674 - 2546414
Email srbbsr@rediffmail.com

NEWDELHI : 011-51601983
KOLKATA : 033-30930975
SECUNDRABAD : 040-27510739

Independent Auditors' Report

To the members of Scan Steels Limited

Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of **Scan Steels Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the statement of Profit and Loss (including other comprehensive income) and the statement of cash flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

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





Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters that are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company



as at March 31, 2017, and its profits and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to

- i. Note No-2.5 to the financial statements which describes that the company has defaulted on debt payments to consortium lenders, due to unprecedented adverse developments witnessed by industry as a whole during the financial year.
- ii. Note No-2.6 to the financial statements which describes that the company has advance from customers for more than 365 days.
- iii. Note No-2.7 to the financial statements which describes on steps taken by the company for transition to Ind AS compliances.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A'; a statement on the matters specified in the paragraph 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.



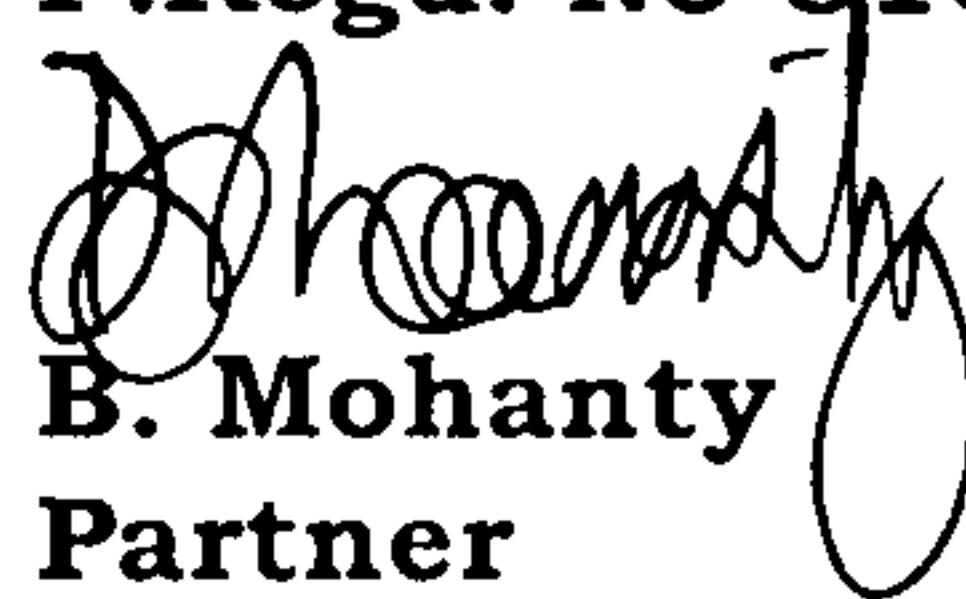
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014
- e. On the basis of the written representations received from the Directors as on 31st March 2017 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2017 from being appointed as a Director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B';
- g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer additional Note-2.1 to the Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses .
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the company.



- iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note-10 to the Ind AS financial statements.

30th May, 2017
Bhubaneswar,

For SRB & Associates
Chartered Accountants
F.Regd. No-310009E


B. Mohanty
Partner

M. No: 056264





Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of **Scan Steels Limited** (the Company) on the Ind AS financial statements for the year ended March 31, 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The deed of immovable properties are held in the name of the Company in almost all cases excepting for

(i.) Freehold land of 7.68 Acres situated in Village Raiberna and Laing, Sundergarh which is in the name of M/s. Shristi Ispat Limited, the company which was merged in to this company during 2005..

(ii.) Land of 14.88 Acres occupied by the company situated in Village-Kudithini, Bellary, Karnataka.

(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The discrepancies noticed on the aforesaid verification between the physical stocks and book records were not material.





- (ii) According to the information and explanations given to us, no loan has been granted by the Company (secured / unsecured loans) to companies/ firms/ limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly reporting on interest and its repayment are not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has accepted deposits from the public and complied in accordance with Chapter-VI (section 73 to 76) of the Act.
- (v) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.



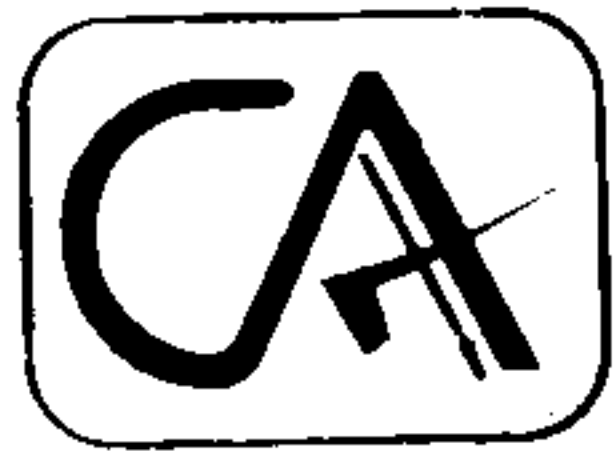


(b) According to the information and explanations given to us, the following dues of Customs Duty, Income Tax , VAT and Entry Tax have not been deposited by the Company on account of disputes:

STATEMENT OF DISPUTED DUES

SI No.	Name of the Statute	Period	Nature of Dues	Amount (Rs.)	Forum where dispute is pending
1	Orissa Sales Tax Act	2001-2002	OST	1,37,958	Sales Tax Tribunal,Cuttack
2	Entry Tax Act	2001-2002	ENTRY TAX	24,482	Sales Tax Tribunal,Cuttack
3	Orissa Sales Tax Act	2002-2003	OST	22,96,983	Assistant Commissioner of Commercial Tax,RKL
4	Orissa Sales Tax Act	2003-2004	OST	4,57,299	Assistant Commissioner of Commercial Tax,RKL
5	Entry Tax Act	2003-2004	ENTRY TAX	5,10,878	Assistant Commissioner of Commercial Tax,RKL
6	Orissa Sales Tax Act	2004-2005	OST	10,04,979	Assistant Commissioner of Commercial Tax,RKL
7	Entry Tax Act	2004-2005	ENTRY TAX	4,62,467	OST Tribunal, Cuttack
8	Orissa Sales Tax Act	2004-2005	OST	17,15,871	OST Tribunal, Cuttack





9	Entry Tax Act	2004-2005	ENTRY TAX	9,95,460	OST Tribunal, Cuttack
10	Orissa Sales Tax Act	2005-2006	OST	1,07,26,881	High Court of Odisha, cuttack
11	Entry Tax Act	2005-2006	ENTRY TAX	18,50,937	High Court of Odisha, cuttack
12	Central Sales Tax Act	2005-2006	CST	5,30,992	High Court of Odisha, cuttack
13	OVAT , Act	2006-2007	OVAT	1,07,38,853	High Court of Odisha, cuttack
14	Central Sales Tax Act	2006-2007	CST	1,61,83,731	High Court of Odisha, cuttack
15	Entry Tax Act	2006-2007	ENTRY TAX	33,51,331	High Court of Odisha, cuttack
16	OVAT , Act	2007-08 & 2008-09	OVAT	2,25,331	Additional CST Northern Zone
17	Entry Tax Act	2007-08 & 2008-09	ENTRY TAX	1,36,613	Additional CST Northern Zone
18	Central Sales Tax Act	2007-08 & 2008-09	CST	1,82,853	Additional CST Northern Zone
19	Central Sales Tax Act	01.08.2008 to 28.02.2011	CST	5,17,563	Additional CST Northern Zone
20	OVAT , Act	01.04.2009 to 31.03.2011	OVAT	2,98,363	Additional CST Northern Zone
21	Entry Tax Act	01.04.2009 to 31.03.2011	ENTRY TAX	9,04,748	Additional CST Northern Zone
22	OVAT , Act	01.08.2008 to 28.02.2011	OVAT	16,96,61,165	OST Tribunal, Cuttack / Stay Revision Commissioner
23	Entry Tax Act	01.08.2008 to 28.02.2011	ENTRY TAX	4,00,53,670	OST Tribunal, Cuttack / Stay Revision Commissioner
24	OVAT , Act	04.04.2012 to 31.03.2014	OVAT	3,48,051	Commissioner Cuttack , Revision





25	Entry Tax Act	01.04.2012 to 31.03.2014	ENTRY TAX	27,15,479	Commissioner Cuttack , Revision
26	Central Sales Tax Act	01.04.2012 to 31.03.2014	CST	6,52,117	Commissioner Cuttack , Revision
27	Central Sales Tax Act	01.04.2014 to 30.09.2015	CST	45,01,268	DCCT , Rourkela
28	Custom Act 1962	2012 & 2013	Custom Duty	1,38,48,914	Customs,Excise & Service Tax Appellate Tribunal, Bangalore
29	Income Tax act	2009-10 & 2011-12	Income Tax	88,93,575	The Commissioner of Income Tax(appeals)
Total				29,39,28,812	

(vii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to banks who have declared the same as non-performing in respect of the following amounts:

Particular	Nature of Loan	Period of Default	Amount outstanding in Books of Account as at 31 st March 2017 (Rs.)	Remarks
State Bank of India.	Cash Credit	28 th November, 2015 to 31 st March, 2017.	77,28,31,110	Refer Note No-2.5 and 13 to Financial Statements.
	Term Loan		4,67,80,655	
Central Bank of India.	Cash Credit	30 th April, 2016 to 31 st March, 2017.	5,40,65,102	
	Term Loan		6,01,55,978	
Punjab National Bank.	Cash Credit		25,91,09,185	

(viii) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for





which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

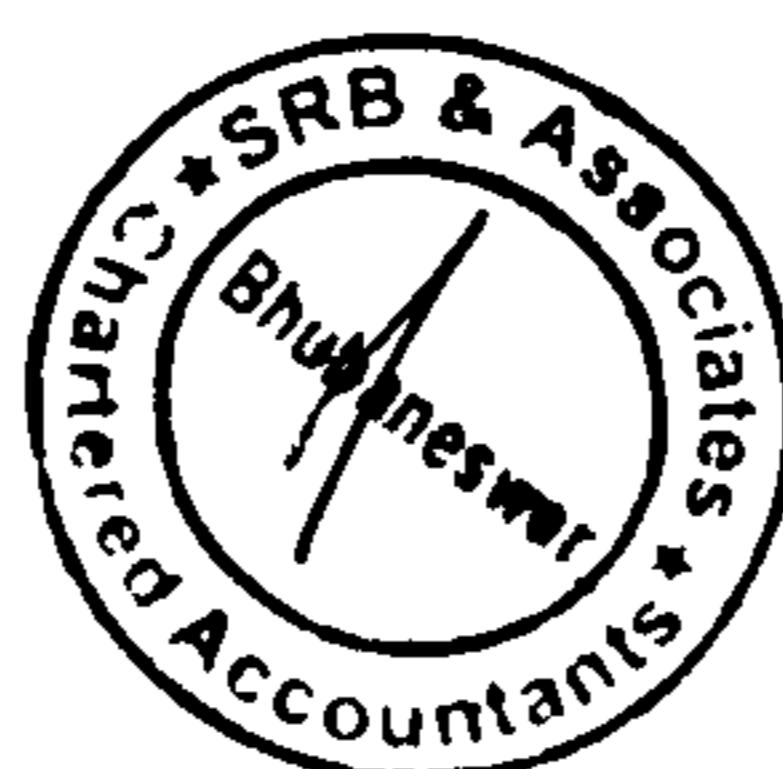
(ix) According to the information and explanations given to us, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of our audit.

(x) According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xi) 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 section 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS financial statements of the Company as required by the applicable accounting standards.

(xiv) Based upon audit procedures performed and the information and explanations given by the management, the company has allotted on preferential basis 27,46,665 nos. of equity shares at a premium decided by the Board of Directors out of the conversion of warrants allotted earlier. Further, the company has also allotted on Preferential basis 80,00,000 Nos of share warrants convertible into equivalent number of equity shares of face value of Rs. 10 each of the company at an exercise price of Rs. 50 (Rupees Fifty Only) (including a premium of Rs 40) per equity share within 18 months from the date of issue of warrants, in its Board Meeting held on 14th October, 2015, the allottees had exercised such power to





convert 27,46,665 number of warrants into equity shares at board meeting held on different dates during the year (Refer note no.2.8)

(xii) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xiii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

**For SRB & Associates
Chartered Accountants
F. Regd. No-310009E**

**B. Mohanty
Partner
M. No: 056264**

**30th May, 2017
Bhubaneswar,**





Annexure -B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

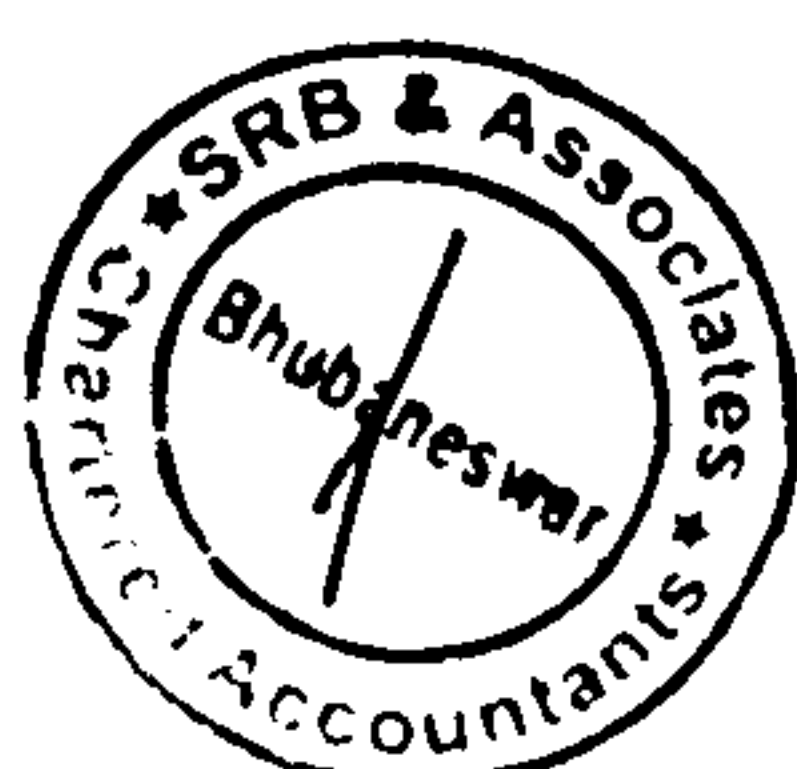
We have audited the internal financial controls over financial reporting of **Scan Steels Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, (the 'Standards') issued by ICAI and deemed to be prescribed under section 143 (10) of the





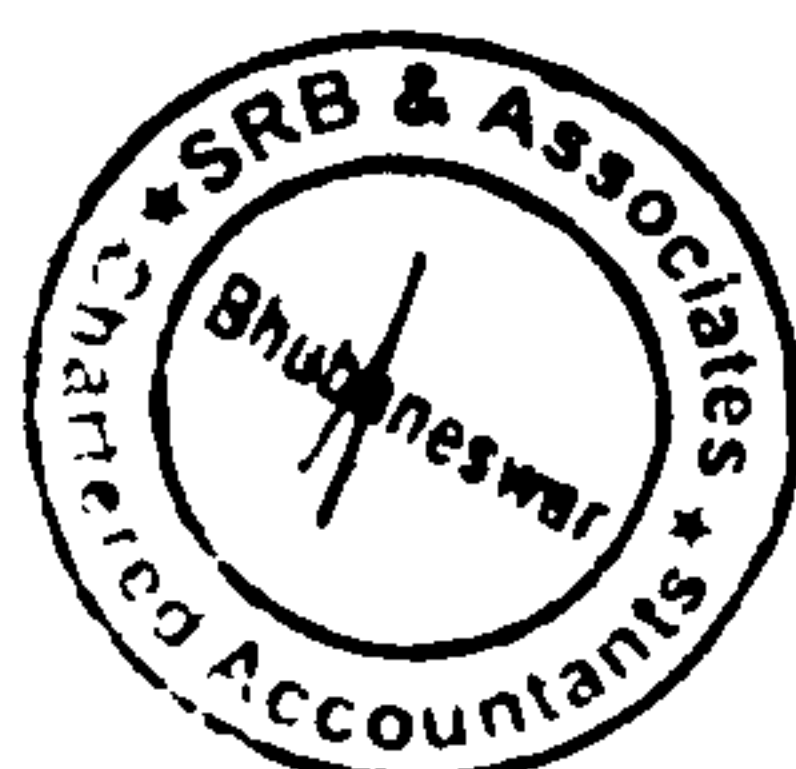
Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS





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 (iii) 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 Ind AS 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

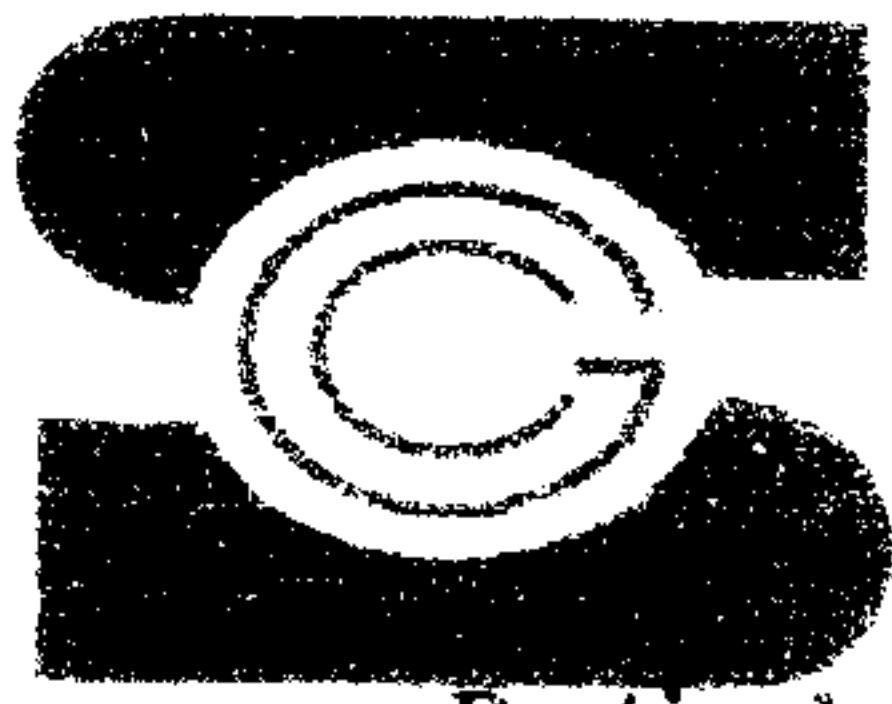
In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established 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.

Bhubaneswar,
30th May, 2017

For SRB & Associates
Chartered Accountants
Firm Regd. No-310009E

B. Mohanty
Partner
M.No.056264





SCAN STEELS LIMITED
(CIN:L27209MH1994PLC076015)
Balance Sheet as at 31st March, 2017

Particulars	Notes	As at 31st -Mar-17 INR	As at 31st -Mar-16 INR	As at 1st -Apr-15 INR
I. ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipments	3	2,836,216,296	2,948,087,751	2,644,022,353
(b) Capital work-in-progress	3	88,614,597	-	285,896,156
(c) Intangible Assets	3	28,870	28,870	28,870
(d) Financial Assets				
(i) Investments	4	21,635,746	20,239,642	-
(ii) Loans		-	-	-
(iii) Other Financial assets	5	181,336,205	210,655,122	251,646,842
(e) Other non-current asset	6(i)	747,648,367	825,421,985	260,268
(f) Deferred tax assets (net)	7	199,399,443	168,122,524	-
2. Current assets				
a. Inventories	8	690,375,600	954,161,651	1,515,515,328
b. Financial Assets				
(i) Current investments		-	-	-
(ii) Trade Receivables	9	539,887,819	528,609,972	864,570,294
(iii) Cash & Cash Equivalents	10	127,907,516	60,516,935	12,052,021
(iv) Other financial Assets		-	-	-
c. Other assets	6(ii)	195,190,103	269,199,339	391,537,313
TOTAL		5,628,240,562	5,985,043,791	5,965,529,445
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital	11	515,522,950	488,056,300	378,003,000
b. Other Equity	12	2,095,170,857	2,101,452,155	1,277,352,405
2. Non-current liabilities				
a. Financial Liabilities				
(i) Borrowings	13	367,480,397	367,568,387	725,360,057
(ii) Trade payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
b. Provisions		-	-	-
c. Deferred Tax Liabilities (net)	7	-	-	143,836,364
d. Other Non-current Liabilities		-	-	-
3. Current liabilities				
a. Financial Liabilities				
(i) Borrowings	13	1,583,949,001	1,686,458,430	1,609,072,207
(ii) Trade payables	14	589,802,587	571,329,064	986,817,841
(iii) Other Financial Liabilities	15	275,368,003	339,040,961	643,692,703
b. Provisions	16	23,321,653	52,231,385	43,853,169
c. Other Current Liabilities	17	177,625,114	378,907,109	157,541,698
TOTAL		5,628,240,562	5,985,043,791	5,965,529,445

Significant Accounting Policies and Notes to Accounts

1 & 2

Notes forming part of Balance Sheet

3 to 17

As per our report of even date attached.

For SRB & Associates
Chartered Accountants
F. Regd. No. 310009E

B. Mohanty
Partner
M.No. 056264

30th May, 2017
Bhubaneswar



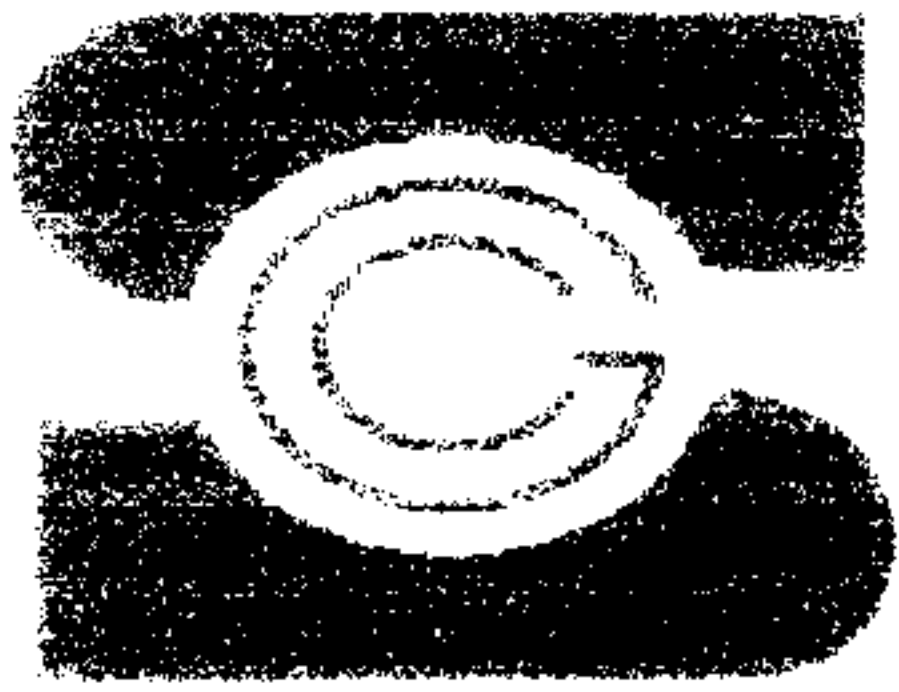
For and on behalf of the Board
M/s. Scan Steels Limited

Ankur Madaan
Director

Prabir Kumar Das
Company Secretary

Vinay Goyal
Director

Gobinda Chandra Nayak
Chief Finance Officer



SCAN STEELS LIMITED
(CIN:L27209MH1994PLC076015)

Statement of Profit and Loss for the year ended 31st March, 2017


Particulars	Notes	31st March,2017	31st March,2016
		INR	INR
I. Income			
(a) Revenue from Operations	18	4,181,889,012.00	3,873,436,065.00
(b) Finance Income	19	8,231,320.00	10,453,856.00
(c) Other Incomes	20	12,282,683.00	13,380,858.00
Total Income		4,202,403,015.00	3,897,270,779.00
II. Expenses			
(a) Cost of Raw Materials Consumed	21	2,372,202,627.00	2,496,381,074.00
(b) Cost of Traded Goods Sold	22	226,957,100.00	503,746,382.00
(c) Change in Inventory (Increase) /decrease	23	209,097,579.00	(236,358,239.00)
(d) Employee Benefit Expenses	24	119,248,375.00	111,302,483.00
(e) Finance cost	25	131,857,363.00	302,624,109.00
(f) Depreciation and Amortization expenses	26	200,260,657.00	124,560,201.00
(g) Other Expenses	27	1,092,112,984.00	924,196,648.00
Total expenses		4,351,736,685.00	4,226,452,658.00
III. Profit Before exceptional and extra ordinary items and tax		(149,333,670.00)	(329,181,879.00)
IV. Exceptional items		-	978,050.00
V. Profit Before extraordinary items and tax		(149,333,670.00)	(330,159,929.00)
VI. Extraordinary items		-	-
VII. Profit before Taxes		(149,333,670.00)	(330,159,929.00)
VIII. Tax Expenses			
(a) Current Tax		-	-
(b) Deferred Tax		(31,276,919.00)	(311,958,888.00)
IX. Profit (Loss) for the Year		(118,056,751.00)	(18,201,041.00)
X. Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss :			
(a) Changes in investments other than equity shares carried at FVTOCI		-	-
(b) Changes in Fair value of cash flow hedges		-	-
(c) Changes in Fair value of of cash flow hedges		-	-
(d) Income tax effect		-	-
(ii) Items that will be reclassified subsequently to profit or loss :			
(a) Changes in investments in equity shares carried at FVTOCI		1,396,105.00	6,929,841.00
(b) Re-measurement of defined employee benefit plans		-	-
(c) Income tax effect		-	-
XI. Total Other comprehensive Income after tax		1,396,105.00	6,929,841.00
XII. Total comprehensive income for the period		(116,660,646.00)	(11,271,200.00)
XIII. Earnings per equity share:			
(1) Basic		(2.26)	(0.23)
(2) Diluted		(2.35)	(0.25)

Significant Accounting Policies and Notes to Accounts 1 & 2

Notes forming part of Statement of Profit and Loss 18 to 27

As per our report of even date attached.


For SRB & Associates
Chartered Accountants
F. Regd. No.310009E


B. Mohanty
Partner
M.No.056264

30th May,2017
Bhubaneswar



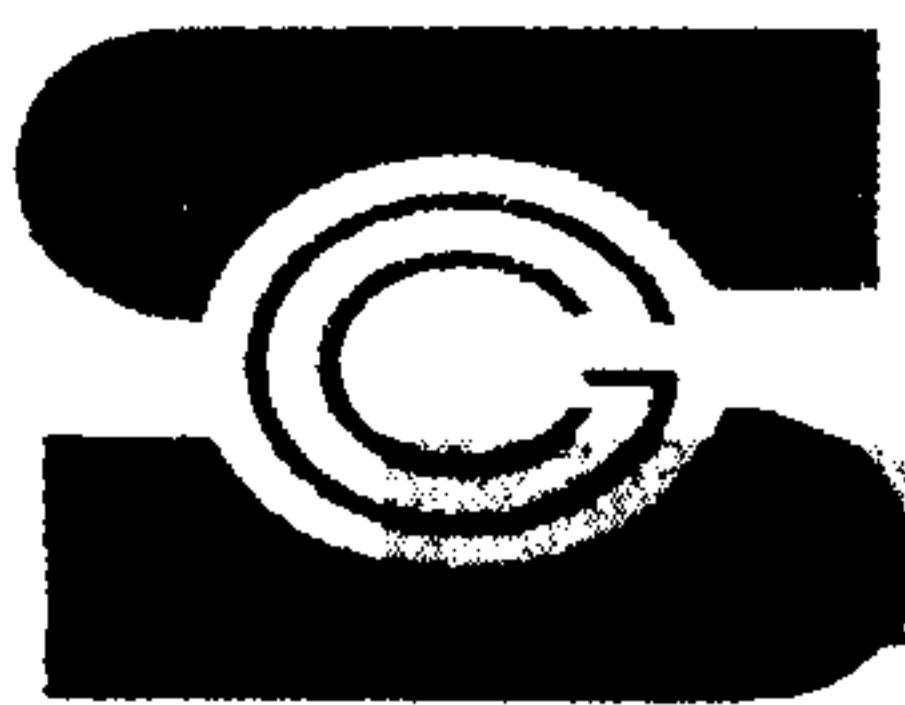
For and on behalf of the Board


Ankur Madaan
Director


Prabir Kumar Das
Company Secretary


Vinay Goyal
Director


Gobinda Chandra Nayak
Chief Finance Officer



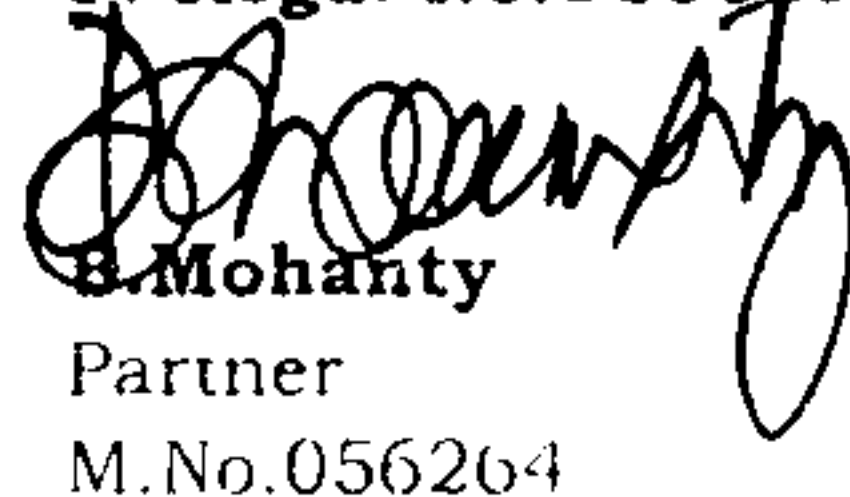
SCAN STEELS LIMITED
(CIN:L27209MH1994PLC076015)
STATEMENT OF CASH FLOWS for the year ended 31st March, 2017

Particulars	Notes	As at	As at
		31st March 2017	31st March 2016
		INR	INR
A Operating Activities			
Profit before tax from continuing operations		(149,333,670.00)	(330,159,929.00)
Profit/(loss) before tax from discontinuing operations		-	-
Profit before tax		(149,333,670.00)	(330,159,929.00)
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and impairment of Property, Plant and equipment		120,387,732.00	124,560,201.00
Depreciation and impairment of intangible assets		-	-
Depreciation of investment Properties		-	-
Contribution of Property, Plant and equipment by customers		-	-
Share-based payment expenses		-	-
Net foreign exchange differences		(271,266.00)	(16,861.00)
Gain on disposal of Property, plant and equipment		68,128.00	(168,847.00)
Fair value adjustment of a contingent consideration		-	-
Finance income (including fair value change in financial instruments)		(8,231,320.00)	(10,453,856.00)
Finance costs (including fair value change in financial instruments)		131,857,363.00	302,624,109.00
Share of profit of an associate and a joint venture		-	-
Other capital receipts		-	177,437.00
Adjustments of earlier years		512,748.00	9,492,162.00
Working capital adjustments:		94,989,715.00	96,054,416.00
Movement in provisions, gratuity and government grants		(28,909,732.00)	8,378,216.00
Proceeds/(Repayment) of borrowings		(102,509,429.00)	77,386,223.00
Increase in trade and other receivables and pre payments		62,731,389.00	458,298,296.00
Decrease in inventories		263,786,051.00	561,353,677.00
Increase in trade and other Payables		(246,481,430.00)	(498,775,108.00)
Income tax paid		-	-
NET CASH GENERATED BY OPERATING ACTIVITIES (A)		43,606,564.00	702,695,720.00
B Investing Activities			
Proceeds from sale of property, plant and equipment		760,000.00	5,053,720.00
Purchase of property, plant and equipment		(97,959,002.00)	(147,614,316.00)
Purchase of Investment Properties		-	-
Intangible asset under development		-	-
Purchase of financial instruments		(1,396,104.00)	(20,239,642.00)
Proceeds from sale of financial instruments		29,318,917.00	40,991,720.00
Interest received (finance income)		8,231,320.00	10,453,856.00
Acquisition of subsidiary, net of cash acquired		-	-
Receipt of government grants		-	-
Changes in other non-current assets		77,773,618.00	(825,161,717.00)
Net fair value gain/(loss) on investments		1,396,105.00	6,929,841.00
NET CASH USED IN FINANCING ACTIVITIES (B)		18,124,854.00	(929,586,538.00)
C Financing Activities			
Proceeds from issue of equity shares		137,333,250.00	935,754,650.00
Acquisition of non-controlling interests		-	-
Transaction costs on issue of shares		-	-
Payment of finance lease liabilities		-	-
Interest paid		(131,857,363.00)	(302,624,109.00)
Proceeds from borrowings		-	-
Repayment of borrowings		(87,990.00)	(357,791,670.00)
Dividends paid to equity holders of the parent		-	-
Dividends paid to non-controlling interests		-	-
Dividend distribution tax		-	-
NET CASH USED IN FINANCING ACTIVITIES (C)		5,387,897.00	275,338,871.00
Net foreign exchange differences		271,266.00	16,861.00
Net increase in cash and cash equivalents (A+B+C)		67,390,581.00	48,464,914.00
Cash and cash equivalents at the beginning of the year		60,516,935.00	12,052,021.00
Cash and cash equivalents at year end		127,907,516.00	60,516,935.00

Significant Accounting Policies and Notes to Accounts
Notes forming part of Statement of Profit and Loss
As per our report of even date attached.

1 & 2
3 to 27

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E



B. Mohanty
Partner
M.No.056264

30th May, 2017
Bhubaneswar

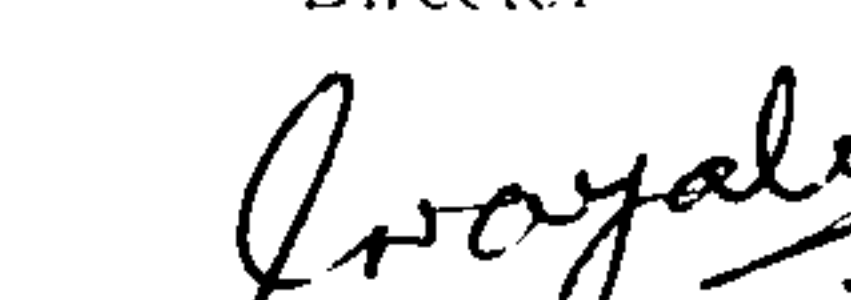


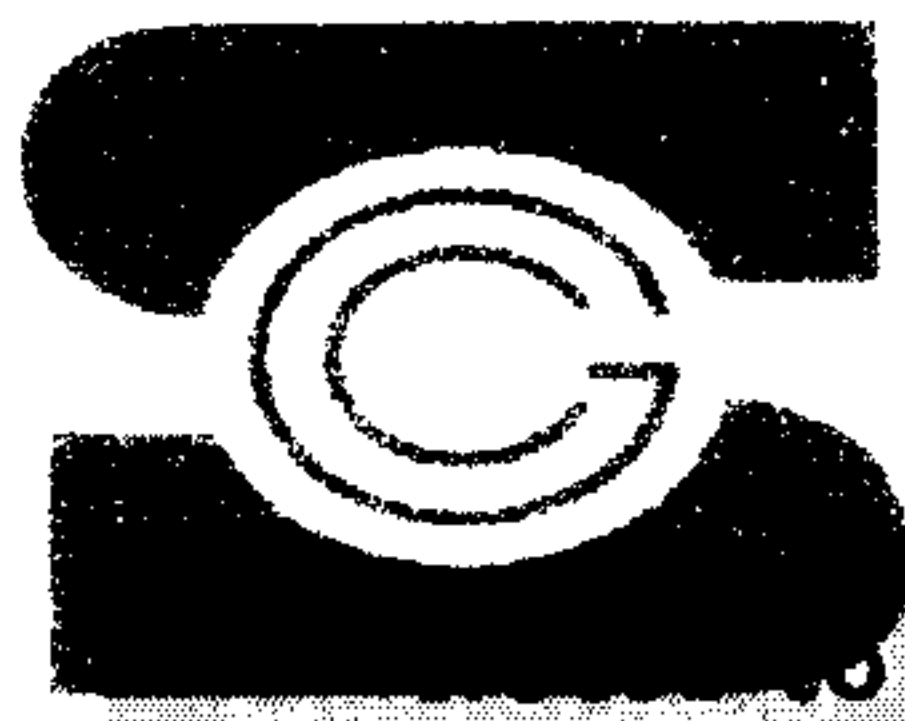
For and on behalf of the Board
M/s. Scan Steels Limited


Ankur Madaan
Director


Prabir Kumar Das
Company Secretary


Vinay Goyal
Director


Gobinda Ch Nayak
Chief Finance Officer



the Financial Statements for the year ended 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

M/s Scan Steels Limited is a public limited company domiciled in India. The company has its primary listings on the BSE Limited in India. The company is engaged in manufacturing of steel products and in generation of power for captive consumption. The company is also involved in derivative contracts that are intended for trading.

1.2 Basis of preparation

(i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements under Ind AS.

(ii) Historical cost convention :

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

- a) certain financial assets and liabilities and contingent consideration that is measured at fair value;
- b) defined benefit plans – plan assets measured at fair value; and share-based payments.

1.3 Use of Estimates :

- (i) The preparation of the financial statements are in conformity with Indian Accounting Standards (Ind AS) requires management to make judgment estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and action uncertainty above these consumptions and estimates could not in the outcomes requiring a material adjustments to the carrying amounts of assets and liabilities in future periods.
- (ii) Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.
- (iii) Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact and that are believed to be reasonable under the circumstances.
- (iv) All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule-III of the Companies Act, 2013.

1.4 Property, plant and equipment & Intangible Assets and Capital Work-in-progress

i. Property, Plant and Equipment

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- b) Capital Work-In-Progress comprises of the cost of Fixed Assets that are not yet ready for their intended use at the reporting date.
- c) The whole of the finance charges paid on assets acquired under Hire Purchase Scheme are considered as "Un matured finance charges" under the head "Other Current Assets" in the Balance sheet. Subsequently, at the end of the year the portion of finance charges is transferred to profit & loss account on the basis of the number of installments due during the year.

d) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.



Notes to the Financial Statements for the year ended 31st March,2017

e) Depreciation methods, estimated useful lives and residual value

a) Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act,2013.

b) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets. Assets that are acquired during the year are depreciated fifty percent of the amount calculated for one year based on the new method and the balance is proposed to be in the year of disposal

c). An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

d). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

ii. Intangible assets :

a) Intangible assets are recorded at the consideration paid for acquisition of such assets and a claimed at cost less accommodated amortization and impairment.

b) Amortisation methods and periods

The entity amortises intangible assets with a finite useful life using the straight-line method.

c) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

iii. Capital Work-in-Progress

Capital Work-In-Progress comprises of the cost of Fixed Assets that are not yet ready for their intended use at the reporting date.

1.5 Revenue recognition :

- i. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.
- ii. It recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.
- iii. The company adopts the following criteria as for recognizing the revenue:-
 - a) Sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods, net of Value-added taxes.
 - b) Sale of traded goods is recognized when the goods are dispatched to the customers.

1.6 Inventories :

Raw materials,Stores and spares,Semi-finished goods, traded and finished goods

- a) Raw materials, components and stores & spares are valued at cost following FIFO method. Cost includes purchase price, freight, handling charges and other directly attributable costs to bring the material to its present location and are net of duties and taxes wherever applicable.
- b) Semi-finished goods and finished goods are valued at lower of cost or Net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on average cost of production.
- c) Cost of finished goods inside the plant includes excise duty.
- d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

1.7 Financial Instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.



Notes to the Financial Statements for the year ended 31st March,2017

i. Financial Assets

a) measured at amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

b) measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

c) measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition.

d) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised at the proceeds received net off direct issue cost.

All equity instruments classified under financial assets are subsequently measured at fair value.

ii. Financial Liabilities

a) Financial liabilities are measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

b) Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method. Gain and losses recognized in profit and loss when the liabilities are derecognized.

1.8 Borrowings :

- i. Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.
- ii. Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The cost on these preference shares are recognised in profit or loss as finance costs.
- iii. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).
- iv. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.



Notes to the Financial Statements for the year ended 31st March, 2017

1.9 Employee benefits :

(i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Profit and Loss Statement.

(ii) Post-employment obligations

The entity operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Superannuation and
- (b) defined contribution plans such as provident fund.

Provident fund obligations

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Profit and loss Statement on accrual basis.

Gratuity and Superannuation obligations

The company has not made any provision with regard to gratuity and superannuation benefits on actuarial basis in compliance to the provisions laid in accounting standard on accounting for retirement benefits.

(iii) Bonus plans

The entity recognises a liability and an expense for bonuses. It recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.10 Foreign currency translation :

(i) Functional and presentation currency

Each items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions i.e. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(iii) Adjustments for foreign exchange differences

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

1.11 Income tax :

- i. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
- iii. Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) is paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability. The company offsets on a year on basis, the current tax assets and liabilities, where it intends to settle such assets and liabilities on a net basis. The current tax expense recognized in the financial statements is net off MAT credit utilized during the period.



Notes to the Financial Statements for the year ended 31st March, 2017

- iv. Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- v. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- vi. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
- vii. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.12 Trade and other payables :

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Excise Duty :

Excise duty is accounted for on dispatch of products from the factory and on closing stock.

1.14 Purchases :

Purchase of materials is recognized on dispatch of such goods by the suppliers based on certainty irrespective of receipt of such goods at the factory. It is shown net of CENVAT/VAT credit wherever applicable.

1.15 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1.16 Borrowing costs :

- a) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
- b) Other borrowing costs are expensed in the period in which they are incurred.

1.17 Segment reporting :

- (i) The Company is primarily engaged in the business of manufacturing of steel and power for captive consumption and Trading of TMT Re-bars. The Company has identified two primary business segments namely Manufacturing and trading, which in context of Indian Accounting Standard 108 on "Operating Segments" constitute reportable segment. However, as the turnover of trading segment is less than 10% of the total revenue, no such reporting is required.
- (ii) The company's products are dispatched from plants located at Rajgangpur (Odisha), and Bellary (Karnataka) to various parts of the country and considering the customer base which is wide spread all over the country, no such geographical differentiation can be done for presenting the information.



Notes to the Financial Statements for the year ended 31st March,2017

1.18 Provisions & Contingent Liabilities:

- a. A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.
- b. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
- c. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

1.19 Fair value of investments

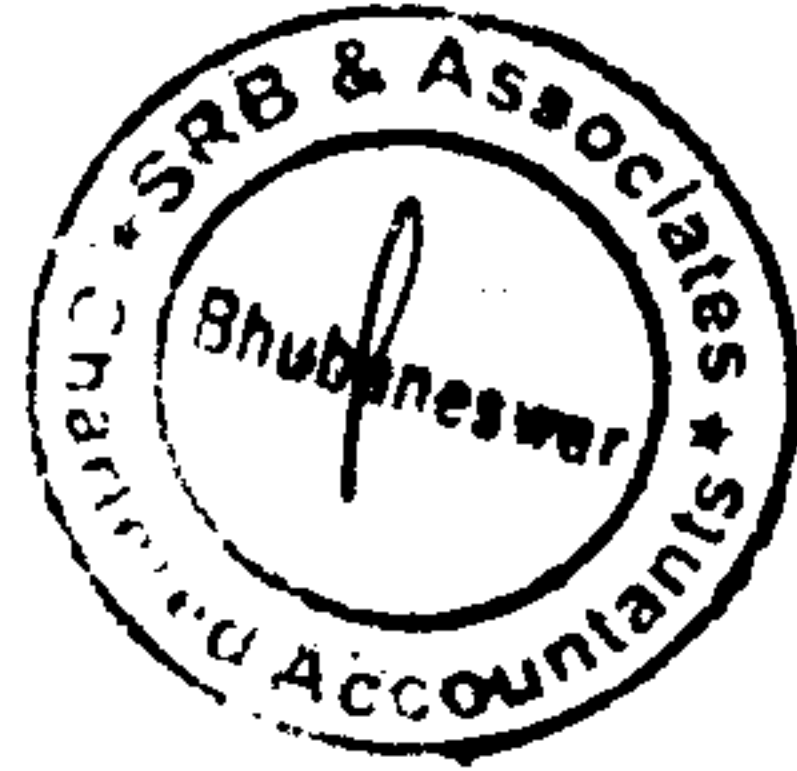
Investments in quoted equity instruments are measured at fair value through other comprehensive income on the basis active bid market prices and accordingly the changes in fair value has been recognized in the retained earnings as at the date of transition and subsequently in the Other Comprehensive income for the year ended 31st March,2016.

1.20 Contributed equity :

- a. Equity shares are classified as equity.
- b. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.21 Rounding of amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III, unless otherwise stated.



Notes to the Financial Statements for the year ended 31st March,2017

1.22-First Time adoption of Ind AS

The company has adopted Indian Accounting Standards(Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April,2016,with transition date of 1st April,2015.The adoption of Ind AS has been carried out in accordance with Ind AS 101,First time adoption of Indian Accounting Standards.Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March,2017,be applied retrospectively and consistently for all financial years presented.However,in preparing these Ind AS financial statements,the company has availed certain exemptions and exceptions in accordance with Ind AS 101,as explained below.The resulting difference between the carrying values of the assets and liabilities in the financial statements at the transition date under Ind AS and previous GAAP have been recognised directly in the equity (retained earnings).

A.Optional Exemption

Deemed Cost

Ind AS 101 permits to measure all its property, plant & equipments and intangible assets at their previous GAAP carrying value i.e. being deemed cost represented by Gross Block reduced by accumulated depreciation or amortisation on 1st April,2015.

B.Mandatory Exceptions

(a)Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April,2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI; and
- Interest on deposits accepted from related parties at concessional rate of interest.

(b)Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Transition to Ind AS -

Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1,2015 and March 31, 2016
- II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016
- III. Reconciliation of Equity as at April 1,2015 and March 31, 2016

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

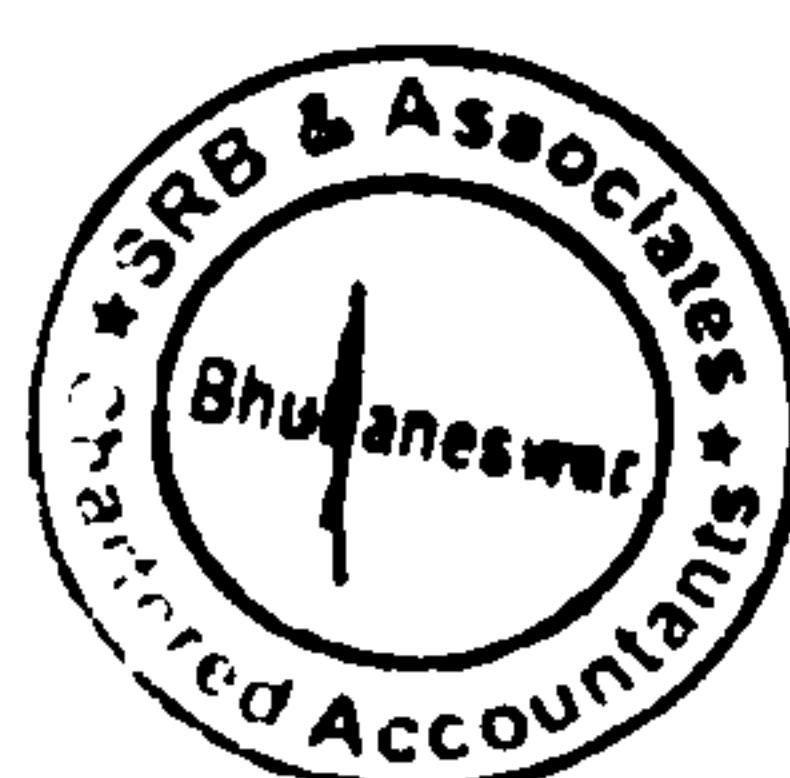


Notes to the Financial Statements for the year ended 31st March,2017

I.Reconciliations of Balance Sheet as at April 1,2015 and March 31,2016

(a)Reconciliations of Balance Sheet as at April 1,2015

Particulars	Notes	As at 1st April,2015	Adjustments	As at 1st April,2015
		(Previous GAAP)		(Ind AS)
		INR	INR	INR
ASSETS				
Non-current Assets				
1.Property,Plant and Equipment	1.4	2,644,022,353.00	-	2,644,022,353.00
2.Intangible Assets		28,870.00	-	28,870.00
3.Capital work in Progress		285,896,156.00	-	285,896,156.00
4.Investments	1	-	-	-
5.Other non-current financial assets		167,392,362.00	-	167,392,362.00
6.Other Non-current Assets		-	260,268.00	260,268.00
7.Deferred Tax Assets(Net)	2	-	-	-
		3,097,339,741.00	260,268.00	3,097,600,009.00
Current Assets				
1.Inventories		1,515,515,328.00	-	1,515,515,328.00
2.Financial Assets		-	-	-
Trade receivables		864,570,294.00	-	864,570,294.00
Other financial assets		362,936,481.00	-	362,936,481.00
Cash & Cash Equivalents		111,112,472.00	-	111,112,472.00
3.Other current Assets		14,055,129.00	(260,268.00)	13,794,861.00
		2,868,189,704.00	(260,268.00)	2,867,929,436.00
TOTAL ASSETS		5,965,529,445.00	(260,268.00)	5,965,529,445.00
EQUITY AND LIABILITIES				
Equity				
1.Equity Share Capital		378,003,000.00	-	378,003,000.00
2.Other Equity		1,215,495,577.00	61,856,829.00	1,277,352,406.00
TOTAL EQUITY		1,593,498,577.00	61,856,829.00	1,655,355,406.00
Non-current Liabilities				
1.Financial Liabilities		-	-	-
Borrowings	3	207,103,386.00	-	207,103,386.00
Un Secured Loan		402,452,670.00	-	402,452,670.00
Deposits (UnSecured)		115,804,001.00	-	115,804,001.00
Other financial liabilities		-	-	-
2.Long term Provisions		-	-	-
3.Deferred Tax Liabilities(Net)		205,693,193.00	(61,856,829.00)	143,836,364.00
4.Other Liabilities		-	-	-
		931,053,250.00	(61,856,829.00)	869,196,421.00
Current Liabilities				
1.Financial Liabilities		-	-	-
Borrowings		-	-	-
Secured Loan		1,770,759,714.00	-	1,770,759,714.00
Unsecured Loan		30,564,820.00	-	30,564,820.00
Trade Payables		986,817,841.00	-	986,817,841.00
Other Current Financial Liabilities		597,905,555.00	-	597,905,555.00
2.Income Tax Payable		11,076,519.00	-	11,076,519.00
3.Provisions		43,853,169.00	-	43,853,169.00
		3,440,977,618.00	-	3,440,977,618.00
TOTAL LIABILITIES		4,372,030,868.00	(61,856,829.00)	4,310,174,039.00
TOTAL EQUITY and LIABILITIES		5,965,529,445.00	(61,856,829.00)	5,965,529,445.00



Notes to the Financial Statements for the year ended 31st March,2017

(b)Reconciliations of Balance Sheet as at March 31,2016

Particulars	Notes	As at 31st	Adjustments	As at 31st
		March,2016 (Previous GAAP)		March,2016 (Ind AS)
		INR	INR	INR
ASSETS				
Non-current Assets				
1.Property,Plant and Equipment	1.4	2,948,087,751.00	-	2,948,087,751.00
2.Intangible Assets		28,870.00	-	28,870.00
3.Capital work in Progress		-	-	-
4.Investments		13,309,801.00	6,929,841.00	20,239,642.00
5.Other non-current financial assets		204,968,926.00	-	204,968,926.00
6.Other Non-current Assets		784,286,306.00	1,347,099.00	785,633,405.00
7.Deferred Tax Assets(Net)	2	-	168,122,524.00	168,122,524.00
		3,950,681,654.00	176,399,464.00	4,127,081,118.00
Current Assets				
1.Inventories		954,161,651.00	-	954,161,651.00
2.Financial Assets		-	-	-
Trade receivables		528,609,972.00	-	528,609,972.00
Other financial assets		256,920,719.00	-	256,920,719.00
Cash & Cash Equivalents		105,991,711.00	-	105,991,711.00
3.Other current Assets		13,625,719.00	(1,347,099.00)	12,278,620.00
		1,859,309,772.00	(1,347,099.00)	1,857,962,673.00
TOTAL ASSETS		5,809,991,426.00	(1,347,099.00)	5,985,043,791.00
EQUITY AND LIABILITIES				
Equity				
1.Equity Share Capital		616,552,350.00	(128,496,050.00)	488,056,300.00
2.Other Equity		1,713,200,611.00	388,251,544.00	2,101,452,155.00
TOTAL EQUITY		2,329,752,961.00	259,755,494.00	2,589,508,455.00
Non-current Liabilities				
1.Financial Liabilities		-	-	-
Borrowings	3	142,858,298.00	-	142,858,298.00
Un Secured Loan		86,322,476.00	-	86,322,476.00
1% Preference Share Capital		-	138,387,613.00	138,387,613.00
Other financial liabilities		-	-	-
2.Long term Provisions		-	-	-
3.Deferred Tax Liabilities(Net)		223,090,742.00	(223,090,742.00)	-
4.Other Liabilities		-	-	-
		452,271,516.00	(84,703,129.00)	367,568,387.00
Current Liabilities				
1.Financial Liabilities		-	-	-
Borrowings		1,772,361,805.00	-	1,772,361,805.00
Unsecured Loan		98,770,936.00	-	98,770,936.00
Trade Payables		571,329,064.00	-	571,329,064.00
Other Financial Liabilities		533,273,759.00	-	533,273,759.00
2.Income Tax Payable		-	-	-
3.Provisions		52,231,385.00	-	52,231,385.00
		3,027,966,949.00	-	3,027,966,949.00
TOTAL LIABILITIES		3,480,238,465.00	(84,703,129.00)	3,395,535,336.00
TOTAL EQUITY and LIABILITIES		5,809,991,426.00	175,052,365.00	5,985,043,791.00



Notes to the Financial Statements for the year ended 31st March,2017

II.Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Notes	31st March,2016	Adjustments	31st March,2016
		(Previous GAAP)		(Ind AS)
		INR	INR	INR
I.Income				
(a)Revenue from Operations		3,530,919,201.00	342,516,864.00	3,873,436,065.00
(b)Finance Income	4	-	10,453,856.00	10,453,856.00
(c)Other Incomes		13,363,997.00	16,861.00	13,380,858.00
Total Income		3,544,283,198.00	352,987,581.00	3,897,270,779.00
II.Expenses				
(a)Cost of Raw Materials Consumed		2,496,381,074.00	-	2,496,381,074.00
(b)Cost of Traded Goods Sold		532,489,342.00	(28,742,960.00)	503,746,382.00
(c)Change in Inventory (Increase) /decrease		(265,101,199.00)	28,742,960.00	(236,358,239.00)
(d)Employee Benefit Expenses		111,302,483.00	-	111,302,483.00
(e)Finance cost		282,278,690.00	20,345,419.00	302,624,109.00
(f)Depreciation and Amortization expenses		124,560,201.00	-	124,560,201.00
(g)Other Expenses		581,662,923.00	342,533,725.00	924,196,648.00
Total expenses		3,863,573,514.00	362,879,144.00	4,226,452,658.00
III.Profit Before exceptional and extra ordinary items and tax		(319,290,316.00)	-	(329,181,879.00)
IV.Exceptional items		978,050.00	-	978,050.00
V.Profit Before extraordinary items and tax		(320,268,366.00)	362,879,144.00	(330,159,929.00)
VI.Extraordinary items		-	-	-
VII.Profit before Taxes		(320,268,366.00)	362,879,144.00	(330,159,929.00)
VIII.Tax Expenses				
(a)Current Tax		-	-	-
(b)Deferred Tax		17,397,549.00	(329,356,437.00)	(311,958,888.00)
IX.Profit (Loss) for the Year		(337,665,915.00)	692,235,581.00	(18,201,041.00)
X.Other Comprehensive Income				
(i) Items that will not be reclassified subsequently to profit or loss :				
a. Fair Value measurement of financial Instruments		-	-	-
b. Equity instruments through other comprehensive income		-	6,929,841.00	6,929,841.00
(ii) Items that will be reclassified subsequently to profit or loss :				
a. Fair value changes on cash flow hedges		-	-	-
b. Exchange differences on translation of foreign operations		-	-	-
Total Other comprehensive Income after tax		-	6,929,841.00	6,929,841.00
XII.Total comprehensive income for the period		(337,665,915.00)	699,165,422.00	(11,271,200.00)



Notes to the Financial Statements for the year ended 31st March, 2017

III. Reconciliation of Equity as at April 1, 2015 and March 31, 2016

Particulars	Refer Notes below	As at 31-March-16	As at 1-April-15
		INR	INR
Total equity as per previous GAAP		2,329,752,961.00	1,593,498,577.00
Fair valuation of investments through other comprehensive income	1	6,929,841.00	-
Deferred taxes under balance sheet approach	2	391,213,266.00	61,856,829.00
Redeemable Preference shares classified as Financial Liabilities	3	(128,496,050.00)	-
Finance cost of redeemable preference shares	3	(9,891,563.00)	-
Total equity as per Ind AS		2,589,508,455.00	1,655,355,406.00

Notes to first time adoption

1. Fair Valuation of Investments

Under previous GAAP, investment in equity instruments were classified into long term and current investments.

Long term investments were carried at cost less provision other than temporary in nature. Current investments were carried at lower of cost or fair value.

Under Ind AS, these investments are required to be measured at fair value through OCI (FVTOCI).

The company has opted for fair value of these investments through other comprehensive income (FVTOCI).

Accordingly, resulting fair value change of these investments have been recognised in retained earnings as at the date of transition and subsequently in the other comprehensive income for the year ended March 31 2016.

2. Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base.

3. Redeemable Preference Shares

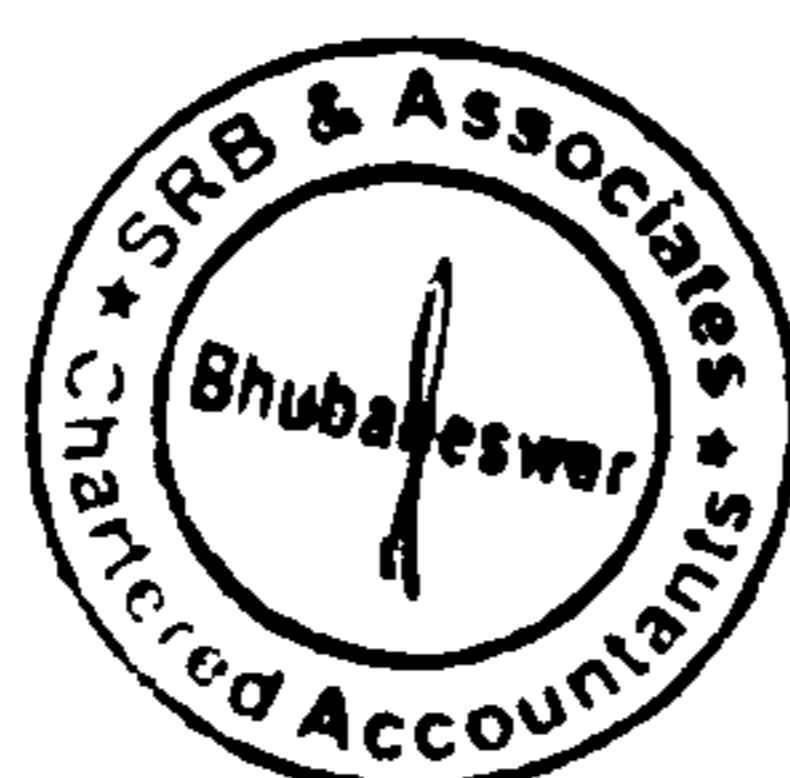
Under previous GAAP, redeemable preference shares were classified as part of total equity. Dividends and cost towards premium paid on redemption were adjusted against retained earnings and not recognised as finance costs in profit or loss. However, under Ind AS, financial instruments it is classified as liability or equity according to the substance of the contractual arrangement and not its legal form. These shares do not contain any equity component and hence, have been classified in their entirety as a financial liability under Ind AS. The resultant dividend or cost towards premium on redemption has been recognised as finance cost in the statement of profit or loss.

4. Deposits accepted from Related Parties

The Company has accepted deposits from related parties, on which the company pays interest at a concessional rate

in comparison to arms length interest rate on deposits accepted from others. Hence as per the requirement of the

Ind AS the company has recognised the concessional amount of interest as finance income.



Notes to the Financial Statements for the year ended 31st March,2017

2 NOTES TO ACCOUNTS :

2.1.i Contingent Liabilities :

Amount in Rs INR			
SI No.	Nature of Contingent Liability	2016-17	2015-16
1	Estimated amount of contracts remaining to be executed on capital accounts and not provided for.	Nil	Nil
2	Bank Guarantees	31,379,221.00	29,765,781.00
3	Claims not acknowledged by the company relating to Statutory dues (Net of payments)	253,612,067.00	252,934,476.00
4	Claims raised vide notice dtd. 30.09.2016 by M/s Mahanadi Coalfields Ltd. towards the reimbursement of contribution to DMF (Rs. 49,09,587 & NMET (Rs. 6,27,549) for the period 12.01.2015 to 19.10.2015 where the company has challenged before Hon'ble High Court of Orissa , granted interim stay in favour of the company	5,537,136.00	Nil
5	Claims raised vide letter dtd. 07.11.2016 by the OMC Ltd. towards the reimbursement of contribution to DMF (Rs. 7,88,121 & NMET (Rs. 78,191) for the period 17.09.2015 to 15.01.2016 and 14.08.2015 to 10.02.2016 respectively where the company has challenged before Hon'ble High Court of Orissa , granted interim stay in favour of the company	866,312.00	Nil

2.1.ii The Company has given Corporate Guarantees to M/s. Scan Energy & Power Limited to the tune of Rs. 159.42 crore towards fund & non fund based limit extended by Consortium of Bankers.

2.2 Earning Per Share (EPS) :

Basic and diluted earnings per share are computed by dividing the net profit after tax by the weighted average no of equity shares outstanding during the period.

SL.N	Particulars	2016-17	2015-16
1	a) Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(116,660,646.00)	(11,271,200.00)
2	b) Weighted Average number of equity shares used as denominator for calculating EPS	515522950	488056300
3	c) Basic Earnings per share	(2.26)	(0.23)
4	d) Diluted Earnings per share	(2.35)	(0.25)
5	e) Face value per equity share	10	10

2.3 Related Party Disclosures :

A. Lists of Related Parties :

SI No.	Description of Relationship	Related Parties	
		Sl. No.	Name of Parties
1	Key Management personnel (KMP)	i.	Mr. Rajesh Gadodia
		ii.	Mr. Ankur Madaan
		iii.	Mr. Run Vijay Singh
2	Relatives of KMP	i.	Mr. Sawarmal Gadodia
		ii.	Mrs. Archana Gadodia
		iii.	Miss Shrishti Gadodia
3	Companies in which KMP / Relatives of KMP have significant influence	i.	Artline Commerce Pvt. Ltd.
		ii.	Scan Energy & Power Limited



Notes to the Financial Statements for the year ended 31st March,2017

B. Transactions with Related Parties :

Sl. No.	Nature of Transaction	Name of the Related parties	KMP	Relatives of KMP	Significant being influential persons	Balance Outstanding as on 31.03.2017
1	Repayment of Loan	Scan Energy & Power Ltd.	Nil (14,805,971)			Nil (Nil)
2	Deposits accepted	Mr. Rajesh Gadodia	Nil (1,200,000)			8,000,000 (84,600,000)
		Mr. Nimish Gadodia	Nil (Nil)			21,177,000 (1,95,00,000)
		Mr. Swarnal Gadodia		4,500,000 (Nil)		8,500,000 (80,00,000)
		Mrs. Archana Gadodia		Nil (Nil)		8,000,000 (1,15,00,000)
		Shrishti Gadodia		80,000,000 (Nil)		80,000,000 (Nil)
3	Repayment of Deposits	Mrs. Archana Gadodia		4,247,635 (Nil)		
		Mr. Rajesh Gadodia	3,887,624 (Nil)			
		Mr. Sawarnal Gadodia		4,518,600 (Nil)		
4	Repayment of Loan	Artline Commerce Pvt Ltd			18,156,896 (5,007,146)	Nil (18,000,000)
5	Purchase of Goods	Scan Energy & Power Ltd.			44,663,048 (162,899,784)	41,596,188 (41,931,504)
		Nav Durga Fuel Private Limited			Nil (9,564,840)	Nil (Nil)
6	Sale of Goods	Scan Energy & Power Ltd.			580,489,761 (809,812,850)	Nil (Nil)
		Nav Durga Fuel Private Limited			1,077,428 (16,683,548)	55,839,682 (62,851,417)
7	Service Accepted	Mrs. Archana Gadodia		960,000 (9,60,000)		72,000 (Nil)
8	Service Provided	Scan Energy & Power Ltd.			19,030 (Nil)	(Nil) (Nil)
		Nav Durga Fuel Private Limited			22,690 (Nil)	(Nil) (Nil)
9	Directors' Remuneration including Sitting fees	Mr. Rajesh Gadodia	403,000 (2,400,000)			Nil (50,775)
		Mr. Ankur Madaan	383,226 (Nil)			39,800 (Nil)
		Mr. Runvijay Singh	300,000 (Nil)			28,875 (Nil)

Note: Figures shown in brackets represents figures of previous year.

2.4 Foreign Currency Transactions :

SI No.	Nature of Expenditure	2016-17		2015-16	
		USD (\$)	INR	USD (\$)	INR
1	Consumables	12,540	891,800.00	21,412	1,397,481.76

2.5 The company's funding has been funded through consortium member banks. The leader State Bank of India alongwith other two member banks have classified the asset as Non-performing Assets in their books of account during the year under review and in earlier year. Besides this, other members have also classified the asset as Non-performing Assets but for which the company has not received any communication in this regard.

The monthly interest application has been made by the three member banks and the other members have not applied the monthly interest since the account is treated as "Non-performing Assets". The non charging of interest , by the three member banks , has an impact on the profitability of the company for aggregating loan of Rs. 12628 lakhs which was extended to the company, the interest component not being determinable as of now.



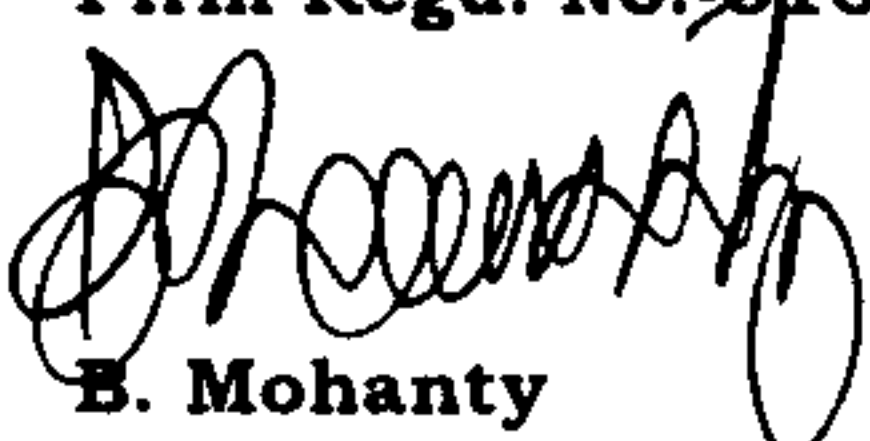
Notes to the Financial Statements for the year ended 31st March,2017

- 2.6** The Company has advance from customers for more than 365 days which is against the provisions of Sec 73 of the Companies Act, 2013 which states that "Any money received as advance in the course of ordinary business shall be treated as deposit if goods or services are not provided within 365 days of receipt". It is to be clarified that the company is in the process of identifying the reasons of such accumulation. Also necessary correspondences has been made in this regards and will be squared off in the coming financial year.
- 2.7** The company has opted to implement / adopt the following policies and procedures as per the Indian GAAP irrespective of the requirements and compliances on transition to Ind AS:
- Componetisation.**
As per prevailing practice, company compontises fixed assets as detailed in the Invoice. It does not have a separate componetisation policy. Accordingly, components identified (as mentioned above) are also depreciated based on the useful lives prescribed under Sechedule-II (of the Companies Act.) for the main asset.
 - Stores and Spares**
 - ☐ The company on purchases of stores and spares,
 - ☐ If it relates to an item of PPE, the same are capitalised on the date of issue, and
 - ☐ Which are issued for revenue expenditure purpose, are charged to Profit & Loss Account on the date of consumption.
 - iii The company is in the process of identification of the major components significant to the total cost of the asset accordingly necessary requirements to be complied.
 - iv The company is in the process of identifying the doubtful debtors to make provision for impairment to be recognised as per the Expected Credit Loss Method.
- 2.8** The company has allotted on Preferential basis 27,46,665 no of equity shares at a premium as decided by the Board of Directors out of the conversion of warrants allotted earlier. Further 8,00,000 no. of warrants convertible into equity remains as on 31st March, 2017.
- 2.9 Auditors Remuneration : (net of service tax)**

SI No.	Particulars	INR	
		2016-17	2015-16
1	Statutory Audit Fees	1,650,000.00	1,400,000.00
2	Tax Audit Fees	350,000.00	200,000.00
3	Internal Audit Fees	270,000.00	360,000.00
4	Other Matters	-	-
	TOTAL	2,270,000.00	1,960,000.00

- 2.10** Trade Payable includes acceptances of bill representing liability towards MSME RFS limit from Banks. The MSME RFS limit solely sanctioned by SIDBI is primarily secured with pledge of Fixed Deposits, personal guarantee of directors along with other specified collateral securities in the company' name.
- 2.11** The company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. and hence disclosures, relating to amount unpaid as at the year end together with the interest paid /payable as required under the said act have not been given.
- 2.12** Previous year figures have been regrouped and/or rearranged wherever necessary, confirming to current year. Figures in bracket represent previous year figure.

For SRB & Associates
Chartered Accountants
Firm Regd. No.-310009E


B. Mohanty
Partner
M. No.-56264

For and on behalf of the Board of
M/s. Scan Steels Limited


Ankur Madaan
Director


Vinay Goyal
Director


Prabir Kumar Das
Company Secretary

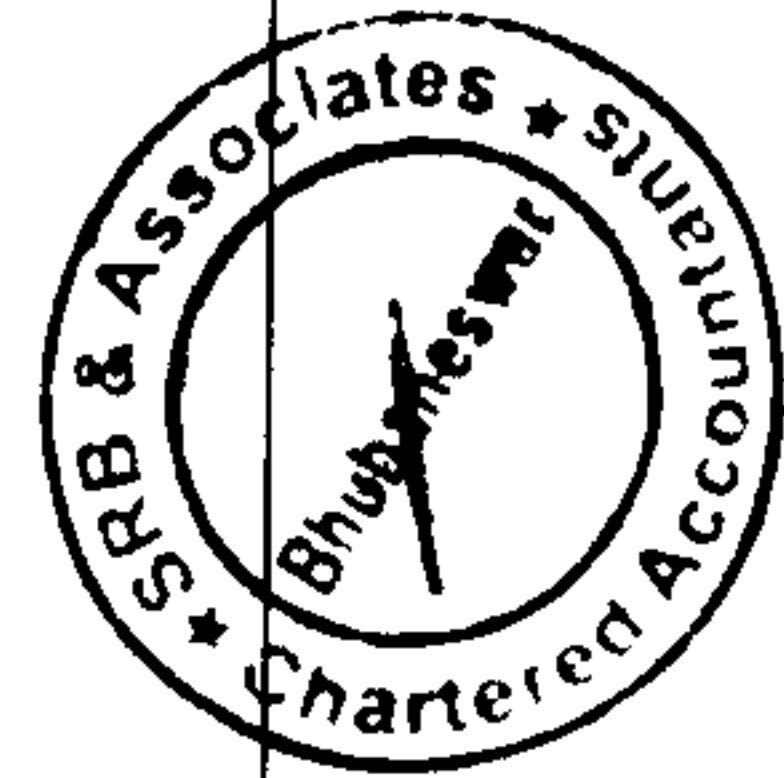

Gobinda Chandra Nayak
Chief Financial Officer

30th May,2017
Bhubaneswar



Notes to the Financial Statements for the year ended 31st March, 2017
Note-3: Property, Plant and Equipment

Particulars	Freehold Land		Freehold Buildings		Furniture, Fittings and Equipment		Plant and Machinery		Total		Capital Work-in-Progress		Intangible Assets	
	INR		INR		INR		INR		INR		INR		INR	
Gross Carrying Amount														
At 1st April, 2015	186,743,368.00		855,022,603.00		3,748,460.00		2,719,390,056.00		3,764,904,487.00		285,896,156.00		577,400.00	
Additions during the year	227,207,103.00		134,809,819.00		-		71,493,550.00		433,510,472.00		563,952,519.00		-	
Exchange differences	-		-		-		-		-		-		-	
Disposals during the year	(1,588,481.00)		(3,115,238.00)		-		(923,303.00)		(5,627,022.00)		(849,848,675.00)		-	
At 31st March, 2016	412,361,990.00		986,717,184.00		3,748,460.00		2,789,960,303.00		4,192,787,937.00		-		577,400.00	
Additions during the year	-		-		989,382.00		8,355,023.00		9,344,405.00		88,614,597.00		-	
Exchange differences	-		-		-		-		-		-		-	
Disposals during the year	-		-		-		(2,632,081.00)		(2,632,081.00)		-		-	
At 31st March, 2017	412,361,990.00		986,717,184.00		4,737,842.00		2,795,683,245.00		4,199,500,261.00		88,614,597.00		577,400.00	
Accumulated Depreciation and Impairment														
At 1st April, 2015	-		153,907,063.00		1,818,598.00		965,156,473.00		1,120,882,134.00		-		548,530.00	
Depreciation charge for the year	-		28,873,372.00		385,680.00		95,301,149.00		124,560,201.00		-		-	
Disposals during the year	-		(170,216.00)		-		(571,933.00)		(742,149.00)		-		-	
At 31st March, 2016	-		182,610,219.00		2,204,278.00		1,059,885,689.00		1,244,700,186.00		-		548,530.00	
Additions during the year	-		28,718,036.00		364,848.00		91,304,848.00		120,387,732.00		-		-	
Exchange differences	-		-		-		-		-		-		-	
Disposals during the year	-		-		-		(1,803,953.00)		(1,803,953.00)		-		-	
At 31st March, 2017	-		211,328,255.00		2,569,126.00		1,149,386,584.00		1,363,283,965.00		-		548,530.00	
Net Book Value														
At 31st March, 2017	412,361,990.00		775,388,929.00		2,168,716.00		1,646,296,661.00		2,836,216,296.00		88,614,597.00		28,870.00	
At 31st March, 2016	412,361,990.00		804,106,965.00		1,544,182.00		1,730,074,614.00		2,948,087,751.00		-		28,870.00	
At 1st April, 2015	186,743,368.00		701,115,540.00		1,929,862.00		1,754,233,583.00		2,644,022,353.00		285,896,156.00		28,870.00	
Net Book Value														
	As at 31st March 2017		As at 31st March 2016		As at 1st April, 2015									
	INR		INR		INR									
Property, Plant and Equipment			2,836,216,296.00				2,948,087,751.00						2,644,022,353.00	
Capital Work-in-progress			88,614,597.00				-						285,896,156.00	
Intangible Assets			28,870.00				28,870.00						28,870.00	



Notes to the Financial Statements for the year ended 31st March,2017

Note-4: Investments

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Investments at fair value through OCI (fully paid)			
Quoted Shares			
369481 nos equity shares of Karuna Cables Limited. (31st March,2016:369481 nos,1st April,2015:Nil)	51,727.00	73,896.00	-
25363 nos equity shares of Matra Reality Limited. (31st March,2016:25363 nos,1st April,2015:Nil)	15,471.00	23,588.00	-
4360 nos equity shares of Millenium, cybertech Limited. (31st March,2016:4360 nos,1st April,2015:Nil)	7,935.00	7,935.00	-
31474 nos equity shares of PFL Infotech Ltd. (31st March,2016:31474 nos,1st April,2015:Nil)	339,919.00	673,544.00	-
55449 nos equity shares of Polytech India Limited. (31st March,2016:55449 nos,1st April,2015:Nil)	205,161.00	326,040.00	-
387908 nos equity shares of Shri Bajrang Alloys Limited. (31st March,2016:387908 nos,1st April,2015:Nil)	6,768,995.00	12,238,497.00	-
172572 nos equity shares of Steel Exchange India Limited. (31st March,2016:172572 nos,1st April,2015:Nil)	14,021,475.00	6,678,536.00	-
13558 nos equity shares ofVMS Industries Ltd. (31st March,2016:13558 nos,1st April,2015:Nil)	225,063.00	217,606.00	-
Total	21,635,746.00	20,239,642.00	-
Aggregate cost price of quoted shares	13,309,801.00	13,309,801.00	-
Aggregate market value of quoted shares	21,635,746.00	20,239,642.00	-

Note-5: Other Financial Assets

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Security Deposits	104,396,609.00	105,942,712.00	101,409,469.00
Advance against Property	32,875,196.00	59,237,634.00	51,176,922.00
Other bank balances*	44,064,400.00	45,474,776.00	99,060,451.00
Total	181,336,205.00	210,655,122.00	251,646,842.00

*Details of other balances with banks

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Earmarked Balances with Banks	3,677,824.00	3,407,674.00	658,589.00
Term Deposits with Bank	4,956,888.00	4,169,784.00	11,448,829.00
Margin money,guarantee and security with banks*	35,429,688.00	37,897,318.00	86,953,033.00
Total	44,064,400.00	45,474,776.00	99,060,451.00

*The margin money,guarantee and security with banks includes deposits held as collateral Security.



Notes to the Financial Statements for the year ended 31st March,2017

Note-6: Other non- current Assets

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
(i)Non-Current			
Balances with government authorities	42,255,280.00	39,788,580.00	-
Diminution in value of inventory	704,413,382.00	784,286,306.00	-
Unmatured Financial Charges	979,705.00	1,347,099.00	260,268.00
Sub-Total	747,648,367.00	825,421,985.00	260,268.00
(ii)Current			
Advance for Expenses	1,860,792.00	5,955,743.00	4,378,539.00
Advance to Suppliers	139,795,125.00	188,758,259.00	266,004,970.00
Advance to related parties	-	-	14,805,971.00
Balances with government authorities	43,792,341.00	62,510,098.00	91,675,387.00
Compensation receivable	-	-	1,405,614.00
Insurance claim receivable	4,710,619.00	6,358,450.00	6,967,337.00
Prepaid Expenses	3,827,514.00	4,287,895.00	5,672,109.00
Unmatured Financial Charges	1,203,712.00	1,328,894.00	627,386.00
Sub-Total	195,190,103.00	269,199,339.00	391,537,313.00
Total	942,838,470.00	1,094,621,324.00	391,797,581.00

Note-7: Deffered tax assets/(liabilities)(net)

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
Opening balance	168,122,524.00	(143,836,364.00)	(205,693,193.00)
Property,plant and equipment and intangible assets	(342,464,631.00)	(349,663,767.00)	(373,008,900.00)
MAT Credit entitlement	108,511,004.00	80,350,271.00	97,218,985.00
Fair value measurement of financial liabilities	3,033,651.00	2,976,371.00	-
Losses available for offsetting future taxable income	430,319,419.00	434,459,649.00	131,953,551.00
Transfer to Statement of profit and loss account	(31,276,919.00)	(311,958,888.00)	(61,856,829.00)
Closing balance	199,399,443.00	168,122,524.00	(143,836,364.00)

Note-8: Inventories

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Raw Materials(Including Transit)	330,508,021.00	344,434,029.00	974,656,701.00
Semi-finished goods	81,976,259.00	7,216,365.00	14,084,985.00
Finished goods	210,157,625.00	494,015,098.00	402,138,532.00
Stock-in-trade-Material	6,908,858.00	36,043,453.00	7,300,493.00
Stock-in-trade-Securities	-	-	19,026,672.00
Stores,spares and consumables	60,824,837.00	72,452,706.00	98,307,945.00
Total	690,375,600.00	954,161,651.00	1,515,515,328.00

Note-9: Trade receivables

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Secured,considered good	-	-	-
Trade receivable	539,887,819.00	528,609,972.00	864,570,294.00
Receivable from related parties	-	-	-
Total	539,887,819.00	528,609,972.00	864,570,294.00

No trade receivables or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of upto 180 days.



Notes to the Financial Statements for the year ended 31st March,2017

Note-10: Cash and cash equivalents

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Balances with banks	-	-	-
On current accounts	113,189,908.00	49,988,619	7,474,714
Deposits with original maturity of less than three months	-	-	-
Cash on Hand	14,717,608.00	10,528,316.00	4,577,307.00
Less:Bank overdraft	-	-	-
Total	127,907,516.00	60,516,935.00	12,052,021.00

Specified Bank Note Disclosure(SBNs)

In accordance with the MCA notification G.S.R.308E dated 30th March,2017 details of Specified Bank Note(SBN) and Other Denomination Notes(ODN) held and transacted during the period from 8th November,2016 to 30th December,2016 is given below:

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	59,372,000.00	16,680,012.25	76,052,012.25
(+) Non permitted receipts	-	-	-
(+) Permitted receipts	-	25,006,854.00	25,006,854.00
(-) Permitted payments	-	35,078,484.00	35,078,484.00
(-) Amounts Deposited in Banks	59,372,000.00	76,500.00	59,448,500.00
Closing cash on hand as on December 30, 2016	-	6,531,882.25	6,531,882.25



Notes to the Financial Statements for the year ended 31st March,2017

Note-11: Equity Share Capital

Particulars	INR		
	As at 31st March'2017	As at 31st March'2016	As at 1st April'2015
a) Authorised			
55,000,000 Nos of Equity shares of 10/- each	550,000,000.00	550,000,000.00	550,000,000.00
15,000,000 Nos of Preference shares of 10/- each (55,000,000 Nos of Equity shares of 10/- each)	150,000,000.00	150,000,000.00	150,000,000.00
(15,000,000 Nos of Preference shares of 10/- each)	700,000,000.00	700,000,000.00	700,000,000.00
b) Issued, Subscribed and Paid Up			
Equity Shares:			
51,552,295 Nos of shares of 10/- each fully paid up (P.Y 48,805,630 Nos of shares of 10/- each fully paid up)	515,522,950.00	488,056,300.00	378,003,000.00
Total	515,522,950.00	488,056,300.00	378,003,000.00

i) Reconciliation of number of equity shares are set out below:

a) Shares outstanding at the beginning of the financial year.	48,805,630.00	37,800,300.00	37,800,300.00
b) Issued during the year	2,746,665.00	11,005,330.00	-
c) Shares outstanding at the end of the financial year	51,552,295.00	48,805,630.00	37,800,300.00

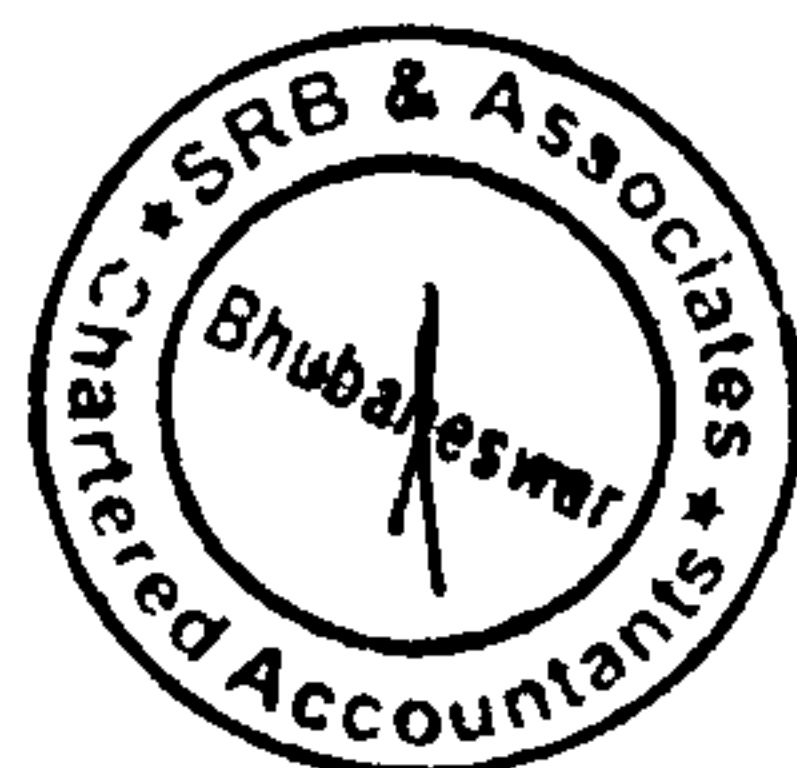
d) Details of shareholders holding more than 5% of shares

Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
i) Rajesh Gadodia	3535531	6.86%	3535531	7.24%
ii) Nimish Gadodia	3408316	6.61%	3408316	6.98%
iii) Artline Commerce Pvt Ltd	9566575	18.56%	9566575	19.60%
iv) Bayanwala Brothers (p) Limited	5383501	10.44%	4541384	9.31%
v) Decent Vincom pvt Ltd	2547221	4.94%	2547221	5.22%
vi) Monotype India Ltd (Earstwhile Mono Herbicides Ltd)	3004320	5.83%	3004320	6.16%

a) The Company has a single class of Equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the company's residual assets.

Note-12: Other Equity

Particulars	As at 31st March'2017	As at 31st March'2016	As at 1st April'2015
a. General Reserve			
Opening Balance	134,411,859.00	134,411,859.00	134,411,859.00
Add:-Additions during the year	-	-	-
Sub total	134,411,859.00	134,411,859.00	134,411,859.00
b. Securities Premium			
Opening Balance	1,844,617,114.00	1,018,915,764.00	1,018,915,764.00
Add:-Additions during the year	109,866,600.00	825,701,350.00	-
Subtotal	1,954,483,714.00	1,844,617,114.00	1,018,915,764.00
c. Capital Reserve			
Opening Balance	55,472,809.00	55,295,372.00	55,295,372.00
Add:-Received During the Year	-	177,437.00	-
Subtotal	55,472,809.00	55,472,809.00	55,295,372.00
d. Reserve for investments at Fair Value through OCI			
Opening Balance	6,929,841.00	-	-
Add: Net fair value gain/(loss) on investments during the period	1,396,105.00	6,929,841.00	-
Subtotal	8,325,946.00	6,929,841.00	-
e. Retained Earnings			
Opening Balance	60,020,532.00	68,729,411.00	6,872,582.00
Add: Profit/(Loss) during the year	(118,056,751.00)	(18,201,041.00)	-
Deferred taxes OCI	-	-	61,856,829.00
Add: Adjustment for earlier years	512,748.00	9,492,162.00	-
Sub total	(57,523,471.00)	60,020,532.00	68,729,411.00
Total	2,095,170,857.00	2,101,452,155.00	1,277,352,406.00



Notes to the Financial Statements for the year ended 31st March,2017

Note-13: Borrowings

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Non-Current Borrowings			
Secured Loan			
(a) Term Loan From Banks	56,300,000.00	131,300,000.00	203,189,474.00
(b) Financial Lease Obligations	9,899,249.00	11,558,298.00	3,913,912.00
Unsecured Loan			
(a) Deposits Accepted - Publics	26,675,790.00	15,487,150.00	15,628,468.00
(b) Deposits Accepted - From Related Party	126,135,821.00	70,835,326.00	100,175,533.00
(c) Loan From Related Parties			21,367,903.00
(d) Loan From Others			381,084,767.00
(e) 1% Preference Share *	148,469,537.00	138,387,613.00	-
Total non-current borrowings	367,480,397.00	367,568,387.00	725,360,057.00
Current Borrowings			
Current maturities of long term debt	132,888,212.00	77,753,462.00	157,212,945.00
Current maturities of finance lease obligations	6,589,264.00	8,149,913.00	4,474,562.00
Current maturities of deposits	14,140,797.00	70,653,641.00	5,766,921.00
Current maturities of unsecured loans	10,224,484.00	28,117,295.00	24,797,899.00
Cash Credit from Banks	1,583,949,001.00	1,686,458,430.00	1,609,072,207.00
Total current borrowings	1,747,791,758.00	1,871,132,741.00	1,801,324,534.00
Less: Amounts clubbed under "other current liabilities"	163,842,757.00	184,674,311.00	192,252,327.00
Net current borrowings	1,583,949,001.00	1,686,458,430.00	1,609,072,207.00
Total	2,115,272,155.00	2,238,701,128.00	2,526,684,591.00

i. Details of Security

Particulars	Security Details
Term Loan from banks	a) Secured by first charge on plant and machinery acquired out of bank finance on paripassu basis with consortium members and equitable mortgage of land and building on which the plant is located (both present and future). It is further secured against personal guarantee of Promoters' and Corporate Guarantee from M/s. Artline Commerce Private Limited. b) Extension charge over current assets and pledge of fixed deposit of face value of Rs.47.00 Lakhs on paripassu basis with consortium members.
Leased assets financed	Secured by hypothecation of respective fixed or movable assets.
Cash Credit	Secured by hypothecation of whole of current assets both present and future namely; raw materials, stock in process, semi finished and finished goods, consumable stores and spares, book debts of the company on pari passu basis with consortium members.

* The Company has allotted 12,849,605 Number of 1% Non - Convertible & Non-Cumulative Redeemable preference shares(NCRPS) , at face value of Rs. 10 each fully paid up with a premium of Rs. 30 each . The preference share holders have preference right over payment of dividend and settlement of principal amount upon liquidation, over common shareholder. The dividend shall be paid out upon availability of profits. The preference shares shall be redeemed out of profits or out of the proceeds of fresh issue of shares at or after the end of the Fifth year but with in a period of 20 years either in one or more tranches as may be determined by the board of directors of the company in its absolute discretion at such price as may be decided but in any case not less than price of Rs.44 for each.

Note-14: Trade Payables

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Trade Payables	548,187,369.00	529,397,560.00	986,817,841.00
Related Parties	41,615,218.00	41,931,504.00	-
Total	589,802,587.00	571,329,064.00	986,817,841.00

Note-15: Other financial liabilities

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Current maturities of long term debt	132,888,212.00	77,753,462.00	157,212,945.00
Current maturities of finance lease obligations	6,589,264.00	8,149,913.00	4,474,562.00
Current maturities of deposits	14,140,797.00	70,653,641.00	5,766,921.00
Current maturities of unsecured loans	10,224,484.00	28,117,295.00	24,797,899.00
Interest accrued and due on borrowings	10,736,042.00	10,097,031.00	6,930,818.00
Money received against share warrants/Shares pending allotments	40,000,000.00	44,333,500.00	327,600,000.00
Liabilities for Expenses	60,789,204.00	99,936,119.00	116,909,558.00
Total	275,368,003.00	339,040,961.00	643,692,703.00





Notes to the Financial Statements for the year ended 31st March,2017

Note-16: Provisions

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Provision of excise duty on closing stock	23,321,653.00	52,231,385.00	43,853,169.00
Total	23,321,653.00	52,231,385.00	43,853,169.00

Note-17: Other Current Liabilities

Particulars	As at	As at	As at
	31st March'2017	31st March'2016	1st April'2015
	INR	INR	INR
Advance from Customers	172,956,281.00	365,778,974.00	124,873,805.00
Statutory Dues Payable	4,668,833.00	13,128,135.00	21,591,374.00
Income tax payable			11,076,519.00
Total	177,625,114.00	378,907,109.00	157,541,698.00



Notes to the Financial Statements for the year ended 31st March,2017

Note-18: Revenue from operations

Particulars	31st March'2017	31st March'2016
	INR	INR
Sale of Products		
Sale of Manufactured Goods(Including Excise Duty)	3,733,135,478.00	3,199,137,596.00
Sale of Traded Goods	248,209,109.00	613,602,165.00
Other Operating Revenue*	200,544,425.00	60,696,304.00
Total	4,181,889,012.00	3,873,436,065.00

Details of Sale of Products

Particulars	31st March'2017	31st March'2016
	INR	INR
(a)Sales - TMT Re-bars	1,956,905,526.00	1,448,186,386.00
(b)Sales - M.S Billet/ M.S Ingot	181,655,669.00	137,199,533.00
(c)Sales - Sponge Iron	1,443,811,776.00	1,409,046,844.00
(d)Sales - Trading Materials	248,209,109.00	613,602,165.00
(e)Sales - Others**	351,306,932.00	265,401,137.00
Total	4,181,889,012.00	3,873,436,065.00

** Other sales includes sale of Iron ore fines ,Ash char, Waste mill scale, M S Coated sheet, Fly Ash bricks etc.

Note-19: Finance Income

Particulars	31st March'2017	31st March'2016
	INR	INR
Interest income on deposits from Related Parties	8,231,320.00	10,453,856.00
Total	8,231,320.00	10,453,856.00

Note-20: Other income

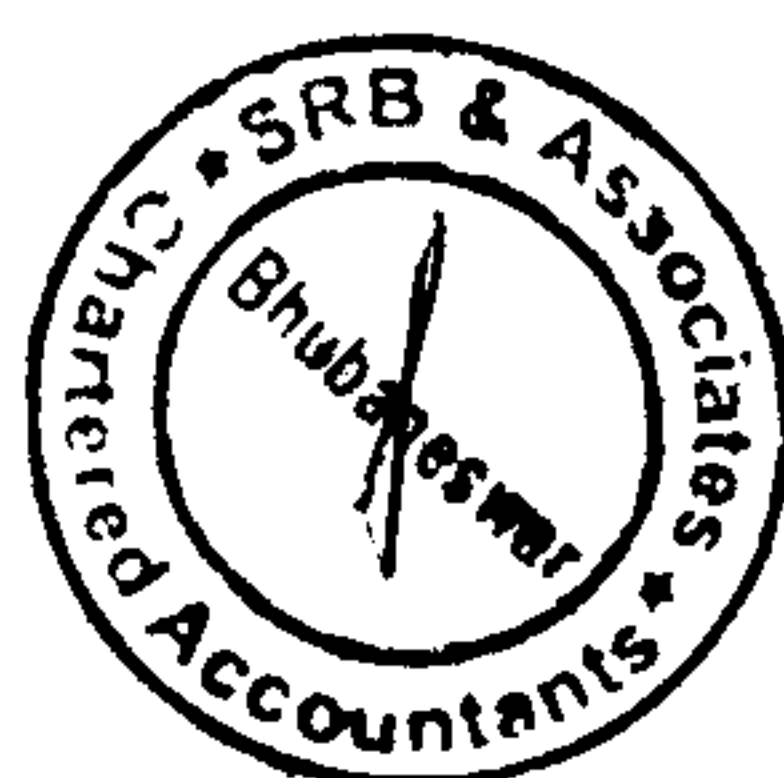
Particulars	31st March'2017	31st March'2016
	INR	INR
Interest Income	11,896,797.00	13,151,687.00
Profit on sale of asset(net)	-	168,847.00
Net Gain on foreign currency fluctuations	271,266.00	16,861.00
Miscellaneous Income	114,620.00	43,463.00
Total	12,282,683.00	13,380,858.00

Note-21: Cost of raw material consumed

Particulars	31st March'2017	31st March'2016
	INR	INR
Raw material and components consumed		
Opening Stock	341,611,811.00	861,586,951.00
Add:Purchased during the year	2,361,098,831.00	2,490,555,328.00
Less:Closing Stock	330,508,015.00	341,611,811.00
Less:Diminution in value of raw material	-	514,149,394.00
Total	2,372,202,627.00	2,496,381,074.00

Details of raw materials consumed

Particulars	31st March'2017	31st March'2016
	INR	INR
Coal indigenous	946,174,241.00	931,714,043.00
Iron ore /Pillet	939,978,814.00	829,952,548.00
Spong Iron	79,856,299.00	62,772,618.00
Scrap	196,892,863.00	84,635,159.00
Pig iron	56,952,690.00	200,164,122.00
M.S Ingot/Billet	92,765,759.00	327,816,420.00
Other raw materials	59,581,961.00	59,326,164.00
Total	2,372,202,627.00	2,496,381,074.00



Notes to the Financial Statements for the year ended 31st March,2017

Note-22: Cost of traded goods sold

Particulars	31st March'2017	31st March'2016
	INR	INR
Opening Stock	36,043,453.00	7,300,493.00
Add: Purchases during the year	197,822,505.00	532,489,342.00
Less: Closing Stock	6,908,858.00	36,043,453.00
Total	226,957,100.00	503,746,382.00

Note-23: Change in Inventories

Particulars	31st March'2017	31st March'2016
	INR	INR
Opening Stock		
Semi-Finished Goods	7,216,365.00	14,084,985.00
Finished Goods	494,015,098.00	515,208,282.00
Stock In Trade-Security	-	19,026,672.00
Sub-Total	501,231,463.00	548,319,939.00
Less:- Closing Stock		
Semi-Finished Goods	81,976,259.00	7,216,365.00
Finished Goods	210,157,625.00	494,015,098.00
Stock In Trade non current Investment	-	13,309,801.00
Sub-Total	292,133,884.00	514,541,264.00
Diminution in value of Stocks:-		
Trade Goods	-	12,113,236.00
Work-in-Progress	-	6,639,780.00
Finished goods	-	251,383,898.00
Sub-Total	-	270,136,914.00
Total	209,097,579.00	(236,358,239.00)

Note-24: Employee Benefit Expenses

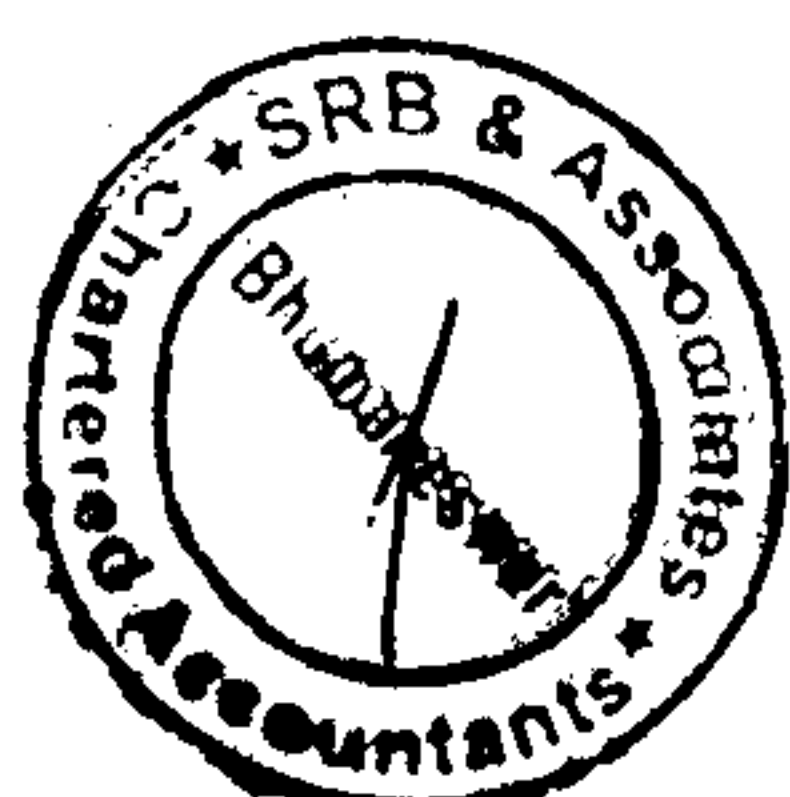
Particulars	31st March'2017	31st March'2016
	INR	INR
Salaries, wages and bonus	107,928,882.00	101,252,325.00
Contribution to provident and other funds	11,319,493.00	10,050,158.00
Total	119,248,375.00	111,302,483.00

Note-25: Finance Cost

Particulars	31st March'2017	31st March'2016
	INR	INR
Interest on Debts & Borrowings	97,814,178.00	272,184,806.00
Interest on finance lease obligations	1,706,047.00	1,384,107.00
Interest on deposits	19,505,893.00	18,131,324.00
Interest to Others	2,749,321.00	1,032,309.00
Cost of Preference Shares	10,081,924.00	9,891,563.00
Total	131,857,363.00	302,624,109.00

Note-26: Depreciation and amortisation of expenses

Particulars	31st March'2017	31st March'2016
	INR	INR
Depreciation on tangible assets	120,387,732.00	124,560,201.00
Amortisation of Expenses	79,872,925.00	-
Total	200,260,657.00	124,560,201.00



Notes to the Financial Statements for the year ended 31st March,2017

Note-27: Other expenses

Particulars	31st March'2017	31st March'2016
	INR	INR
Consumption of stores and spares	86,789,207.00	74,441,674.00
Central Excise duty expenses	405,379,559.00	342,516,864.00
Power and fuel	562,653,640.00	434,177,996.00
Water charges	2,905,653.00	3,125,269.00
Operational Expenses	27,544,523.00	25,310,322.00
Security Service Charges	4,278,160.00	5,000,899.00
Rent,Rates and taxes	13,340,457.00	10,723,730.00
Insurance	1,962,982.00	3,360,905.00
Bank Charges	214,916.00	5,860,662.00
Provision on excise duty on closing stock	(28,909,732.00)	8,378,215.00
Repairs and maintenance	6,111,541.00	3,829,211.00
Advertising and sales promotion	1,229,284.00	1,002,688.00
Professional & Consultancy	4,664,597.00	1,873,965.00
Communication costs	1,118,908.00	963,379.00
Remuneration to Auditors	2,270,000.00	1,960,000.00
Loss on sale of assets (net)	68,128.00	-
General expenses	491,161.00	1,670,869.00
Total	1,092,112,984.00	924,196,648.00

