



UTTAM

48th

Annual Report 2017 - 2018

UTTAM VALUE STEELS LIMITED



BOARD OF DIRECTORS	B L KHANNA : CHAIRMAN RAJINDER MIGLANI : DIRECTOR B L KHURANA : DIRECTOR JAGATH CHANDRA : DIRECTOR RAJEEV KUMAR : DIRECTOR (NOMINEE - IDBI) RAJIV MUNJAL : WHOLE TIME DIRECTOR ARVIND KUMAR GUPTA : DIRECTOR										
SR. GENERAL MANAGER & COMPANY SECRETARY	RAM GAUD										
CHIEF FINANCIAL OFFICER	R.P. GUPTA										
WORKING CAPITAL BANKERS	STATE BANK OF INDIA IDBI LTD PUNJAB NATIONAL BANK CANARA BANK BANK OF BARODA ANDHRA BANK INDIAN OVERSEAS BANK ALLAHABAD BANK CORPORATION BANK UNION BANK ORIENTAL BANK OF COMMERCE VIJAYA BANK PUNJAB & MAHARASHTRA CO-OP BANK LTD										
STATUTORY AUDITOR	VSS & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI										
INTERNAL AUDITOR	ERNST & YOUNG LLP CHARTERED ACCOUNTANTS, MUMBAI										
REGISTERED OFFICE	UTTAM HOUSE, 69, P. D'MELLO ROAD, MUMBAI : 400 009 Tel No. : 022 66563500, Fax No : 022 23485025 E-MAIL : investor@uttamvalue.com WEBSITE: www.uttamvalue.com										
CORPORATE IDENTIFICATION NO	CIN L27100MH1970PLC014621										
OTHER OFFICES / BRANCHES	<table> <tr> <td>▪ DELHI</td><td>▪ AHMEDABAD</td></tr> <tr> <td>▪ BANGALORE</td><td>▪ INDORE</td></tr> <tr> <td>▪ HYDERABAD</td><td>▪ PUNE</td></tr> <tr> <td>▪ CHENNAI</td><td>▪ NAGPUR</td></tr> <tr> <td>▪ COCHIN</td><td>▪ JAIPUR</td></tr> </table>	▪ DELHI	▪ AHMEDABAD	▪ BANGALORE	▪ INDORE	▪ HYDERABAD	▪ PUNE	▪ CHENNAI	▪ NAGPUR	▪ COCHIN	▪ JAIPUR
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▪ CHENNAI	▪ NAGPUR										
▪ COCHIN	▪ JAIPUR										
WORKS	STEEL PLANT, UTTAM NAGAR, BHUGAON LINK ROAD, WARDHA, MAHARASHTRA, INDIA										

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NOTICE

NOTICE is hereby given that the 48TH ANNUAL GENERAL MEETING of the Members of the Uttam Value Steels Limited will be held on Friday 20th July, 2018 at 11.00 a.m. at M C Ghia Hall, 18/20, K. Dubhash Marg, Mumbai – 400 001 to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the following:-
 - a) The Audited Financial Statement for the Financial Year ended 31st March, 2018 and the Reports of the Board of Directors and the Auditors thereon;
 - b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018.
2. To appoint a Director in place of Shri Rajinder Miglani, (Din 00286788) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. VSS & Associates, Chartered Accountants, (Registration No. 105787W) as the Statutory Auditor of the Company for the Financial Year 2018-19 and to hold office from the conclusion of this Annual General Meeting till the conclusion of the 49th Annual General Meeting and to authorize the Board of Directors to decide their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 24 & 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, Ms. Jagath Chandra (DIN: 07147686), Director of the Company who was appointed on the Board as a non-executive women Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 3rd January, 2023.”
5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 24 & 25 of the SEBI (Listing Obligation and Disclosure and Requirements) Regulations 2015, Shri Arvind Kumar Gupta (DIN: 03203379), who was appointed as an Additional Director of the Company by the Board of Director by passing a

Circular Resolutions w.e.f from 19th January, 2018 and who hold office until the date of this Annual General Meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 5th April, 2023.”

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules Act, 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force M/S. Manisha Associates- Cost Accountants (Firm Registration No. 000321) as a Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the Financial Year ending 31st March, 2019 be paid the Remuneration of ₹ 60,000/- P.A. plus applicable taxes and out of pocket expenses payable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this Resolutions.”

**By Order of the Board
For Uttam Value Steels Limited**

**(Ram Gaud)
Sr. General Manager & Company Secretary**

Registered Office:

Uttam House, 69, P. D' Mello Road,
Mumbai – 400009
CIN:- L27100MH1970PLC014621
Date: 6th April, 2018

IMPORTANT NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON ONLY AS A PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR OTHER SHAREHOLDER.



2. The Register of Members and the Share Transfer books of the Company will remain closed from 13th July, 2018 to 20th July, 2018 (both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31st March, 2018.
3. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
4. Members/Proxies attending the Meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copies of the Annual Report.
5. In case of joint Holders attending the meeting the Members whose name appears as the first holder in the order of name appear as the first holder in the order of name as per the Register of Members of the Company will be entitled to vote.
6. The Company's Shares are listed on BSE Ltd and National Stock Exchange of India, Mumbai and applicable listing Fees have been paid upto date including Financial Year 2018-19.
7. The Company do not have any amount which requires to be transferred, in terms of Section 124 of the Companies Act, 2013 to Investor Education and Protection Fund of the Central Government during the Financial Year.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
9. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate Resolution/authority, as applicable.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts and the Members holding shares in physical form can submit their PAN details to the Company.
11. Details under Clause 17 of the Listing Obligations and Disclosure Requirements Regulation, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of this notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Electronic copy of the Notice of the 48th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. The members who have not registered their email address, so far are required to register their email address for receiving all communication including Annual Report, notices, circulars etc, from the Company electronically. The physical copies of the Notice of the 48th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 48th Annual General Meeting and the Annual Report for financial year 2017 -2018 will also be available on the Company's website www.uttamvalue.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send request to the Company's investor email id: investor@uttamvalue.com.
14. All documents referred to in the Notice will be available for inspection at the registered office of the Company during normal business hours on working days excluding Saturday, Sunday and Public holidays from 11.00 a.m. to 2.00 P.M. upto the date of AGM.
15. During the period, Shareholder's of the Company holding Shares either in Physical Form or in Dematerialised forms as on Benpos Date (Record Date) i.e. 8th June, 2018 will receive Annual Report.
16. Members are requested to kindly notify changes including email address, if any, in their address to the Company's Registrar & Transfer Agent, Bigshare Services Pvt. Ltd., (Uttam Value Steels Limited) at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059.
Email address of the company is - investor@uttamvalue.com
17. All queries relating to Share Transfer and allied subjects should be addressed to:
Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road,
Marol, Andheri East, Mumbai 400059
Phone: 022 - 62638200
Email Id: investor@bigshareonline.com

PROCEDURE FOR E-VOTING THROUGH ELECTRONIC MEANS

- i. In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called the "the Rules" for the purpose of this Section of the Notice), the Company

Uttam Value Steels Limited

is pleased to provide members facility to exercise their right to vote on the items of Business given in the Notice through electronic voting system, to members holding shares as on 13th July, 2018 (end of day) being the cut off date for the purpose of Rule 20(4)(vii) of the Rules fixed for determining voting rights of members, entitled to participate in the remote e – voting process, through the e- voting platform provided by Central Depository Services Limited (CDSL) or to vote at the 48th Annual General Meeting.

- II. The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 48th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
- III. The remote e-voting period commences on 16th July, 2018 (10.00 a.m.) and end on 19th July, 2018 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 13th July, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disable by CDSL for voting thereafter. Once the vote on a Resolution is cast by the member, the member shall not be allowed to change it subsequently. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- IV. Shri Vijay B Kondalkar Practicing Company Secretary (Membership No. ACS - 15697), has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.
- V. The Scrutinizer shall immediately after the conclusion of voting at the ensuring Annual General Meeting first count the vote cast at the meeting, thereafter unblock the votes through e – voting in the presence of at least two (2) witness, not in the employment of the Company and make not later than 3(Three) days from the conclusion of the meeting, a consolidated scrutinizers report of the total votes cast in favour or against, if any, to the chairman of the Company who shall countersign the same.
- VI. The Scrutinizer shall submit his report to the Chairman, who shall declare the result of the voting. The result declared along with Scrutinizer report shall be placed on the Company's Website: www.uttamvalue.com and on the website Big Shares Services Private Limited: www.bigshareonline.com and shall also be communicated to the stock Exchange.
- A) Step-by-Step procedure and instruction for casting your vote electronically are as under in case of members receiving e-mail:

Step-1: Open your web browser during the voting period and Log on to the e-voting website www.evotingindia.com

Step-2: Click on "Shareholders" tab.

Step-3: Now, select the "COMPANY NAME" **UTTAM VALUE STEELS LIMITED** from the drop down menu and click on "SUBMIT"

Step-4: Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step-5: Next enter the Image Verification as displayed and Click on Login.

Step-6: If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

Step-7: If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend bank Details	Enter the dividend bank Details as recorded in your demat Account or in the Company records for the said demat Account or folio. # Please enter the DOB or Dividend Bank details in order to Login. If the details are not recorded with the Depository or Company Please enter the member id/folio number in the Dividend Bank Detail as Mentioned in step no.4.

Step-8: After entering these details appropriately, click on "SUBMIT" tab.

Step-9: Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach



'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step-10: For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step-11: Click on the EVSN for the relevant the name of the Company **UTTAM VALUE STEELS LIMITED** on which you choose to vote.

Step-12: On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step-13: Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

Step-14: After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Step-15: Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step-16: You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

Step-17: If Demat account holder has forgotten the changed password then Enter the **User ID** and the image verification code and click on Forgot Password & enter the details as prompted by the system.

➤ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

➤ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

➤ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

➤ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

➤ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B) In case of members receiving the physical copy:

a) Please follow all steps from sl. no. (1) to sl. no. (17) above to cast vote.

b) The voting period begins on 16th July, 2018 at 10.00 am and ends on 19th July, 2018 at 5.00 pm During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th July, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

➤ In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No.4

Ms. Jagath Chandra was appointed as a Non-Executive Woman Director of the Company. She joined the Board of Directors of the Company on 30th May, 2016. She is highly skilled and talented expert at public relations and organizational abilities with more than 42 years of proven success, worked more exclusively in relocation of expatriates and foreign clients. Have also worked for foreign reputed national and international clients on consultant basis. She has ability to manage multiple simultaneous tasks to balance competing priorities and respond quickly to changing needs.

Ms. Jagath Chandra is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director.

As per the provision of Section 149(10) and any other applicable provisions of Companies Act, 2013, Ms. Jagath Chandra being eligible to offer herself for appointment as an Independent Director for a term of 5 (Five) years from 4th January, 2018 to 3rd January, 2023.

In the opinion of the Board, Ms. Jagath Chandra fulfills the conditions specified in the Companies Act, 2013, and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Jagath Chandra as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, Sunday and Public Holiday.

The Company has received declaration from Ms. Jagath Chandra that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 as may be in force time to time.

Brief resume of Ms. Jagath Chandra nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 17 of the SEBI, (Listing Obligations & Disclosure Requirements), Regulations 2015 with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

[illegible]



DIRECTORS' REPORT

Your Directors present the Forty Eighth Annual Report on the operations of your Company along with Audited Financial Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(₹ Crores)

Particular	Standalone		Consolidated	
	2017-2018	2016-2017	2017-2018	2016-2017
Sales (Gross)	2704.21	3771.90	2704.21	3771.90
Other Income	74.13	46.11	74.13	46.11
Total Income	2778.34	3818.01	2778.34	3818.01
Profit/(Loss) before Interest, Depreciation & Tax	(88.95)	(105.53)	(88.95)	(105.53)
Less : Finance Charges	239.33	258.91	239.33	258.91
Depreciation	137.54	145.38	137.54	145.38
Profit/(Loss) before tax	(465.82)	(509.82)	(465.82)	(509.82)
Portion of current year Profit/(Loss) on Investment in Associate	-	-	(0.69)	(1.58)
Net Profit/(Loss) after Tax	(465.82)	(509.82)	(466.51)	(511.40)

PERFORMANCE

The Company achieved a Gross Turnover of ₹ 2704.21 Crores in 2017-18 as against ₹ 3771.90 Crores in the previous year, showing a declined by 28.31 % over previous year. The operating Loss before Interest, Depreciation & Tax for the year was ₹ 88.95 Crores as against ₹ 105.53 Crores in the previous year showing an improvement of 15.72%. The Company posted a loss of ₹ 465.82 Crores during the year as against a loss of ₹ 509.82 Crores in the previous year after providing depreciation of ₹ 137.54 Crores (Previous year ₹ 145.38 Crores).

During the year there were no changes in the nature of business of the Company, the detailed discussion on Company's overview and future outlook has been given in the section on 'Management Discussion and Analysis' (MDA).

The Company has witnessed a serious down turn in the past few years and there have been a global recessionary condition in the world economy. The Company's performance was also affected due to unfavorable volatility in the foreign exchange rates, sluggish demand in the Indian Steel industries, dumping of steel products from China, Japan and South Korea. Consequently, the steel industries in India suffered severe financial crises due to which your company also could not have stay immune to the same. Realizing the precarious and disadvantageous position of the steel industry in the country, the Government of India in September 2015 imposed a 20% safe guard duty on import of hot rolled coils. However, by the time Government initiated steps to protect the steel market steel product price have already reached deep lows and the government measures did not provide any reasonable support to the company to cop up with these challenges. Additionally, dumping of Chinese steel in Indian market in the Financial Year 2015-16 which resulted worst for the company and as a result the company could not resist the down turn pressure any further and this eventually resulted in delayed payment to the lenders.

Even after initiating several measures like cost cutting, meeting with Joint Lenders Forum (JLF) and despite various other steps, the company could not prevent itself from becoming Non Performance Asset (NPA) and accordingly the JLF declared our account as NPA.

This has resulted into lack of working capital, volatility in foreign exchange rates, and non-support from suppliers and customers on account of initiation of Insolvency proceedings by State Bank of India (SBI) against the company as financial creditors.

CONSOLIDATED FINANCIAL STATEMENT

The audited consolidated financial statement, pursuant to Section 129 of the Companies Act, 2013 and IND AS 110 on Consolidated Financial Statements has been provided in the Annual Report.

A statement containing salient features of the financial statement of associate Company in accordance with the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed form AOC - 1 is annexed as "Annexure V" of this report.

DIVIDEND

In view of the accumulated losses, the Board of Directors do not recommend any Dividend on the Equity shares.

TRANSFER TO RESERVE

The Company has incurred loss, during the year under consideration, hence no amount could be transferred to reserves.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES :

The Company does not have any Subsidiary or Joint Venture Company. The Company has Indrajit Power Private Limited as its Associate Company, the details of the same are attached in form AOC-1 as "Annexure -V".

RESOLUTION PROCESS

The State Bank of India have filed the petition before National Company Law Tribunal (NCLT) Mumbai Bench, under section 7 of the Insolvency and Bankruptcy Code 2016 on 29th December, 2017 for resolution of their debt.

In the meanwhile, the Company in view of the interdependency of its operation with that of Uttam Galva Metalics Limited ('UGML'), an associate company, and in order to have an efficient implementation of the resolution plans; filed Transfer Petition seeking transfer & consolidation of the petition filed against the Company before Mumbai Bench with the Petition filed by SBI against UGML before NCLT Bench at Chandigarh. However, the Hon'ble NCLT, New Delhi Principal Bench, taking into consideration the factual matrix of the petition, vide its order dated 13th February, 2018 ordered transfer of petition filed against UGML from NCLT Chandigarh Bench to NCLT Mumbai Bench, to be heard along with the petition filed against the Company.

The petition filed by SBI is not yet admitted as on date.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the regulation 34 read with the Schedule V of the SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015 your Directors wish to report as follows:

a) Industry Structure & Developments:

STEEL INDUSTRY SCENARIO

Steel Industry plays a vital role in the development of any modern economy and is considered to be a yardstick

to measure the level of socio-economic development and living standard of its countrymen. Steel industry derives its demand from other important sectors like infrastructure, aviation, engineering, construction, automobile, pipes and tubes, etc. Thus, its intense integration with other important industries makes it a strategic sector for the Governments as well.

The Indian economy is currently poised for its next wave of growth supported by the recent reforms launched by the government, showing a tremendous opportunity for the steel industry to grow exponentially. The Indian Steel market has witnessed growth in both production and consumption. Steel production in India have grown by 5.7% in January 2018 as compared to January 2017.

Indian Domestic steel consumption also rose by 6.8% in 2017-18 as compared to 2016-17. The demand driven by rising infrastructure development, growing demand for automotive, construction, housing and ground transportation, special steels in engineering industries such as power generation, petrochemicals and fertilizers is expected to continue through 2018-19.

The Indian steel sector enjoys advantages of domestic availability of raw materials and cheap labour. Iron ore is also available in abundant quantities, though the continued mining restrictions have put a strain on its availability as well as price. This abundance has been providing a major cost advantage to the domestic steel industry.

b) Opportunity & Threats:

India's capacity expansion in steel is driven by the sustained growth in domestic consumption. Government's focus on infrastructure, real estate, affordable housing and smart cities will enable a demand growth of minimum 7-8% over the next 5 to 10 years. In line with the growth demand, the country's steel ministry is framing a new steel policy to increase the capacity of steel production to 300 million tonne by 2030 in line with the growth.

Increase in per capita incomes in the country and various social sector schemes including Pradhan Mantri Awas Yojna-Housing for All, Pradhan Mantri Gram Sadak Yojna, Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT), Sardar Patel Urban Housing Mission, 100 Smart Cities Mission (by 2022), National Heritage City Development and Augmentation Yojana (HRIDAY), Bharatmala project, 24x7 Power for All initiative, Development of Industrial Corridors & National Investment & Manufacturing Zones and many others provide a bright outlook for the demand of steel in the country.

Given the favorable global scenario, our country's steel exports also grew by 102% to 8.24 million tons, while there has been a decline in imports by 37% to 7.42 million tons.

With the domestic availability of key raw material, the outlook remains to be positive both in terms of availability and pricing driven by strong domestic demand and positive global outlook.

c) Segment-wise or Product-wise Performance:

Since your Company operates only in one Segment, segment-wise or product-wise analysis of performance is not applicable.

d) Outlook

The steel industry with the roll out of the National Steel Policy-2017, it is envisaged that the industry will be steered in creating an environment for promoting domestic steel and thereby ensuring a scenario where production meets the anticipated pace of growth in consumption, through a technologically advanced and globally competitive steel industry. This will be facilitated by Ministry of Steel, in coordination with relevant Ministries, as may be required. To accomplish PM's vision of 'Make in India' Policy for providing preference to domestically manufactured Iron & Steel products in Government procurement was approved on 3rd May, 2017. The policy is envisaged to promote growth and development of domestic steel industry and reduce the inclination to use, low quality low cost imported steel in Government funded projects. We hope that every Government Agency would take the responsibility and ensure for implementation of this policy.

India's average Gross Domestic Product (GDP) growth has been estimated to grow by 7.4 per cent in 2017-18 and 7.8 per cent in 2018-19, up from 7.1 per cent in 2016-17.

According to World Steel Association, the demand of steel in India is expected to grow by 5.7% in 2018 against a global growth in demand of 1.6% in 2018.

e) Risk & Concerns :

As per the requirement of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted steps for framing, implementing and monitoring the risk management plan and accordingly the Directors have put in place critical risk management framework across the Company for identification and evaluation of all potential risks. The Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in the business. All inherent risks are identified, measured, monitored and regularly reported to the management. The management decides measures required to overcome these risks and ensures implementation of proper risk mitigation plans. The risk report and mitigation plans are presented to the Board of Directors periodically. Some of them are mentioned herein below:

The domestic steel industries run the risk of normal industry cycle as under:

- High cost of capital
- Delay in absorption in technology by existing units.
- High cost of basic input and services
- Poor quality of basic infrastructure like road, port etc.
- High logistics cost

The Company is exposed to the normal industry risk factors and manages these risks by prudent business and risk management practices. The Company has made efforts to lower the cost of steel production by improving productivity, maximizing production of high value added Special steels, Improving plant efficiency, reducing energy consumption etc.