

NARAYANI STEELS LIMITED

(CIN: L27109WB1996PLC082021

(A COMPANY UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS)

Kolkata

ANNUAL REPORT FOR 2021-22

27th Annual General Meeting

On Friday, the 30th day of September, 2022 at 04.00 P.M

at IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"),

Registered Office:

23A, N.S. Road, 7th Floor,
Room No-31, Kolkata-700001,
West Bengal, India

|NARAYANI STEELS LIMITED|

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PARTICULARS

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|NARAYANI STEELS LIMITED|

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The Board of Directors:

- | | |
|---------------------------------|----------------------|
| 1. Sri Sumit Kumar Agarwal | Additional Director. |
| 2. Smt Akansha Agarwal | Additional Director. |
| 3. Sri Asit Baran Bhattacharjee | Additional Director. |
| 4. Sri Ajit Kumar Nath | Additional Director. |
| 5. Sri Amit Ranjan Sinha. | Additional Director. |

*The above list of Directors are as on date.

Resolution Professional

Krishna Komaravolu
IP Registration no. IBBI/IPA-002/IP-
N00562/2017-18/11699

Statutory Auditors:

M/s. P.D. Rungta & Co..
Chartered Accountants
Kolkata.

Bankers:

Union Bank of India.

Secretarial Auditors:

Gopinath Nayak & Associates
Company Secretaries
Bhubaneswar

Registrar and Share Transfer Agent:

Bigshare Services Private limited.
Office No S6-2, 6th Floor, Pinnacle Business
Park, Next to Ahura Centre, Mahakali Caves
Road, Andheri (East) Mumbai - 400093

Registered Office:

23A, N.S. Road, 7th Floor,
Room-31
Kolkata
West Bengal
India
700001

Corporate Office:

Sy No.202/30-34 and 38/Part,
Modavalasa Village,
Denkada Mandal,
Vizianagaram 535004

**Company Secretary and
Compliance Officer:**

CS. Arun Kumar Meher

COMPOSITION OF BOARD OF COMMITTEES

AUDIT COMMITTEE:	STAKE HOLDER'S RELATIONSHIP COMMITTEE:
<ol style="list-style-type: none">1. Sri Asit Baran Bhattacharjee - Chairman2. Sri Ajit Kumar Nath -Member3. Smt Akansha Agarwal- Member <p>*The above Committee of Directors are as on date.</p>	<ol style="list-style-type: none">1. Sri Asit Baran Bhattacharjee - Chairman2. Sri Ajit Kumar Nath -Member3. Smt Akansha Agarwal- Member <p>*The above Committee of Directors are as on date.</p>
NOMINATION AND REMUNERATION COMMITTEE:	
<ol style="list-style-type: none">1. Sri Asit Baran Bhattacharjee - Chairman2. Sri Ajit Kumar Nath -Member3. Smt Akansha Agarwal- Member <p>*The above Committee of Directors are as on date.</p>	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given to all the Members that the 27th Annual General Meeting of the Members of M/s. Narayani Steels Limited will be held on Friday, the 30th of September, 2022 at 04.00 P.M. IST through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), to transact the following business:

Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022, the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) consisting of the Statement of Profit & Loss for the period ending 31st March, 2022, Cash Flow Statement for the period ended 31st March, 2022 and the Balance Sheet of the Company as on that date, Schedules and Notes thereon together with the Directors’ Report, Independent Auditors’ Report and Secretarial Auditors’ Report thereon.
2. **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 139(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time P.D.Rungta & Co. Chartered Accountants (FRN: 001150C) be and are hereby appointed as Statutory Auditors of the Company to conduct the statutory audit for a period of Five years commencing from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company to be held for the Financial Year 2026-27 at such remuneration as may be mutually agreed upon between the Board of Directors/Resolution Professional of the Company and the Auditors plus out of pocket expenses and applicable GST, if any.

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution.”

3. **To appoint a director in place of Mr. Sumit Kumar Agarwal (DIN: 02184000), Additional Director of the Company who retires by rotation and being eligible, offers himself for re-appointment**

SPECIAL BUSINESS:

4. ACCORDING CONSENT FOR APPOINTMENT OF MR. SUMIT KUMAR AGARWAL (DIN: 02184000) AS MANAGING DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION THEREOF.

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

"RESOLVED THAT pursuant to Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. Sumit Kumar Agarwal (DIN: 02184000) be and is hereby appointed as Managing Director of the Company for a period of Five years with effect from 30.09.2022, liable to retire by rotation, on the terms and conditions of remuneration as hereunder:

- (i) A salary at the rate of Rs. 2,00,000/- (Rupees Two Lakhs Only) per month with effect from the date of appointment in the Company, which may be revised by the Board from time to time.
- (ii) Medical Reimbursement: Actual Expenses incurred for the Managing Director and his family.
- (iii) Gratuity: Gratuity payable shall be in accordance with the provisions of payment of Gratuity Act, 1972
- (iv) Commission: .01% of Net Profit.

"RESOLVED FURTHER THAT where in any Financial Year during his tenure, if the Company has no profits or its profits are inadequate, the minimum remuneration would be paid, subject to such Statutory approvals as may be applicable."

"RESOLVED FURTHER THAT in the event of any Statutory amendment, modification or relaxation relating to the payment of remuneration to the Managerial Personnel or to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration within the prescribed limits."

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

5. APPOINTMENT OF AMIT RANJAN SINHA (DIN: 09680056) AS AN EXECUTIVE DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Amit Ranjan Sinha (DIN: 09680056) who was appointed by the Board of Directors based on the recommendation of Nomination and Remuneration Committee, as an Additional Director of the Company with effect from 28.06.2022 under Section 161(1) of the Act to hold office till the conclusion of this annual general meeting and in respect of whom a notice in writing pursuant to section 160 of the Act has been received from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Executive Director of the Company, liable to retire by rotation, for a term of 5 (five) consecutive years with effect from April 28.06.2022 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to

as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit;

RESOLVED FURTHER THAT Mr. Amit Ranjan Sinha be paid remuneration comprising salary, performance linked bonus / commission on profits, perquisites / benefits on following terms and conditions with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment and / or remuneration as it may deem fit and as may be mutually agreed between Mr. Amit Ranjan Sinha and the Board, for a period of 5 (five) years from 28.06.2022 to 28.06.2027 subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

- Salary: A salary at the rate of Rs. 1,00,000/- (Rupees One Lakh Only) per month. The Board of Directors or Committees thereof, are authorized to determine yearly increment in accordance with the policy of the Company.
- Performance linked Bonus / Commission on Profits: Such amount(s) as may be decided by the Board of Directors or Committee thereof from year to year subject to the approval of shareholders.
- Perquisites and Other Benefits / Allowance: Perquisites and other benefits / allowances shall be as determined by the Board or Committee thereof, in accordance with the policies of the Company.
- Other Benefits (including retiral): Such amount(s) as may be decided by the Board of Directors or Committee thereof, in accordance with the policies of the Company.

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

6. APPOINTMENT OF MS AKANSHA AGARWAL (DIN: 09540310) AS INDEPENDENT DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Akansha Agarwal (DIN: 09540310), who has submitted a Declaration that she meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom a Notice in writing has been received, under Section 160 of the Companies Act, 2013, by the Company, proposing her candidature for the office of Independent Director, be and is hereby appointed as Independent Director of the Company for a term of 5 years with effect from 30.09.2022, without being liable to retire by rotation and sitting fees as determined between board of directors and Independent Director"

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

7. ACCORDING CONSENT FOR APPOINTMENT OF MR. AJIT KUMAR NATH (DIN: 08641824) AS INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ajit Kumar Nath (DIN: 08641824), who has submitted a Declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom a Notice in writing has been received, under Section 160 of the Companies Act, 2013, by the Company, proposing his candidature for the office of Independent Director, be and is hereby appointed as Independent Director of the Company for a term of 5 years with effect from 30.09.2022, without being liable to retire by rotation and sitting fees as determined between board of directors and Independent Director”

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution.”

8. ACCORDING CONSENT FOR APPOINTMENT OF MR. ASIT BARAN BHATTACHARJEE (DIN: 02559634) AS INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), Mr. Asit baran Bhattacharjee (DIN: 02559634), who has submitted a Declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom a Notice in writing has been received, under Section 160 of the Companies Act, 2013, by the Company, proposing his candidature for the office of Independent Director, be and is hereby appointed as Independent Director of the Company for a term of 5 years with effect from 30.09.2022, without being liable to retire by rotation and sitting fees as determined between board of directors and Independent Director”

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution.”

9. RATIFICATION AND PAYMENT TO M/S. SAMPATH BABU & CO., COST AUDITORS OF THE COMPANY.

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

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Companies (Audit and Auditors) Rules, 2014, (including any Statutory modification (s) or re-enactment thereof, for the time being in force), M/s. Sampath & Co., Cost Accountants, Visakhapatnam to conduct the audit of cost records of the Company for the Financial Year ending 31st March, 2023, be paid a remuneration as determined between Board of Directors/Resolution Professional and Cost Auditor as deemed fit in connection with the aforesaid audit;

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

10. RELATED PARTY TRANSACTIONS

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 188 and other applicable provisions of the Companies Act, 2013 read with the Rules made there under (including any Statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded and ratified the Related Party Transactions entered by the Company with the respective Related Parties and for the amounts as mentioned herein below for the Financial Year 2021-22:

S. No	Name of the Related Party	Name of the Director/ KMP who is related, if any	Nature of relationship	Type of Transaction	Amount (in INR)
01.	Aspire Capital Pvt Ltd Oipl India Pvt Ltd Rachana Agarwal Rishikunj Vincom Pvt Ltd Sumit Kumar Agarwal (HUF) Sumit Kumar Agarwal	Rachana Agarwal, Sumit Kumar Agarwal	Enterprises owned or significantly influenced by the Directors	Share Application Money Received (pending allotment)	100.00 100.00 100.00 36.00 182.00 100.00
02	Oipl India Pvt Ltd Rishikunj Vincom Pvt Ltd	Sumit Kumar Agarwal	Enterprises owned or significantly influenced by the Directors	Unsecured Loan received	160.00 1456.20
03	Hari Equipments Private Limited	Sunil Choudhary	Enterprises owned or significantly influenced	Payment upon invocation of guarantee (as per	40.50

			ced by the Directors	approved resolution plan)	
04	Balajee Roadways	Sunil Choudhary	Enterprises owned or significantly influenced by the Partner/Director	Freight Expenses	1.67

RESOLVED FURTHER THAT the Resolution Professional /Board of Directors/Company Secretaries of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary to settle any question, difficulty or doubt that may arise with regard to giving effect to above Resolution.”

For Narayani Steels Limited
(A Company under Corporate Insolvency
Resolution Process)

Registered Office:
23A,N.S.Road,7thfloor,Room No.31,Kolkata
West Bengal,India.
Place: Kolkata.
Date: 30.08.2022

(Sumit Kumar Agarwal)
Additional Director
DIN: 02184000

NOTES:

1. In view of second wave of COVID-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of the Special Business set out under Items No. 4,5,6,7,8,9,10 of the accompanying Notice are annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars and the SEBI Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) ("Body Corporates") are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address at canagrawal2015@gmail.com
5. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Friday, 23rd September, 2022.
6. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice
7. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2020- 21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2021-22 are available on the website of the Company at www.narayanisteels.co.in , on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, respectively, and on the website of Central Depository Services (India) Limited (CDSL) (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL. Company's web-link on the above will also be provided in advertisement being published in Indian Express (English Language - All India edition) and Aaj Kal (Bengali Language).
8. The Members can join the AGM through VC / OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through electronic mode will be made available for 1000 members on first come first served basis. It may be noted that the large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors are allowed to attend the AGM without restriction on account of first come first served basis.
9. Members attending the AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their

name, DP ID and Client ID/folio number, PAN, mobile number at narayanisteelsvizag@gmail.com from Friday, 23rd September, 2022 (9:00 a.m. IST) to Monday 26th September, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

11. Member may also send their query in writing through narayanisteelsvizag@gmail.com on or before Monday, 26th September, 2022, which would be replied by the Chairman at the time of the meeting. For this purpose, it would not be necessary to register as speaker.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, 23rd September, 2022 through email on narayanisteelsvizag@gmail.com The same will be replied by the Company suitably.
13. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 23rd September, 2022 to Friday, 30th September, 2022 (both days inclusive).
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Bigshare Services Private Limited Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard.
15. Members are requested to note that SEBI, vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020, has fixed 31st March, 2021 as the cutoff date for re-lodgment of physical share transfer requests and has stipulated that such transferred shares shall be issued only in demat mode
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
17. As per the provision of Section 72 of the Act, facility for making nomination(s) is available to Individuals holding shares in the Company. Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company or RTA, whilst those Members holding shares in demat mode should file their nomination with their Depository Participant. The nomination form can be downloaded from the Company's website www.narayanisteels.co.in or can be obtained by writing mail to the narayanisteelsvizag@gmail.com
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

19. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
21. Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases: a. Deletion of name of the deceased shareholder(s); b. Transmission of shares to the legal heir(s); and c. Transposition of shares.
22. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Company on or before Friday, 23rd September, 2022 through e-mail on narayanisteelsvizag@gmail.com. The same will be replied by the Company suitably. During 27th AGM, Members may also access the scanned copy of above Registers, upon Log-in to CDSL e-Voting system at www.evotingindia.com
23. The Board of Directors has appointed N. Agrawal & Associates, Practicing Chartered Accountants, to act as scrutinizer to scrutinize the voting at the meeting and remoter e-voting process in a fair and transparent manner.

CDSL e-Voting System – For e-voting and joining Virtual meetings.

01. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
02. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
03. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more

shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

04. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
05. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
06. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.narayanisteels.co.in The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com
07. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
08. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

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

- (i) The voting period begins on Tuesday 9.00 am 27th day of September, 2022 and ends on 05 pm Thursday the 29th day of September,2022. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday the 23rd September, 2022 and Record Date..... may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1.Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2.After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4.Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1.If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2.If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3.Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

<p>Login type</p>	<p>Helpdesk details</p>
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Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact toll free no.1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual holding in Demat form.

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

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

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on

which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xv) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; narayanisteelsvizag@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800225533

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no 1800225533

Details of Directors seeking Re-appointment at the Annual General Meeting

Name of the Director	DIN	Date of Appointment on Board	Shareholding in Narayani Steels Limited (No. of shares)
Sumit Kumar Agarwal	02184000	16.03.2022	NIL

Apart from the abovementioned directors, none of the other directors seeking appointment/re-appointment held any shares in the Company.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:

REGARDING ITEM NO.04:

ACCORDING CONSENT FOR APPOINTMENT OF MR. SUMIT KUMAR AGARWAL (DIN: 02184000) AS MANAGING DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION THEREOF.

The Members were informed that in pursuance of Order dated January 11, 2022, passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench in IA(IB) No.955/KB/2021 in CP(IB) No. 986/KB/2020, and the approved Resolution Plan under section 31(1) of the Insolvency and Bankruptcy Code, 2016, the Resolution Applicant i.e.M/s. Rishikunj Vincom Private Limited ("RESOLUTION APPLICANT") taken over to our Company. Mr. Sumit Kumar Agarwal, aged about 47 years, is representative of Applicant Company. He is a Qualified Chartered Accountants from Institute of Chartered Accountants of India with an experience of over 20 years in Accounts and Steel Industry. He has been devoting his entire time, efforts and energy to develop the Company in all aspects including strategic business planning and analysis of future competition. His contributions in wealth maximization and net worth build-up is clearly evident from the present financial structure of the Company. Existing Director of the Company resigned and new director were appointed as it's a part of approved Resolution Plan of Resolution Applicant.

Keeping in view that Mr. Sumit Kumar Agarwal has rich and varied experience in the industry and has been involved in the operations of the Company, it would be in the interest of the Company to appoint Mr. Sumit Kumar Agarwal as Managing Director of the Company.

The Members were further informed that no relatives, being the relatives of the proposed Director, are concerned or interested, in this Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.04 of the Notice for approval by the Members.

REGARDING ITEM NO.05:

APPOINTMENT OF AMIT RANJAN SINHA (DIN: 09680056) AS AN EXECUTIVE DIRECTOR OF THE COMPANY.

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. Amit Ranjan Sinha as an Additional Director with effect from 28.06.2022. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Amit Ranjan Sinha shall hold office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Executive Director of the Company.

The Board of Directors of the Company at its meeting held on 28.06.2022, had subject to necessary approval of shareholders, appointed Mr. Amit Ranjan Sinha as an Executive Director of the Company for a term of five consecutive years with effect from 28.06.2022 on such terms of remuneration as the Board thinks fit from time to time, but within the ceiling(s) laid down in the Act or any statutory amendment or relaxation thereof.

Information about the appointee: Mr. Amit Ranjan Sinha, aged 56 years, is a Engineer by qualification and handling various projects for the Company.

Directorships: Narayani Steels Limited

Committee positions: NIL

Shareholding in the Company: NIL

No. of Board Meetings attended/entitled to attend during the year: Required Board Meeting attended.

Terms & Conditions of Appointment: Appointment as an Executive Director of the Company, liable to retire by rotation.

Details of Remuneration last drawn: NIL

Details of Remuneration sought to be paid:

- i) Salary: A salary at the rate of Rs. 1,00,000/- (Rupees One Lakh Rupees Only) per month. The Board of Directors or Committees thereof, are authorized to determine yearly increment in accordance with the policy of the Company.
- ii) Performance linked Bonus / Commission on Profits: Such amount(s) as may be decided by the Board of Directors or Committee thereof from year to year subject to the approval of shareholders.
- iii) Perquisites and Other Benefits / Allowance: Perquisites and other benefits / allowances shall be as determined by the Board or Committee thereof, in accordance with the policies of the Company.
- iv) Other Benefits (including retirals): Such amount(s) as may be decided by the Board of Directors or Committee thereof, in accordance with the policies of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are related to Mr. Amit Ranjan Sinha and accordingly, none of them are concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

REGARDING ITEM NO.06:

APPOINTMENT OF MS AKANSHA AGARWAL (DIN: 09540310) AS INDEPENDENT DIRECTOR OF THE COMPANY.

Company appointed Mrs. Akansha Agarwal (DIN: 09540310), as an Additional Independent Director. Your directors have proposed the appointment of Mr. Akansha Agarwal, as a Non-Executive Independent Director of the Company for a period of 5 years, w.e.f. 30.09.2022. Mrs. Akansha Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. He has also submitted a declaration of independence under Section 149(6) of the Companies Act, 2013 and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made thereunder and also under the SEBI LODR for appointment as Independent Director and is independent of the Management.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are related to Mrs. Akansha Agarwal and accordingly none of them are concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

REGARDING ITEM NO.07:

ACCORDING CONSENT FOR APPOINTMENT OF MR. AJIT KUMAR NATH (DIN: 08641824) AS INDEPENDENT DIRECTOR OF THE COMPANY.

Company appointed Mr. Ajit Kumar Nath (DIN: 08641824), as an Additional Independent Director. Your directors have proposed the appointment of Mr. Ajit Kumar Nath, as a Non-Executive Independent Director of the Company for a period of 5 years, w.e.f. 30.09.2022. Mr. Ajit Kumar Nath is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He has also submitted a declaration of independence under Section 149(6) of the Companies Act, 2013 and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made thereunder and also under the SEBI LODR for appointment as Independent Director and is independent of the Management.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are related to Mr. Ajit Kumar Nath and accordingly none of them are concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

REGARDING ITEM NO.08:

ACCORDING CONSENT FOR APPOINTMENT OF MR. ASIT BARAN BHATTACHARJEE (DIN: 02559634) AS INDEPENDENT DIRECTOR OF THE COMPANY.

Company appointed Mr. Asit Baran Bhattacharjee (DIN: 02559634), as an Additional Independent Director. Your directors have proposed the appointment of Mr. Asit Baran Bhattacharjee, as a Non-Executive Independent Director of the Company for a period of 5 years, w.e.f. 30.09.2022. Mr. Asit Baran Bhattacharjee is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He has also submitted a declaration of independence under Section 149(6) of the Companies Act, 2013 and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made thereunder and also under the SEBI LODR for appointment as Independent Director and is independent of the Management.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are related to Mr. Asit Baran Bhattacharjee and accordingly none of them are concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No.8 of the Notice for approval by the Members.

REGARDING ITEM NO.09:

RATIFICATION AND PAYMENT OF REMUNERATION TO M/S. SAMPATH BABU & CO..COST AUDITORS OF THE COMPANY:

New Management of the Company i.e. M/s. Rishikunj Vincom Pvt. Ltd, successful resolution applicant has appointed M/s. Sampath Babu & Co., Cost Accountants, Visakhapatnam as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23 in place of old cost auditor at such remuneration as determined between Board of Directors/Resolution Professional and Cost Auditor as deemed fit in connection with the aforesaid audit

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

The Board/Resolution Professional recommends passing of the resolution as set out at Item No. 9 of the Notice as an Ordinary Resolution.

REGARDING ITEM NO.10:

RELATED PARTY TRANSACTIONS

The members are informed that the Companies Act, 2013 provides to ensure transparency in the transactions and dealings between the Related Parties of the Company. As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board/resolution professional where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in Sub-section (1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm's length basis.

All transactions entered and to be entered into by the Company with Related Entities are at arm's length basis and in the ordinary course of business except a few which could be construed as not in the ordinary course of business but are at arm's length basis.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise except mentioned in the Item No.10 in the resolution.

The Board/Resolution Professional recommends passing of the resolution as set out at Item No. 10 of the Notice as an Ordinary Resolution.

For Narayani Steels Limited
(A Company under Corporate Insolvency
Resolution Professional)

Registered Office:
23A,N.S.Road, 7th floor, Room No.31,Kolkata
West Bengal, India.

(Sumit Kumar Agarwal)
Additional Director
DIN: 02184000

Place: Kolkata.
Date: 30.08.2022.

DIRECTOR'S REPORT

To,
The Members,
Narayani Steels Limited.

Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022. The management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.

Your Directors have pleasure in presenting their 27th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2022.

1. FINANCIAL SUMMARY OF THE COMPANY:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Total Revenue including other income	1187.21	8284.29	1187.21	8284.29
Total Expenses	1137.25	16290.19	1137.25	16290.19
Exceptional Item	10196.39	-	10196.39	
Profit/(Loss) before tax	10246.35	-8005.90	10246.35	-8005.90
Tax Expenses	3568.29	-2701.62	3568.29	-2701.62
Profit/(Loss) after tax	6678.06	-5304.28	6678.06	-5304.28
EPS Weighted Average				
-Basic (Rs.)	1224.32	-48.62	1224.32	-48.62
-Diluted (Rs.)	61.22	-48.62	61.22	-48.62

2. STATE OF COMPANY'S AFFAIRS UNDER CLAUSE (i) TO SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013:

a) FINANCIAL SUMMERIES

STANDALONE:

During the year under review, the Company has recorded a Total Revenue of Rs.1187.21 Lakhs as compared to the previous year Total Revenue of Rs. 8284.29 Lakhs. The Total Expenditure incurred the year was Rs. 1137.25 Lakhs as against the amount of Rs. 16290.19 Lakhs during the previous year. The profit/(Loss) before tax during the year were Rs. 10246.35 Lakhs as compared to the profit/(Loss) before tax provided for the previous year were -8005.90 Lakhs respectively. Hence, the Company has earned a Net Profit of Rs. 66778.06 Lakhs as compared to the previous year loss amount of Rs. -5304.28 Lakhs.

CONSOLIDATED:

During the year under review, the Company has recorded a Total Revenue of Rs.1187.21 Lakhs as compared to the previous year Total Revenue of Rs. 8284.29 Lakhs. The Total Expenditure incurred the year was Rs. 1137.25 Lakhs as against the amount of Rs. 16290.19 Lakhs during the previous year. The profit/(Loss) before tax during the year were Rs. 10246.35 Lakhs as compared to the profit/(Loss) before tax provided for the previous year were -8005.90 Lakhs respectively. Hence, the Company has earned a Net Profit of Rs. 66778.06 Lakhs as compared to the previous year loss amount of Rs. -5304.28 Lakhs.

(b) CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There are no changes in the nature of business of the Company during the Financial Year 2021-22.

3. EXTRACT OF THE ANNUAL RETURN:

As required under Clause (a) to Sub-section (3) of Section 134 of the Companies Act, 2013, the extract of Annual Return in form MGT-9 as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is enclosed in Annexure-2.

4. AUDITORS:

A) STATUTORY AUDITORS:

M/s. P.D.Rungta & Co. Chartered Accountants (FRN: 001150C),, Kolkata appointed as Statutory Auditors to conduct Statutory Audit of Company.

B) COST AUDITORS.

M/s. A.S. Rao & Co., Cost Accountants, Hyderabad, was appointed as Cost Auditors of the Company to conduct the audit of Cost Accounts maintained by the Company.

C) SECRETARIAL AUDITORS:

The Company has appointed M/s. ASN Associates, Practicing Company Secretaries, or any other Company Secretary Firm, to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 is annexed herewith to this Report.

5. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:

Hari Equipments Private Limited (Associate Company)

During the Financial Year 2021-22, its Associate Company i.e Hari Equipments Private Limited has total income Rs. 66.68 Lakhs as compared to Rs. 269.49 Lakhs in the previous Financial Year and its profit after tax in 2021-22 is -1615.61 as compare to Rs. -882.79 in previous Financial Year. Details of Associate Company mentioned in (Annexure-3)

6. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the F.Y. 2021-22 the No Board of Directors meeting was conducted as company come under Corporate Insolvency Resolution Process. The details of which are given in Annexure-1.

7. RESOLUTION PROFESSIONAL/DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Sub-section (5) of Section 134 of the Companies Act, 2013 the Director/Resolution Professional hereby confirm that:—

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts on a Going Concern basis;
- (e) the Company being listed Company, Sub-clause (e) to Sub-section (5) of Section 134 of the Companies Act, 2013 pertaining to laying down Internal Financial Controls is applicable to the Company; and
- (f) they have advised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION INCLUDING DISCHARGE OF THEIR DUTIES AND OTHER MATTERS:

The Company is covered under Sub-section (1) of Section 178, Nomination & Remuneration Committee has devised and implemented a Nomination and Remuneration Policy for Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 of Companies Act,2013

9. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND COMPANY SECRETARY IN PRACTICE IN THEIR REPORTS

UNDER CLAUSE (f) TO SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013:

As required under Clause (f) to Sub-section (3) of Section 134 of the Companies Act, 2013, the explanation or comments on qualifications, reservations, adverse marks or disclaimers made by the Auditors in their reports.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Company has complied with the provisions of Section 186 of the Companies Act, 2013

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM:

Details of related party transactions entered into by the Company are included in the Notes to Accounts. Individual transactions with related parties are in the normal course of business on an arm's length basis and do not have potential conflict with the interests of the Company at large.

12. THE AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES UNDER CLAUSE (j) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

During the Financial Year 2021-22, the Company has transferred an amount of Rs.6678.10 Lakhs to its Reserves.

13. THE AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND UNDER CLAUSE (k) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

Your Company not recommended any dividend in view of the sluggish market conditions prevalent in the Steel Industry.

14. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

A CIRP has been initiated against the Company vide an order of Kolkata bench of the NCLT dated March 24, 2021 under the provisions of the Code. The Hon'ble NCLT, Kolkata Bench by order Dated 24th March, 2021 has appointed Mr. Krishna Komaravolu as an 'IRP' for carrying out the Corporate Insolvency Resolution Process (CIRP) of the Company. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022 the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED UNDER CLAUSE (m) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

The particulars as prescribed under Clause (m) to Sub-section (3) of Section 134 of the Companies Act, 2013 read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo is provided as under:

(a) Conservation of Energy:

(i)	The steps taken or impact on conservation of energy	To improve the Power Factor upto 0.99.
(ii)	The steps taken by the company for utilizing alternate sources of energy	125 KVA DG power is used whenever APEPDCL power fails.
(iii)	The capital investment on energy conservation equipments	Power Capacitors.

(b) Technology Absorption:

(i)	The efforts made towards technology absorption	Spectrometer of Oxford and MK for In-house testing lab.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Saved expenses on testing from Outside agencies.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-	
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-	
(iv)	The expenditure incurred on Research and Development	-

(c) Foreign Exchange Earnings /Outgo:

Particulars	2021-22 (Rs.)	2020-21 (Rs.)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
Interest on Buyers' Credit Loan	Nil	Nil
Import of Traded Goods	Nil	Nil
Travel and Miscellaneous Matters	Nil	Nil

16. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY AS REQUIRED UNDER CLAUSE (n) TO SUB-SECTION (3) OF SECTION 134:

The Company has devised and implemented a Risk Management Policy and all the risks are discussed at the Senior Management Level at their Meetings periodically to ensure that the risk mitigation plans are well thought out and implemented and adverse impact of risks is avoided or kept within manageable proportions though the elements of risk threatening the Company's existence are very minimal. This policy are mentioning in <https://narayanisteels.co.in/investors/polices/>

17. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR UNDER CLAUSE (o) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable to the Company.

18. FORMAL ANNUAL EVALUATION:

statement on Formal Annual Evaluation of performance of the Board, its Committee and of Individual Directors has been made.

19. VIGIL MECHANISM POLICY:

Pursuant to the provisions of Sub-section (9) & (10) of Section 177 of the Companies Act, 2013, a Vigil Mechanism Policy for Directors and Employees to report genuine concerns has been established. The Company has also provided adequate safeguards against victimization of Employees and Directors who express their concerns.

The Vigil Mechanism Policy has been uploaded on the website of the Company at <https://narayanisteels.co.in/investors/polices/>

20. SECRETARIAL AUDIT REPORT:

The provisions relating to Secretarial Audit under Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are applicable to the Company as the turnover exceeds Rs. 250,00,00,000/- and the same is enclosed as Annexure-5.

21. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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

As stated hereinbefore, the Hon'ble National Company Law Tribunal, Kolkata (NCLT, Kolkata) vide order dated 24th March, 2021 approved initiation of Corporate Insolvency Resolution Process of the Company pursuant to an application under section 7 of the Insolvency and Bankruptcy Code, 2016 filed by ICICI Bank.

Pursuant to the initiation of the above proceedings, and in terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendments) Regulations 2018 dated 31st May 2018, that after the Commencement of Corporate Insolvency Resolution Process (CIRP) all the powers of the Board or Committees shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors stand suspended the powers of the Board / Committees have been suspended in terms of section 17 of the said Code and the same now vest with Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699, the Resolution Professional. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022 the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to

the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.

23. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has established an internal control over financial reporting criteria 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.

Also, as per the Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 issued by the Independent Auditors of the Company, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively.

24. THE BOARD AND KMP.

a) Change in the Composition of the Board of Directors& KMP:

change has been occurred during the Financial Year 2021-22 old director of old management resigned i.e. Mr. Sunil Choudhary, Mr. Ankit Gupta, Mrs. Swarnalath Mandaleeka, Mr. Rabi Kumar Gupta, Mr. Prakash Kumar Thakur, Mr. Krishnamacharulu eunny and new director of new management appointed i.e Mr. Sumit Kumar Agarwal, Mrs. Akansha Agarwal, Mr. Amit Ranjan Sinha, Mr. Ajit Kumar Nath & Mr. Asit Baran Chattacharjee . Details of Senior Executive and KMP are shown in our website: www.narayanisteels.co.in

b) Details of composition of audit committee as per section 177(8) of the companies act,2013

After passing the Order dated 11.01.2022 by NCLT, Kolkata the Composition of Audit Committee was. as under:

Sr. No	Particulars	Designation
01	Asit Baran Chattacharjee	Chairman
02	Ajit Kumar Nath	Member
03	Akansha Agarwal	Member

After the Commencement of Corporate Insolvency Resolution Process (CIRP) as per regulation 17 of IBC “the Code” The management of the affairs of the company shall vested in the interim resolution professional and the power of the board of directors/ committees shall stand suspended and be exercised by the Interim Resolution Professional.

25. PARTICULARS OF EMPLOYEES:

There were no permanent employees during the year under review, whose particulars are required to be given in this Board’s Report in accordance with the provisions of Section 197 of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.

No remuneration paid to Directors and Key Managerial Personnel of the Company during the Financial Year 2021-22 as company under Corporate Insolvency Resolution Process (CIRP).

26. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

As the Company is Currently under Corporate Insolvency Resolution Process (CIRP) under pursuant to the provision of Insolvency and Bankruptcy Code 2016 and the powers of the Board of Directors / committees stands suspended. Therefore no declaration is received from the Directors of the company.

27. INSURANCE:

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

28. EMPLOYEE RELATIONS:

During the year, the Employee relations in the Company remained cordial and highly conducive to congenial working environment in all its establishments and further the Company has been in touch relating to recruitment of required personnel from time to time.

29. A DISCLOSURE AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013:

Maintenance of cost records as specified by the central government under sub-section (1) of section 148 of the companies act, 2013, is required by the company and accordingly such accounts and records are made and maintain.

30. INTERNAL COMPLAINTS COMMITTEE:

Company has complied with provision relating to the constitution of Internal Complaints Committee under sexual harassment of women at workplace (prevention, prohibition and redressal), Act, 2013

31. MANAGEMENT DISCUSSIONS AND ANALYSIS:

The Board has been continuing its efforts and taken the required steps in the area of Industry, structure and Development, Growth Strategy, Segment-wise Performance, Internal Control Systems and their adequacy, Analysis of Strengths, Weaknesses, Opportunities and Threats, Financial Performance with respect to Operational Performance, Material developments in human resources / industrial relations, Strict Compliances, Talent Management, Leadership Development, and Talent Retention, Learning and Development.

32. ACKNOWLEDGEMENTS:

The Resolution Professional / Directors would like to express their sincere appreciation for the assistance and cooperation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Resolution Professional / Directors also wish to place on record their deep sense of appreciation for the dedication of the employees at all levels, which has been require for the Company's success. The Directors/Resolution Professional of the Company look forward to their continued support in future.

For Narayani Steels Limited
(A Company under Corporate Insolvency Resolution Process)

Date: 30.08.2022
Kolkata

(Sumit Kumar Agarwal)
Additional Director
DIN: 02184000

(Asit Baran Bhattacharjee)
Additional Director
DIN: 02559634

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. **Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699**, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022 the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.)

Annexure-1

CORPORATE GOVERNANCE REPORT

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

We continue to believe that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders value.

1. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONEL(KMP):

Before the Commencement of Corporate Insolvency Resolution Process (CIRP) against the Company, our company, the Board along with its Committees provides leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. We believe an active, well-informed board is vital to attain the highest standards of Corporate Governance. An independent and strong board is the utmost requirement of the Company so as to ensure that the best practices are adopted by the Company. At Narayani, we have a proper blend of executive and independent directors, who have rich knowledge and experience in the industry for providing strategic guidance and direction to the Company. The role and responsibilities of the Board of Directors after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors stands suspended.

Before the Commencement of Corporate Insolvency Resolution Process (CIRP) the Board of Directors has an optimum combination of Executive and Non-Executive Directors having rich knowledge and experience in the industry for providing strategic guidance and direction to the Company. The composition of Board is in conformity with Regulation 17 of SEBI (LODR), Regulations, 2015. The Composition of the Board after passing an Order Date 11.01.2022 of NCLT, Kolkata are as follows:

(a) Constitution of the Board and KMP:

Title	Name of Director	DIN and/or PAN	Designation	Category	Type
Mr.	Sumit Kumar Agarwal	02184000, AEUPA7035B	Additional Director	Promoter	Executive
Mr.	Asit Baran Bhattacharjee	02559634, ACXPB1620L	Additional Director	Independent	Non-Executive
Mr.	Ajit Kumar Nath	08641824, ABEPN6583C	Additional Director	Independent	Non-Executive
Mr.	Akansha Agarwal	09540310, AUVPA6770A	Additional Director	Independent	Non-Executive

Mrs.	Amit Ranjan Sinha	09680056, ADAPS3543B	Additional Director	Professional	Executive
Mr.	Arun Kumar Meher.	BPBPM1402F, ICSI M.No. ACS 48598	Company Secretary and Compliance officer	NA	NA

As the Company is Currently under Corporate Insolvency Resolution Process (CIRP) under pursuant to the provision of Insolvency and Bankruptcy Code 2016 and the powers of the Board of Directors / committees stands suspended. Therefore no declaration is received from the old Directors of old management the company.

(b) Meeting of the board and committee:

The Board of Directors/Resolution Professional (RP) of your Company plays a pivotal role in ensuring good governance and functioning of the Company. The Board's/RP role, functions, responsibility, and accountability are well defined. The Board/RP reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.

BOARD MEETINGS

During the Financial year No Board Meeting was held as company came under Corporate Insolvency Resolution Process (CIRP).

Inter-se Relationship among Directors

There is no inter-se relationship among the Directors in the Company.

Independent Directors

Selection

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee (NRC), for appointment, as Independent Directors on the Board. The NRC, inter alia, considers various metrics and adheres to various processes in accordance with the Company's Policy for selection of Directors and determining their independence.

Number of Independent Directorships

None of the independent directors hold directorship in more than the permissible limits under the Companies Act and listing regulations.

Declaration by Independent Directors

A statement, in connection with fulfilling the criteria of independence as per the requirement of the provisions of the Act and the Regulation 25 of Listing regulations received from each of independent director. The maximum tenure of the Independent Directors is in compliance with the Act.

Familiarisation Programme for Independent Directors

The Familiarization Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Act and other statutes

The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at www.narayanisteels.co.in

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and Listing Regulations, the Board in consultation with the NRC has formulated a framework containing inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors including independent directors. After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.

MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

The Board has identified the following core skills/expertise/competencies as required in the context of the context of Company's business(es) and sector(s) for it to function effectively and these are actually available with the Board.

Skills/expertise/competence	Whether available with the Board or not?
------------------------------------	---

Industry knowledge/experience	
Experience	Yes
Industry knowledge	Yes
Understanding of relevant laws, rules, regulation and policy	Yes
International Experience	Yes
Technical skills/experience	
Accounting and finance	Yes
Business Development	Yes
Information Technology	Yes
Talent Management	Yes
Leadership	Yes
Compliance and risk	Yes
Legal	Yes
Business Strategy	Yes
Behavioral Competencies	
Integrity and ethical standards	Yes
Mentoring abilities	Yes
Interpersonal relations	Yes

COMMITTEES MEETINGS:

Currently, the Board has Three Committees: the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, consist entirely of Independent Directors.

The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of Duties, Responsibilities and Activities
Audit Committee	<ol style="list-style-type: none"> 1. Asit Baran Bhattacharjee 2. Ajit Kumar Nath 3. Akansha Agarwal 	<ol style="list-style-type: none"> 1. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company. 2. Review and monitor the Auditor's independence and performance, and effectiveness of audit process 3. Examination of the financial statement and the Auditors' Report thereon 4. Approval or any subsequent modification of transactions of the Company with Related Parties 5. Scrutiny of Inter-Corporate Loans and Investments

Nomination and Remuneration Committee	<ol style="list-style-type: none"> 1. Asit Baran Bhattacharjee 2. Ajit Kumar Nath 3. Akansha Agarwal 	<ol style="list-style-type: none"> 1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and 3. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
Stakeholders Relationship Committee	<ol style="list-style-type: none"> 1. Asit Baran Bhattacharjee 2. Ajit Kumar Nath 3. Akansha Agarwal 	<ol style="list-style-type: none"> 1. The Committee reviews and ensures Redressal of Investor Grievances. 2. The Committee noted that all the Grievances of the Investors have been resolved during the year.
Corporate Social Responsibility Committee	NA	

After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended

Remuneration paid to Directors

Details of remuneration paid to Directors of the Company for the financial year ended on March 31, 2022 is as under:

Details of Remuneration to the Executive Directors

Name of the Directors	Salary	Sitting Fees	Retirement benefits/ Bonuses/ Commission payable/ Performance linked incentive/ pension/Stock options granted	Contribution to PF and Perquisites	Total
Mr. Sunil Choudhary	NIL	Nil	Nil	Nil	0
Mr. Ankit Gupta	NIL	Nil	Nil	Nil	0
Sumit Kumar Agarwal	NIL	NIL	NIL	NIL	0

There is no pecuniary relationship or transaction between the Company and any of the Non-Executive Directors. The Company does not have any stock option scheme. None of our Directors are eligible for any severance fees.

Criteria of making payment to Non-Executive Directors:

Based on the recommendation of the Nomination and Remuneration Committee, the Board decides the remuneration to be paid to the Non – Executive Directors of the Company, in accordance with the provisions of the Articles of Association of the Company, the Companies Act, 2013 read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration to Non- Executive Directors consists of the following:

- Sitting fees for attending meetings of the Board or Committees thereof within the overall limits as provided in the Companies Act 2013 from time to time.

GENERAL BODY MEETINGS

i. Location and time for the last three Annual General Meetings (AGMs):

AGM	Financial year	Date	Location	Time
24 th AGM	2018-2019	September 30, 2019	23A, N.S. Road, 7th Floor, Room No-31, Kolkata-700 001, West Bengal, India	3:00 p.m.
25 th AGM	2019-20	December 30, 2020	Through Video Conferencing	3.00 p.m.
26 th AGM	2020-21	September 30, 2021	Through Video Conferencing	3.00 p.m.

ii. Special Resolutions:

- a) Details of special resolutions passed in the Annual General Meetings during the last three financial years are as follows:

Date of Annual General Meeting	Number of Special resolutions passed	Details of Special Resolutions
September 30,2019	6	1.Re-Appointment of Sunil Choudhary (DIN:00289479) as the Managing Director of the Company for a term of five years. 2.Reappointment of Mr Bhaskararao Puvvala (DIN:07282264) as Independent Director of the Company for a second term. 3. Reappointment of Mr Atul Kumar Saxena (DIN:07284335) as Independent Director of the Company for a second term. 4.Continuation of term of Mr.Eunny Krishnamacharulu (DIN:07281774) as Independent Director on attaining age of 75 years. 5. Reappointment of Eunny Krishnamacharulu (DIN:07281774) as Independent Director of the Company for a second term. 6.Approval of Related Party Transaction under Section 188 of the Companies Act, 2013
December 30, 2020	0	NIL
September 30 th ,2021	0	NIL

- b. Details of special resolutions passed in the Extra-Ordinary General Meetings during the last three financial years:

No Extra-Ordinary General Meeting has been held during last three financial years.

- iii. **Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern: NIL**

EMPLOYEES:

Continuous Employee Training Programs including seminars conducted for upgrading their skills and knowledge in their respective areas.

MEANS OF COMMUNICATION

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the format prescribed by Regulation 33 of the Listing Regulations within prescribed time limits. Quarterly results are submitted to the BSE in terms of the requirements of Regulation 33 of the Listing Regulations.

- ii. The Company's website www.narayanisteels.co.in contains a separate dedicated section "investors" where shareholders information is available. Full Annual Reports are also available on the website in a user- friendly and downloadable format.
- iii. The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors / analysts (if any) on its website i.e. www.narayanisteels.co.in .This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are updated at all times. After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.
- iv. The quarterly/half yearly and annual financial results are regularly submitted to BSE in accordance with the Listing Regulations and published in one English national daily newspaper circulating in the whole or substantially the whole of India i.e. Business Standard and one Bengali daily newspapers i.e Aajkaal.

PREVENTION OF INSIDER TRADING

The Company has instituted mechanism to avoid Insider Trading. In accordance with the SEBI (Prevention of Insider Trading) Regulations, 2015 as amended, the Company has established systems and procedures to restrict insider trading activities and has framed a Code of Fair Disclosure and Conduct to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The said Code of Fair Disclosure and Conduct is available on the Company's website i.e. www.narayanisteels.co.in.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System is designed to ensure operational efficiency, protection, conservation of resources, accuracy and promptness in financial reporting and compliance with Laws and Regulations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman and Managing Director.

The Internal Control System is supported by an Internal Audit Process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems, processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended

CLIENTS:

Highest priority and commitment to meet clients' is the main motto of our company

OTHER STAKEHOLDERS:

The Company is always concern about Clients, dealers, Customers, Suppliers, Competitors, Creditors and Local Community and strives to meet all expectations reasonably.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to the provision of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, this provision is not applicable to company.

GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting - Date, Time and Venue	Date: September 30, 2022 Time: 04.00 p.m. Venue: through Video Conferencing (VC)/other Audio Visual Means (OAVM)
2.	Financial Year	March 31, 2022
3.	Date of Book Closure	September 23, 2022 to September 30, 2022
4.	Dividend	No Dividend has been declared
5.	Stock Exchanges	The equity shares of your Company are listed on BSE Limited (BSE) Address:- P. J. Towers, Dalal Street, Fort, Mumbai - 400 001
6.	Payment of Listing Fees	The Company has paid annual listing fees for the financial year 2022-23 to the BSE within stipulated time
7.	Stock Code	540080
8.	Registrar to issue & Share Transfer Agents	Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093
9.	Share Transfer System	The Board of Directors has delegated the authority to transfer the shares to M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company. The Share Transfer Agent attends to share transfer formalities, if any.
10.	Plant Location	Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh. Unit I of the Company Closed Down.

11.	Address for Correspondence	Mr. Arun Kumar Meher, Company Secretary. Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh
12.	Dematerialization of Shares and liquidity	As on March 31, 2022, 99,08,000 equity shares of the Company constituting 90.82% of the equity share capital are held in Dematerialized form. The equity shares of the Company are traded only in dematerialized form in the BSE
13.	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company's Registrar and Share Transfer Agent M/s Bigshare Services Private Limited
14.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Bigshare Services Private Limited at Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093 or Mr. Arun Kumar Meher, Company Secretary - Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh
15.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on March 31, 2022

a) Share Transfer System

Pursuant to SEBI Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and D&CC/FITTC/CIR- 18/2003 dated 12/02/2003, M/s. Bigshare Services Private Limited which is already the Depository Interface of the Company for both National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), has been appointed as Registrar and Transfer Agents ("RTA") w.e.f. 31/03/2003 for all the work related to share registry in terms of both physical and electronic holdings.

Share transfers in physical form can be lodged with our RTA. The transfers are normally processed within a period of 15 days from the date of receipt, if the documents are complete in all respects. The Company has constituted a Share Transfer Committee to approve matters related to transfer and transmission of securities, issuance of duplicate share certificate.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants ("DP").

Members may please note that pursuant to the amendment in the Listing Regulations vide notification dated June 8, 2018, except in case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed after April 01, 2019 unless the securities are held in dematerialized form with the depository.

The Company has obtained half-yearly certificate from Practicing Company Secretary to the effect that all certificates have been issued within thirty days of the date of lodgment of the transfer, sub- division, consolidation and renewal etc. as required under Regulation 40(9) of the Listing Regulations and the same were submitted to the Stock Exchanges.

b) Distribution of Shareholding as on March 31, 2022

No. of Shares of Rs. 10/- each	Shareholders		Equity Shares	
	Number	% of total shareholders	Shares	% of total shares
Upto 500	3901	77.7866	477261	4.3749
501 - 1000	495	9.8704	402124	3.6862
1001 - 2000	290	5.7827	444237	4.0722
2001 - 3000	105	2.0937	274184	2.5134
3001 - 4000	47	0.9372	173725	1.5925
4001 - 5000	49	0.9771	234610	2.1506
5001 - 10,000	63	1.2562	493758	4.5262
10,001 & Above	65	1.2961	8409101	77.0841
TOTAL	5015	100	109090000	100

c) Shareholding Pattern as on March 31, 2022

The broad shareholding distribution of the Company as on March 31, 2022 with respect to categories of investors was as follows:

Sr. No.	Category	No. of shareholders	No. of Equity Shares	Percentage %
1.	Promoter & Promoter Group	7	58,14,000	53.30
2.	Public	5008	50,95,000	46.70
	Total	5015	1,09,09,000	100.00

DISCLOSURES:

a. Related Party Transactions

Details of the relevant related party transactions entered into by the Company are set out in the Notes to Accounts and also annexed as an Annexure in this report. Suitable disclosures as required by the Accounting Standard (AS 18) have been made in the Annual Report. All transactions with related parties entered into by the Company were on an arm's length basis and were approved by the Audit Committee.

Pursuant to the Regulation 23 of the Listing Regulations, the Board of Directors have adopted the 'Related Party Transaction Policy'. The said policy is available on the Company's website at www.narayanisteels.co.in

b. Compliances by the Company

The Company has complied with various rules and regulations prescribed by BSE, SEBI or any other statutory authority relating to the capital markets during the last three years.

c. Whistle Blower Policy / Vigil Mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company. Vigil Mechanism Policy to this effect is also uploaded on the website of the Company i.e. www.narayanisteels.co.in

The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. No complaint has been received as at the Financial Year ended March 31, 2022 and no person was denied access to meet the Chairman of the Audit Committee in this regard. After the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended

d. Proceeds from public issues, right issues, preferential issues etc.

The Company has not raised any funds through issue of equity shares on preferential basis.

e. CEO/CFO certification

The Managing Director of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2022.

f. Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI Listing obligations and Disclosure Requirements), Regulations, 2015. The details of these compliances have been given in the relevant sections of this report.

g. Reconciliation of Share Capital Audit

A Chartered Accountants in Practice carries out audit of Reconciliation of Share Capital on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This Report is also placed before the Board/ Resolution Professional for its noting.

h. Certificate from Practicing Company Secretary

The Company has obtained a Certificate from Practicing Company Secretary M/s Gopinath Nayak & Associates, Company Secretaries, certifying that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. During the year under review, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated

24.03.2021 and accordingly, an Insolvency Resolution Professional has taken over the management of the Company. Details attached in below.

i. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

j. Total fees for all services paid by the Company and its associates, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 2.50 Lakhs.

k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year 2021-22: Nil
- b. Number of complaints disposed of during the financial year 2021-22: Nil
- c. Number of complaints pending as on end of the financial year 2021-22: Nil

l. Details of Credit Ratings obtained by the Company: CARE Rating obtained on January 7, 2019 is as follows:

Facilities	Rating
Long-term Bank Facilities	CARE D;
Short-term Bank Facilities	CARE D;

m. Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS

Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations are as under:

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for Appointments	NA
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non-Executive Directors	Yes

		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Minimization and Risk Management Plan	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the AGM	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and review of information by the Committee	Yes
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the AGM	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	Yes
		21(4)	Role of the Committee	Yes
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transactions	23(1),(5),(6), (7) & (8)	Policy for Related Party Transaction	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all related party transactions and review of transactions by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
8	Subsidiaries of the	24(1)	Composition of Board of Directors of unlisted material subsidiary	NA

	Company	24(2),(3),(4), (5) & (6)	Other Corporate Governance requirements with respect to subsidiary including material subsidiary of listed entity	NA
		24A	Secretarial Audit of the Company Secretarial Audit of the material unlisted subsidiaries	NA
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(6)	Filling the vacancy of Independent Director created by resignation or removal	Yes

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes / No / N.A.)
		25(7)	Familiarization of Independent Directors	Yes
		25(10)	D and O insurance for Independent Directors	NA
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct by members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflict of interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of discretionary requirements	Yes
		27(2)	Filing of quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various Committees of Board of Directors	Yes

	46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
	46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower Policy	Yes
	46(2)(f)	Criteria of making payments to Non-Executive directors	Yes
	46(2)(g)	Policy on dealing with related party Transactions	Yes
	46(2)(h)	Policy for determining 'Material' Subsidiaries	Yes
	46(2)(i)	Details of familiarization programmes imparted to Independent Directors	NA

CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is in compliance with the requirements of Listing Regulations. The Code of Conduct is available on the Company's website www.narayanisteels.co.in. The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code.

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2020-21

For Narayani Steels Limited

(A Company under Corporate Insolvency Resolution Process)

Date: 30.08.2022
Place: Kolkata

Sumit Kumar Agarwal
Director
Director DIN: 02184000

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. **Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699**, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022 the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.)

Annexure-2

FORM NO. MGT 9		
EXTRACT OF ANNUAL RETURN		
As on the Financial Year ended on 31/03/2022		
<i>Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.</i>		
I.	REGISTRATION & OTHER DETAILS:	
i)	CIN	: L27109WB1996PLC082021
ii)	Registration Date	: 10 th February, 1995
iii)	Name of the Company	: NARAYANI STEELS LIMITED
iv)	Category of the Company	: Indian Non-government Company
	Sub-category of the Company	: Company having Share Capital and Limited by Shares
v)	Address of the Registered office & contact details	
	Address	: 23A, N.S. Road, 7th Floor, Room-31
	Town / City	: Kolkata
	State	: West Bengal
	Pin Code	: 700 001
	Country Name	: India
	Telephone (with STD Code)	: (033)46025371
	Fax Number	: Nil
	Email Address	: narayanisteelsvizag@gmail.com
	Website, if any	: https://narayanisteels.co.in/
vi)	Whether listed Company	: Yes
vii)	Name and Address of Registrar & Transfer Agents (RTA), if any:-	
	Name of RTA	: Bigshare Services Private Limited

	Address	:	Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093			
	Town / City	:	Mumbai			
	State	:	Maharashtra			
	Pin Code	:	400059			
	Telephone	:	022-40430200			
	Fax Number	:	022-28475207			
	Email Address	:	investor@bigshareonline.com			
II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY						
			Manufacture of Basic Iron and Steel			
All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-						
Sl. No.	Name and Description of main products / services		NIC Code of the Product / service		% to total turnover of the Company	
1.	Basic Iron and Steels Trading Services		99611924		0.00%	
	Basic Iron and Steel Manufacturing Services		99886010		100.00%	
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -						
No. of Companies for which information is being filled			1			
S. no.	Name and Address of the Company		CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section
1.	Name: Hari Equipments Private Limited	Address: 23A, N.S. Road, 7th Floor, Room No-31 Kolkata Kolkata- 700001, West Bengal, India.	U51504WB1971PTC080792	Associate	37.51 %	Sub-section 6 of Section 2 of Companies Act, 2013.

IV.	SHARE HOLDING PATTERN (Equity Share of Rs.10.00 each)								
i.	Category-wise Share Holding								
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	36,51,000	-	36,51,000	33.47%	36,51,000	-	36,51,000	33.47%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21,63,000	-	21,63,000	19.83	21,63,000	-	21,63,000	19.83	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	58,14,000	-	58,14,000	53.30%	58,14,000	-	58,14,000	53.30%	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	13,73,995	2,95,000	16,68,995	15.30	8,74,817	2,95,000	11,69,817	10.72	(4.58)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	4,07,415	25,000	4,32,415	3.96	23,86,756	25,000	24,11,756	22.11	18.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	21,41,782	6,81,000	28,22,782	25.88	6,42,625	6,81,000	13,23,625	12.13	(13.74)
c) Others (Clearing Member)	1,70,808	0	1,70,808	1.57	1,89,802	0	1,89,802	1.74	.17
Sub-total (B)(2):-	4094000	10,01,000	5095000	46.70	4094000	1001000	5095000	46.70	(0.00)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4094000	10,01,000	5095000	46.70	4094000	1001000	5095000	46.70	(0.00)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	99,08,000	10,01,000	1,09,09,000	100.00	99,08,000	1001000	1,09,09,000	100.00	(0.00)

ii. Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Sunil Kumar Choudhary	12,24,500	11.22	0.00	12,24,500	11.22	0.00	0.00
2.	Sunil Kumar Choudhary (HUF)	12,61,000	11.56	0.00	12,61,000	11.56	0.00	0.00
3.	Kishan Lal Choudhary	10,03,500	9.20	0.00	10,03,500	9.20	0.00	0.00
4.	Kishan Lal Choudhary (HUF)	66,000	0.61	0.00	66,000	0.61	0.00	0.00
5.	Bina Choudhary	56,000	0.51	0.00	56,000	0.51	0.00	0.00
6.	Savitri Devi Choudhary	40,000	0.37	0.00	40,000	0.37	0.00	0.00
7.	Cooltex Merchandise Pvt Ltd	21,63,000	19.83	0.00	21,63,000	19.83	0.00	0.00
	TOTAL	58,14,000	53.30	0.00	58,14,000	53.30	0.00	0.00
iii. Shareholding of top 10 Share Holders.								
Sl. No.	Shareholder's Name	No of Shares held at the beginning of the year		No of Shares held at the end of the year				
		No. of Shares	% of total Shares	No. of Shares	% of total Shares			
1.	Rikhav Securities Limited	8,30,092	7.61					
	Brought/sold during the year							
	09.04.2021	-20057	7.43					
	16.04.2021	-69430	6.79					
	23.04.2021	-20455	6.60					
	30.04.2021	-106700	5.62					
	07.05.2021	-73393	4.95					
	21.05.2021	250	4.95					
	28.05.2021	-500	4.95					
	25.06.2021	10000	5.04					
	30.06.2021	4558	5.08					
	23.07.2021	-278	5.08					
	13.08.2021	-2990	5.05					

	20.08.2021 27.08.2021 10.09.2021 17.09.2021 08.10.2021 29.10.2021 12.11.2021 At the end of the year	-1200 -1150 -1 -20 -5000 -107459 -105000 -	5.04 5.03 5.03 5.03 4.98 4.00 3.04 -		
				331267	3.04
2.	Jitesh Kumar Shashikantbhai Brought/sold during the year	580270	5.32		
	07.05.2021 21.05.2021 28.05.2021 04.06.2021 11.06.2021 18.06.2021 31.03.2022	-84648 -15000 -50000 -202974 -154679 -72969 0	4.54 4.41 3.95 2.09 .67 0 0	0	0
3.	Gallant Dealers Private Limited	2,95,000	2.70	2,95,000	2.70
4.	Sree Ramakrishna Alloys Limited	2,50,000	2.29	2,50,000	2.29
5.	Chirag Narendra Modi Brought/sold during the year	198830	1.82		
	18.06.2021 17.09.2021 23.09.2021 31.03.2022	-39874 -75364 -78211 -5381	1.46 0.77 0.05 0.00	0	0

6.	Shantaben Dayashankar Dave Brought/sold during the year 09.04.2021 16.04.2021 23.04.2021 30.04.2021 11.06.2021 18.06.2021 17.09.2021 30.09.2021 22.10.2021 29.10.2021 31.03.2022	139000 -23 -15075 -17010 -18000 25000 50000 -6566 -7845 -60000 -89481 0	1.27 1.27 1.14 .98 .81 1.04 1.50 1.44 1.37 .82 0.00 0	0	0
7.	Trimudra Credit Ltd. Brought/sold during the year	124000	1.14	124000	1.14
8.	Bharat Kumar Ishwarbhai Prajapati Brought/sold during the year 23.04.2021 30.04.2021 04.06.2021 11.02.2022 31.03.2022	0 8800 97317 15439 -82 0	0 .08 .97 1.11 1.11 0	121474	1.11
9.	Emerald Properties Pvt Ltd Brought/sold during the year	120000	1.11	120000	1.11
10.	Khilan Navichandra Patel Brought/sold during the year 25.06.2021	114000 -114000	1.05 0.00	0.00	0.00
	TOTAL	26,51,192	24.30	12,41,741	11.38
iv	Share Holding of Directors and KMP				
	Name of Director/KMP	No of Share held at the beginning of the year		No of Share held at the end of the year	

	No of Shares	% of total shares	No of Shares	% of total shares
Sunil Choudhary	1224500	11.22	1224500	11.22
V.	INDEBTEDNESS			
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding Deposits (Amount in Rs.)	Unsecured Loans (Amount in Rs.)	Deposits (Amount in Rs.)	Total Indebtness (Amount in Rs.)
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	164,24,93,000	37,11,35,000	-	201,36,28,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	164,24,93,000	37,11,35,000	-	201,36,28,000
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year				
i) Principal Amount	0	0	-	0
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	0	-	0
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:			

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (in Rs.)
		-	-	-	-	
1.	Gross salary (Amount in Rs.)					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others-sitting fees	-	-	-	-	-
	Total (A)	-	-	-	-	-

B. Remuneration to other Directors:						
Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
1.	Independent Directors & Others	Asit Baran Bhattacharjee		Akansha Agarwal	Ajit Kumar Nath	
	Fee for attending board & committee Meetings (Amount in Rs.)	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1) (Amount in Rs.)	-	-	-	-	-

2.	Other Non-Executive Directors					
	Fee for attending board & committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2) (Amount in Rs.)	-	-	-	-	-
	Total (B)=(1+2) (Amount in Rs.)	-	-	-	-	-
	Total Managerial Remuneration (Amount in Rs.)	-	-	-	-	-
	Overall Ceiling as per the Act (Amount in Rs.)	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (Amount in Rs.)
1.	Gross salary	6,00,000	-	6,00,000
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	6,00,000	-	6,00,000

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

For Narayani Steels Limited
(A Company under Corporate Insolvency Resolution Process)

Registered Office
23A, N.S. Road 7th Floor,
Room-31
Kolkata
West Bengal
India
700001

(Sumit Kumar Agarwal)
Additional Director
DIN: 02184000

Place: Kolkata
Date: 30.08.2022

Annexure-3
FORM AOC-I

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

1.	Sl. No.	-
2.	Name of the Subsidiary	-
3.	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries.	-
5.	Share Capital	-
6.	Reserves & Surplus	-
7.	Total assets	-
8.	Total Liabilities	-
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	% of Shareholding	-

Notes:

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

Part “B”: Associates and Joint Ventures

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

Sl. No.	Name of Associates/Joint Ventures	Hari Equipments Private Limited (CIN: U51504WB1971PTC080792)
1.	Latest audited Balance Sheet Date	31.03.2022
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	4,59,490 Equity Shares of Rs. 10/- each
	Amount of Investment in Associates/Joint Venture	Rs. 45,94,900/-
	Extend of Holding %	37.51%
3.	Description of how there is significant influence	Sunil Choudhary is the common Directors
4.	Reason why the Associate/ Joint Venture is not consolidated	It is consolidated
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	
6.	Profit / Loss for the year	
	i. Considered in Consolidation	
	i. Not Considered in Consolidation	-

For Narayani Steels Limited

Registered Office
23A, N.S. Road 7th Floor,
Room-31
Kolkata
West Bengal
India
700001

(Sumit Kumar Agarwal)
Additional Director
DIN: 02184000

(Asit Baran Bahattacharjee)
Additional Director
DIN: 02559634

Place: Kolkata.
Date: 30.08.2022

(Arun Kumar Meher)
Company Secretary and Compliance Officer
M.No.: A48598

FORM AOC-2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of The Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain Arms Length Transactions under third proviso thereto.

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

S. No.	Particulars	Details
a)	Name (s) of the Related Party & nature of relationship	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

(Rs in lakhs)

S. No	Name of the Related Party	Name of the Director/ KMP who is related, if any	Nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ Arrangements/ Transaction	Salient terms of the Contracts or Arrangements or Transaction including the value, if any	Amount paid as advances, if any
01.	Aspire Capital Pvt Ltd Oipl India Pvt Ltd Rachana Agarwal Rishikunj Vincom Pvt Ltd Sumit Kumar Agarwal (HUF) Sumit Kumar Agarwal	Rachana Agarwal Sumit Kumar Agarwal	Enterprises owned or significantly influenced by the Directors	Share Application Money Received (pending allotment)	It will continue until share allotment by the Company.	100.00 100.00 100.00 36.00 182.00 100.00	-
02	Oipl India Pvt Ltd Rishikunj Vincom Pvt Ltd	Sumit Kumar Agarwal	Enterprises owned or significantly	Unsecured Loan received	Regular, in the ordinary	160.00 1456.20	-

			influenced by the Directors		course of business		
03	Hari Equipments Private Limited	Sunil Choudhary	Enterprises owned or significantly influenced by the Directors	Payment upon invocation of guarantee (as per approved resolution plan)	Regular, in the ordinary course of business	40.50	-
04	Balajee Roadways	Sunil Choudhary	Enterprises owned or significantly influenced by the Partner/Director	Freight Expenses	Regular, in the ordinary course of business	1.67	-
05	Arun Kumar Meher	Arun Kumar Meher	Key Managerial Personnel	Salary	1 years	6.00	05

For Narayani Steels Limited

Registered Office
23A, N.S. Road 7th Floor,
Room-31
Kolkata
West Bengal
India
700001

(Sumit Kumar Agarwal)
Additional Director
DIN: 02184000

(Asit Baran Bahattacharjee)
Additional Director
DIN: 02559634

Place: Kolkata.
Date: 30.08.2022

(Arun Kumar Meher)
Company Secretary and Compliance Officer
M.No.: A48598

Annexure-5

Policy on appointment and payment of remuneration of Directors, Key Managerial Personnel and other employees

Introduction

In accordance with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has formulated Remuneration Policy ("the policy").

The objective of the policy is to ensure that Executive Directors, Non-Executive Directors, Key Managerial Personnel (KMP) and other Employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a Director.

Remuneration Policy

Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and Managing Director and other Executive Directors. This will be then approved by the Board and Shareholders. Prior approval of Shareholders will be obtained wherever applicable in case of remuneration to Non-Executive Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Whole-time Directors. Salary is paid within the range approved by the Shareholders. Annual increments effective 1st April each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board of Directors of the Company. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all Employees.

Independent Non-Executive Directors will receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and Shareholders.

The remuneration by way of commission paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks.

Key Managerial Personnel

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the other Key Managerial Personnel

apart from Directors. This will be then approved by the Board. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to the other Key Managerial Personnel apart from Directors. Annual increments effective 1st April each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board.

The remuneration paid to the other Key Managerial Personnel apart from Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all Employees.

Other Employees

The remuneration of Employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling and other Rules formulated by the Company from time to time.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/ merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

Criteria for Board Membership

Directors, Key Managerial Personnel and Other Employees

The Company shall take into account following points:

- They must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to Company's business.
- They should possess the highest personal and professional ethics, integrity and values.
- They must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

Independent Directors

- Independent Director is a Director who has no direct or indirect material relationship with the Company or its Holding, Subsidiary or Associate Company or any of its officers, other than as a Director or Shareholder of the Company or its Holding, Subsidiary or Associate Company as specified in the Act and applicable Rules thereto.
- Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals/ Business Executives.

- Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and Rules made there under and LODR, 2015 if any.

Annexure-4

FormNo-MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Narayani Steels Limited,

23A, N.S.Road, 7th Floor,

Room No-31, Kolkata-700001,

West Bengal, India.

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Narayani Steels Limited** (CIN: L27109WB1996PLC082021) (here-in-after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minute books, Forms and Returns filed and other records maintained by Narayani Steels Limited for the Financial Year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable as the Company has not issued any ESOP during the financial year under review;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any Debt Securities during the financial year under review;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company did not buy back its Equity Shares during the financial year under review.
2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:
- (a) Factories Act, 1948
 - (b) Industrial Disputes Act, 1947
 - (c) The Payment of Wages Act, 1936
 - (d) The Minimum Wages Act, 1948
 - (e) The Contract Labour (Regulation & Abolition) Act, 1970
 - (f) The Child Labour (Prohibition & Regulation) Act, 1986
 - (g) The Industrial Employment (Standing Order) Act, 1946
 - (h) The Employee Compensation Act, 1923
 - (i) The Steel and Steel Products (Quality Control) Order, 2018;

We have also examined compliance with the applicable Clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
- a) *Few Forms were filed with additional fees;*
 - b) *Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022. The management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful*

resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.

4. We further report that-
 - a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors. There have been changes in composition of Board of the Directors but that change does not affect the SEBI (LODR) Regulations, 2015 during the Financial Year 2021-22.
 - b) Company not appointed Internal Auditor under Section 138 of the Companies Act, 2013
 - c) The Company not conducted any Board Meeting(s) as Company is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699.
 - d) We report that there is scope to improve the systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for Compliances under other applicable Acts, Laws and Regulations to the Company.

For Gopinat Nayak & Associates
Company Secretaries

Bharat Chandra Das (Associate)

Place: Bhubaneswar

ACS: 25843

Date: 30/08/2022

CP No:25843

*This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report

‘ANNEXURE A’

To

The Members,

Narayani Steels Limited. 23A,

N.S.Road, 7th Floor,

Room No-31, Kolkata-700001,

West Bengal, India.

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

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed for this purpose provided a reasonable basis for our opinion.
3. The Compliance by the Company of applicable financial law like Direct and Indirect Tax Laws and maintaining of financial Records and Books of Accounts have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other designated Professionals.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Gopinat Nayak & Associates

Company Secretaries

Bharat Chandra Das

ACS: 25843

CP No:25843

Place: Bhubaneswar

Date: 30/08/2022

Auditors' Certificate on Corporate Governance

To
The Members of
Narayani Steels Limited
Kolkata.

We have examined the compliance of conditions of Corporate Governance by M/s. Narayani Steels Limited ("the Company") for the year ended on 31st March, 2022 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd.

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

In our opinion, and to the best of our information and according to the explanations given to us, we Certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd as applicable except for the following clauses:

- *the Company has to maintain a mechanism to monitor the acknowledgement of Notice and Agenda of Board Meeting(s);*
- *Company not appointed Internal Auditor under Section 138 of the Companies Act, 2013*

Further, during the year under review, the company went into Corporate Insolvency Resolution Process (CIRP) as per NCLT order dated 24.03.2021 and accordingly, an Insolvency Resolution Professional has taken over the management of the Company. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022. The management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company.

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

For Gopinath Nayak & Associates
Company Secretaries
Bharat Chandra Das
(Associate)

Place: Bhubaneswar
Date: 30.08.2022

ACS No.: 25843
C P No.: 9834

**DECLARATION BY MANAGING DIRECTOR WITH RESPECT TO COMPLIANCE WITH CODE OF
CONDUCT OF THE COMPANY**

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2022.

For Narayani Steels Limited

Date: 30.08.2022

Place: Kolkata

Sumit Kumar Agarwal
Additional Director*

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. **Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699**, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022.the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company)

*Mr.Sumit Kumar Agarwal is now Additional Director for the Company but he is propose to be Managing Director on this AGM

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

To
The Board of Directors
Narayani Steels Limited.

We the undersigned, in our respective capacities as Managing Director of Narayani Steels Limited ('the Company'), have reviewed the financial statements and cash flow statements of the Company for the Financial Year ended March 31,2022 and that to the best of our knowledge and belief, we hereby certify that:

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are, to the best of our knowledge and belief, no transactions entered into the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.
- e. We have indicated to the auditors and audit committee that:
 - i. There are no significant changes in control over financial reporting during the year;
 - ii. There are no significant changes in accounting polices during the year; and

There are no instant significant fraud of which we are aware and which involve management or any employee, having significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date: 30.08.2022

Sumit Kumar Agarwal
Managing Director*

(Narayani Steels Limited is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 24th March, 2021 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 23 April, 2021 under provisions of the code. In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022.the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company)

*Mr.Sumit Kumar Agarwal is now Additional Director for the Company but he is propose to be Managing Director on this AGM

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

To

The Members,

**Narayani Steels Limited, 23A, N.S. Road, 7th Floor,
Room No-31, Kolkata-700001, West Bengal, India**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Narayani Steels Limited having CIN - L27109WB1996PLC082021 and having registered office at 23A, N. S. Road, 7th Floor, Room No-31, Kolkata-700001, West Bengal, India and Corporate Office at Sy No.202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535004, Andhra Pradesh, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. During the year under review, In terms of the resolution plan approved by NCLT vide its order date 11th January, 2022.the management of the affairs of the Company has been vested with Monitoring Committee until the date of transfer of control of the Company to the successful resolution applicant. The chairman of the said committee was Mr. Krishna Komaravolu, IP Registration no. IBBI/IPA-002/IP-N00562/2017-18/11699 Resolution Professional of the Company

Sr. no.	Name of the Director	DIN	Date of appointment in the Company
1.	Sumit Kumar Agarwal	02184000	16.03.2022
2.	Akansha Agarwal	09540310	16.03.2022
3.	Asit Baran Bhattacharjee	02559634	16.03.2022
4.	Ajit Kumar Nath	08641824	16.03.2022
5.	Amit Ranjan Sinha	09680056	28.06.2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gopinath Nayak & Associates
Company Secretaries

Bharat Chandra Das

Partner

ACS No.: 25843

C P No.: 9834

Place: Bhubaneswar

Date: 30.08.2022

INDEPENDENT AUDITORS' REPORT

To the Members of **Narayani Steels Limited**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **Narayani Steels Limited ("the Company")**, which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report**, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

- a. The Company has, based on the internal evaluation, valued inventories at Rs. 150.86 Lakhs, wherein there is no movement since past one year. In the absence of valuation report, we are unable to ascertain the realisability of the inventories and to that extent, total profit is overstated.
- b. Internal Audit Report is not available since the management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- c. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- d. Provision for gratuity and leave encashment is not being made on actuarial basis, which is non-compliance with the requirements of IND AS – 19 'Employee Benefits'. In absence of an actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.
- e. Physical verification / valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

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

Key Audit Matters

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

(i) Accounting treatment for the effects of the Resolution Plan: Refer Note 31 – Note 33 to the standalone financial statements for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2022 under Insolvency and Bankruptcy Code, 2016.

Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements and large number of operational and financial creditors, determination of the carrying amount of related liabilities on the date of approval of Resolution Plan was a complex exercise.

In respect of de-recognition of operational and financial creditors, difference amounting to 19,969.96 Lakhs between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit and loss in accordance with "Ind AS - 109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and disclosed as an "Exceptional item".

Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the Financial Statements.

Our procedures included the following: We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the Financial Statements:

- Reviewed management's process for review and implementation of the Resolution Plan.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements.
- Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis.
- Verified the payment of funds on test check basis as per the Resolution Plan.
- Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors.
- Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS.
- Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan.

(ii) Litigations Matters & Contingent liabilities: Refer Note 3(e) to the standalone financial statements. Prior to the approval of the Resolution Plan, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.

The estimates related to exact outcome of litigations and its possible impact on the financials in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.

Our procedures included the following: We have performed the following procedures to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:

- Verified the underlying documents related to litigations and other correspondences with the statutory authorities.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact.
- Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.
- Discussed with the management on the development in these litigations during the year ended 31st March, 2022.
- Obtained representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

(iii) Non conduct of Internal Audit and Non availability of Internal Financial Controls: We were not provided with copy of Internal Audit Report and Risk Control Matrix including Standard Operating Procedures of the company which we consider to be significant key matter, keeping in view the nature and size of the operations of the Company.

Our procedures included the following: During the year, the Company was under CIRP up to 11th January, 2022. The issues relating to Internal Audit Report and Internal Financial Controls have been discussed with the management, who has assured necessary compliances in the current fiscal year.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The information included in the annual report is expected to be made available to us after the date of the auditor's report.

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

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

the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) 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 **except for matters described in the 'Basis for Qualified Opinion' para above.**
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and the Cash Flows dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 **except for matters described in the 'Basis for Qualified Opinion' para above.**
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;
- (g) The Company has not paid any managerial remuneration for the year ended March 31, 2022 and hence no comments are required under this clause;
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a. Pursuant to the approval of the Resolution Plan by the Order dated 11th January 2022 of the Hon'ble National Company Law Board (Kolkata Bench), all the pre-existing contingent liabilities have been extinguished together with the associated pending litigations and hence, as per management, there is nothing to be disclosed in its financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to these Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in notes to these financial statements, no funds have been received by the Company from any persons or entities,

including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No.: 001150C

CA RITESH KUMAR SHAW
Partner
Membership No.: **305929**
UDIN: 22305929AJXOHB8175

Place of Signature: Kolkata
Date: The 30th day of May, 2022

ANNEXURE- 1 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of Independent Auditor's Report of even date to the members of Narayani Steels Limited on the standalone Ind AS financial statements as of and for the year ended 31 March 2022

i. a)

(A) According to the information and explanations given to us, the Company is in the process of updating records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets and hence no comments are required.

b) Property, Plant and Equipment have not been physically verified during the year by the Management, as the records are under updation and hence we are unable to comment upon the discrepancies, if any.

c) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are executed in favour of the lessee) are held in the name of the Company.

d) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not revalued any class of its Property, Plant and Equipment during the year. The Company does not have any Intangible Assets and Right of Use assets as at 31st March 2022.

e) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, para 3(i)(e) of the order is not applicable.

ii.

a) We have not received any evidence as to the conduct of physical verification of inventory by the management during the year and hence we are unable to comment on discrepancies, if any, between the book stock and physical stock.

b) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of

the Companies Act, 2013. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, made any investment or provided any guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not accepted during the year deposits or amounts which are deemed to be deposits and therefore the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. In our opinion and according to the information and explanations given to us, the cost records for the year are being updated.
- vii. a) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, barring certain delay in deposit of TDS, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other statutory dues applicable to it with the appropriate authority.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

- viii. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, there are no transactions that are not recorded in the books of account, that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, para 3(viii) of the Order is not applicable.
- ix. The National Company Law Tribunal ('NCLT') has approved the terms of the Resolution Plan submitted by Resolution Applicant, pursuant to which loans or borrowings owed by the Company have been partially paid and the balance amount has been extinguished. The Company has not defaulted during the year in repayment of loans or borrowings to any financial institution or a bank or government.

- (a) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (b) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not taken any term loans during the year.
- (c) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, and on overall examinations of the Balance Sheet of the company, funds raised on short term basis have not been utilised for long term purposes by the Company.
- (d) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (e) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x.

- (a) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3(x)(a) of the order is not applicable.
- (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, para 3(x)(b) of the order is not applicable. The Company has, however, received share application money (pending allotment) from successful resolution applicant and its directors / associates pursuant to Order of the NCLT dated 11th January 2022.

xi.

- (a) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, no fraud by the company or on the Company has been noticed or reported during the year. Accordingly, para 3(xi)(a) of the order is not applicable.
- (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no report under Section 143(12) of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, para 3(xi)(b) of the order is not applicable.
- (c) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no whistle-blower complaint has

been received by the Company during the year. Accordingly, para 3(xi)(c) of the order is not applicable.

- xii. In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company is not a Nidhi Company. Accordingly, paragraphs 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
 - (a) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company does not have an internal audit system commensurate with the size and nature of its business.
 - (b) Internal Audit was not conducted by the company during the financial year 2021-22 and thus the reports of the Internal Auditors for the period were not considered by us during the course of the audit.
- xv. In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not entered into any non-cash transaction with directors or persons connected with him as specified under Section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi.
 - a. In our opinion and according to the information and explanation given to us and examination of books and records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Finance Company. Accordingly, para 3(xvi)(a) of the Order is not applicable.
 - b. In our opinion and according to the information and explanation given to us and examination of books and records, the Company has not conducted any Non-Banking Financial activities or any Housing Finance activities. Accordingly, para 3(xvi)(b) of the Order are not applicable.
 - c. In our opinion and according to the information and explanation given to us and examination of books and records, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
 - d. In our opinion and according to the information and explanation given to us and examination of books and records, there is no Core Investment Company (CIC) in the group.
- xvii. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not incurred any cash

losses in the current financial year, however cash losses amounting to Rs. 3609.06 Lakhs were incurred in the immediately preceding financial year.

- xviii. Pursuant to the implementation of the Resolution Plan as approved by the NCLT vide its Order dated 11th January 2022, the existing Board of Directors was replaced by the Board constituted by the successful resolution applicant and the erstwhile Statutory Auditors was replaced with the appointment of a fresh statutory auditor.
- xix. In our opinion and according to the information and explanation given to us and examination of books and records as we considered necessary, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company was not required to transfer any amount to a fund specified in Schedule VII to the Companies Act, 2013 or to a special account in compliance with Section 135(6) of the Act. Accordingly, paragraph 3(xx) of the Order is not applicable.

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No.: 001150C

CA RITESH KUMAR SHAW
Partner
Membership No.: **305929**
UDIN: 22305929AJXOHB8175

Place of Signature: Kolkata
Date: 30th day of May, 2022

ANNEXURE- 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Narayani Steels Limited** ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2022:

- i. The Company has, based on the internal evaluation, valued inventories at Rs. 150.86 Lakhs, wherein there is no movement since past one year. In the absence of valuation report, we are unable to ascertain the realisability of the inventories and to that extent, total profit is overstated.
- ii. Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- iii. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In the absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- iv. Provision for gratuity and leave encashment is not being made on actuarial basis, which is non-compliance with the requirements of IND AS – 19 'Employee Benefits'. In the absence of an actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.
- v. Physical verification/valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification/valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

In our opinion, because of the possible effects of the material weakness as described above on the achievement of the objectives of internal control criteria, the Company has not maintained adequate internal financial control over financial reporting and such internal financial controls over financial reporting were not operating effectively with respect to obtaining balance confirmations as on March 31, 2022, and

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of financial statements of the Company for the year ended March 31,2022 and these material weaknesses don't affect our opinion on the financial statements of the company.

For P. D. Rungta & Co.

Chartered Accountants

Firm Registration No.: 001150C

CA RITESH KUMAR SHAW

Partner

Membership No.: **305929**

UDIN: 22305929AJXOHB8175

Place of Signature: Kolkata

Date: The 30th day of May, 2022

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
STANDALONE BALANCE SHEET AS AT 31st March 2022

(Rs. In Lakhs)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	932.07	1,398.29
(b) Right-of-use assets	5A	-	107.85
(c) Intangible Assets	5B	-	1.45
(d) Financial assets			
(i) Investments	6	0.39	0.34
(ii) Other assets	10	76.74	90.02
(e) Deferred Tax Assets (net)	20	698.62	4,266.92
(f) Other non-current assets	12	-	11.45
Total Non-current assets		1,707.82	5,876.33
(2) Current assets			
(a) Inventories	7	150.86	150.86
(b) Financial assets			
(i) Investments	6	-	-
(b) Trade receivables	8	3,023.31	11,035.46
(c) Cash and cash equivalents	9	43.66	5.03
(iv) Other Bank Balances	10	-	-
(d) Other assets	10	0.06	10.14
(e) Current tax assets (net)	11	36.91	73.60
(f) Other current assets	12	260.07	1,451.02
(g) Assets Classified as held for sale	12.1	84.16	-
Total Current assets		3,599.04	12,726.12
TOTAL ASSETS		5,306.86	18,602.45
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	54.55	1,090.90
(b) Other equity	14	4,906.28	-5,310.37
Total Equity		4,960.83	-4,219.47
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	271.58	115.29
(ii) Lease liabilities	16	-	82.77
(iii) Other liabilities	17	-	3.08
(b) Other non-current liabilities	19	-	2.61
(c) Deferred tax liabilities (net)	20	-	-
(c) Provisions	21	-	4.54
Total Non-current liabilities		271.58	208.30
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	20,136.28
(ii) Lease liabilities	16	-	7.57
(iii) Trade payables	18		
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		36.69	198.24
(iv) Other liabilities	17	-	2,240.18
(b) Other current liabilities	19	37.76	27.43
(c) Provisions	21	-	3.92
Total Current liabilities		74.46	22,613.62
TOTAL EQUITY AND LIABILITIES		5,306.86	18,602.45

Significant accounting policies

3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For P D RUNGTA & CO.,

Chartered Accountants

3

Firm Registration Number: 001150C

Sumit Kumar Agarwal
Director
DIN: 02184000

Asit Baran Bhattacharjee
Director
DIN: 02559634

RITESH KUMAR SHAW

Partner

Membership No: 305929

Place of Signature: Kolkata

Dated: The 30th day of May, 2022

Arun Kumar Meher

Company Secretary

M.NO.: ACS48598

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST March, 2022

SL. No.	Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	22	1,162.28	7,793.26
II	Other income	23	24.93	491.04
III	Total income (I + II)		1,187.21	8,284.29
IV	Expenses			
	Cost of Materials Consumed	24	-	3,807.30
	Purchase of Traded Goods	25	-	2,304.81
	Changes in Inventories of Finished & Traded Goods	26	-	1,001.66
	Excise Duty			
	Impairment loss allowance	27	-	-
	Employee benefit expenses	27	308.14	531.11
	Finance costs	28	1.76	2,690.21
	Depreciation and amortisation expense	4A, 4C & 5	53.60	133.59
	Other expenses	29	773.76	5,821.50
	Total expenses (IV)		1,137.25	16,290.19
V	PROFIT BEFORE TAX & EXCEPTIONAL ITEMS (III-IV)		49.96	-8,005.90
VI	Exceptional Items		10,196.39	-
VII	Profit before tax (V-VI)		10,246.35	-8,005.90
VIII	Tax expense:	34		
	Current tax		-	-
	Earlier year tax		-	-
	Deferred tax	20	3,568.29	-2,701.62
IX	Profit for the year (VII-VIII)		6,678.06	-5,304.28
	Other comprehensive income (net of tax)			
	A. Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit liability/ (asset)		-	-
	(b) Equity instruments through other comprehensive income		0.05	0.05
	(c) Income taxes relating to items that will not be reclassified to profit or loss		-0.01	-0.02
	Net other comprehensive income not to be reclassified subsequently to profit or loss		0.03	0.04
	B. Items that will be reclassified to profit or loss		-	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
X	Other comprehensive income		0.03	0.04
XI	Total comprehensive income for the year (IX + X)		6,678.10	-5,304.24
XII	Earnings per equity share			
	[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
	- Basic		1,224.32	-48.62
	- Diluted		61.22	-48.62
	Significant accounting policies	3		
	<i>The accompanying notes form an integral part of these financial statements</i>			
	As per our report of even date attached			
	For P D RUNGTA & CO.,			
	Chartered Accountants			
	Firm Registration Number: 001150C			
		Sumit Kumar Agarwal Director DIN: 02184000	Asit Baran Bhattacharjee Director DIN: 02559634	
	RITESH KUMAR SHAW Partner Membership No: 305929 Place of Signature: Kolkata Dated: The 30th day of May,		Arun Kumar Meher Company Secretary M.NO.: ACS48598	

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2022

1 Corporate Information

Narayani Steels Limited ("the Company") is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc (including conversion on job-work basis) and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Vizianagaram, Andhra Pradesh, India.

Narayani Steels Limited is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at 23A, N.S.Road 7th Floor, Kolkata - 700001. **(Corporate Office at Survey No. 202/31-38, Modavalsa Village, Denkada Mandalam, Vizianagaram, Andhra Pradesh-535006, India).**

2 Basis of preparation

a) Statement of Compliance

These standalone financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the

b) Functional and presentation currency

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

c) Basis of measurement

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

d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities,

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

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

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain

(iii) Defined benefit plans:

The Company, presently, does not have a defined contribution plan or a defined benefit plan.

(iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect

(v) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment

f) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different

3 Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 –

b) Financial instruments

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

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

Financial assets at amortised cost

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

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

Financial assets at FVOCI

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

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

Financial assets at FVTPL

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

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

Derecognition

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

ii. **Financial liability**

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial liabilities through FVTPL

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

Financial liabilities at amortised cost

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

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

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. **Offsetting of financial instruments**

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

c) Property, Plant and Equipment

i. Recognition and measurement

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

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

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

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

iv. Depreciation

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

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram, on written down value method on other property, plant and equipment and on written down basis on Right-to-use Assets.

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter.

The estimated useful lives of the assets of property, plant and equipment are estimated by the management which are equal to the life prescribed under Schedule II of the Act.

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

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes accompanying these financial statements.

Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) Intangible Assets

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

The useful life of computer software is considered to be 5 years.

i. Amortisation

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

Intangible assets are amortised over a period of 5 years.

f) Lease

The Company as a Lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date. Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

Transition

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on FIFO basis.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

h) Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

i) Investment in associates

Investment in associates are carried at cost less impairment loss, if any. The cost comprises price paid to acquire investment and directly attributable cost.

j) Impairment

i. Impairment of financial instruments: financial assets

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

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

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

ii. Impairment of non-financial assets

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

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

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

k) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine

the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

i. Short-term employee benefits

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

ii. Defined contribution plans

The Company, presently, does not have a defined contribution plan.

iii. Defined benefit plans

The Company, presently, does not have a defined benefit plan.

l) Provisions (other than for employee benefits)

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Revenue recognition

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

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company has adopted Ind AS 115 using cumulative effect method of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). There is no impact on the adoption of the standard in the standalone financial statements.

n) Recognition of dividend income, interest income or expense

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

Interest income or expense is recognised using the effective interest method after taking into account the amount outstanding and the rate applicable.

o) Income tax

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

i. Current tax

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

ii. Deferred tax

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

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

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have evaluated any impact of on its standalone financial statements.

p) Borrowing costs

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

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

q) Foreign currency transaction

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

ii) Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

iii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

iv) Exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

r) Earnings per share

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

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

s) Segment reporting (Ind AS 108)

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating

resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Trading of Iron & Steel and related products, hence does not have segment as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

t) Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive 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 discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable

A Contingent Asset is not recognized in the Accounts.

u) Cash and cash equivalents

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

NARAYANI STEELS LIMITED (CIN: L27109WB1996PLC082021) STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022		
(Rs. In Lakhs)		
Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes & Extraordinary Items	10,246.35	(8,005.90)
ADJUSTMENTS FOR NON-CASH ITEMS:		
Depreciation and Amortisation	53.60	133.59
Provision/(Reversal of Provision) for expected credit loss	(3,768.36)	3,572.06
Provision/(Reversal of Provision) for Doubtful Debts	(1,191.19)	691.19
Extinguishment of Trade Payable, Other Current and Non Current Liabilities	(168.96)	-
Extinguishment of Current & Non-Current Borrowings	(19,801.00)	-
Impairment in Value of Plant, Property & Equipment	361.49	-
Impairment in Value of Intangible Assets	1.45	-
Allowances for Loans & Advances	1,307.01	-
Right of use assets written off upon termination of lease (Net of lease liabilities)	17.51	-
Bad debts written off	12,987.42	-
Finance Costs	1.76	2,690.21
Rental Income	-	(34.01)
Profit on sale of investments	-	(88.35)
Property, Plant & Equipment written off	-	-
Intangible Assets written off	-	(365.54)
Profit on sale of land	-	40.35
Sundry Balance written off (net)	-	(26.74)
Lease liability written back	(3.69)	(1.22)
Interest income	(9.75)	-
Reversal of Amortisation of corporate guarantee obligation	-	6,611.53
	(10,212.71)	-
Operating profit before working capital changes	33.64	(1,394.36)
(Increase)/Decrease in Trade receivables, loans & advances & Other assets	-	1,689.34
(Increase)/Decrease in Inventories	-	1,181.31
Increase/(Decrease) in Trade payables & Other current/non-current liabilities	-	1,676.21
	-	4,546.86
Cash generated from operations	33.64	3,152.50
Income tax paid	(23.76)	(13.15)
Net Cash from / (used in) Operating Activities	9.88	3,139.35
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(33.03)	(15.04)
Sale/Write off/impairment of Property, Plant & Equipment	-	950.44
Purchase of Investments	-	-
Intangible Assets written off	-	-
Sale of investments	-	315.11
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	-	1,833.96
Rent received	-	34.01
Interest received	3.69	1.22
	(29.34)	3,119.70
Net cash from / (used in) Investing Activities	(29.34)	3,119.70
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of non current financial borrowings pursuant to resolution plan	1,727.78	(3,562.38)
Proceeds of Share application money pursuant to resolution plan	1,046.00	-
Repayment of Current & Non Current Borrowings pursuant to resolution plan	(2,681.00)	-
Principal (accrued) / reversed on lease liabilities	-	(18.00)
Interest accrued on lease liabilities	-	(11.28)
Finance Costs	(1.76)	(2,678.93)
	91.02	(6,270.60)
Net cash from / (used in) financing activities	91.02	(6,270.60)
Net Increase / (Decrease) in Cash & Cash equivalents	71.56	(11.55)
Cash & Cash equivalents at beginning of the year[^]	5.03	16.58
Cash & Cash equivalents written off	(4.71)	-
Cash & Cash equivalents at end of the year[^]	71.88	5.03
[^] as disclosed in Note 9		
Note :		
The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.		
Significant accounting policies		
3		
<i>The accompanying notes form an integral part of these financial statements</i>		
As per our report of even date attached For P D RUNGTA & CO., Chartered Accountants Firm Registration Number: 001150C	For and on behalf of Narayani Steels Limited	
	Sumit Kumar Agarwal Director DIN: 02184000	Asit Baran Bhattacharjee Director DIN: 02559634
RITESH KUMAR SHAW Partner Membership No: 305929		
	Arun Kumar Meher Company Secretary M.NO.: ACS48598	
Place of Signature: Kolkata Dated: The 30th day of May, 2022		

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

Statement of Changes In Equity (SOCE)

A. Equity Share Capital

(1) Current reporting period (Rs. in Lakhs)

	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year *	Balance at the end of the current reporting period	
Balance at the beginning of the current reporting period	1,090.90	-	1,090.90	(1,036.36)	54.55

* Refer Note below

(2) Previous reporting period

	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period	
Balance at the beginning of the previous reporting period	1,090.90	-	1,090.90	-	1,090.90

B. Other Equity

(1) Current reporting period

(Rs. in Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus								Money received against share warrants	Total	
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus			Exchange differences on translating the financial statements of a foreign operation
Balance at the beginning of the current reporting period	-	-	-	1,673.85	-	(6,984.22)	-	-	-	-	-	-	(5,310.37)
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Share Capital *	-	-	1,036.36	-	-	-	-	-	-	-	-	-	1,036.36
Received during the year	1,046.00	-	-	-	-	-	-	-	-	-	-	-	1,046.00
Balance at the end of the current reporting period	1,046.00	-	1,036.36	1,673.85	-	(306.12)	-	-	-	-	-	-	3,450.08

* Refer Note below

(2) Previous reporting period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus								Money received against share warrants	Total	
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus			Exchange differences on translating the financial statements of a foreign operation
Balance at the beginning of the previous reporting period	-	-	-	1,673.85	-	(1,679.98)	-	-	-	-	-	-	(6.13)
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year	-	-	-	-	-	(5,304.24)	-	-	-	-	-	-	(5,304.24)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	-	1,673.85	-	(6,984.22)	-	-	-	-	-	-	(5,310.37)

Notes:

a) As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction in face value of existing equity shares to Re. 0.50, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction of the quantity of the shares held by the existing shareholders by 1/20th of the existing quantity i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares. The amount of the reduction in the equity share capital has been transferred to Capital Reserve.

Significant accounting policies

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The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For and on behalf of Narayani Steels Limited

For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

Sumit Kumar Agarwal
Director
DIN: 02184000

Asit Baran Bhattacharjee
Director
DIN: 02559634

RITESH KUMAR SHAW
Partner
Membership No: 305929

Arun Kumar Meher
Company Secretary
M.NO.: ACS48598

Place of Signature: Kolkata
Dated: The 30th day of May, 2022

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31 March 2022 (Continued)

(Rs. In Lakhs)

6	Investments	As at 31st March 2022	As at 31st March 2021
	Non-Current investments		
	Investments in equity instruments fully paid up - Unquoted		
	In an associate (at cost)		
	Hari Equipments Private Limited, 4,59,490 (31st March, 2021: 4,59,490) equity shares of Rs. 10 /- each fully paid up	56.73	56.73
	Less: Provision for impairment in the value of investment in associate	-56.73	-56.73
		-	-
	Investments in equity instruments fully paid up - Quoted		
	In Others (at fair value through Other Comprehensive Income - FVOCI)		
	Union Bank of India - 1,009 (31st March, 2021: 1,009) Equity Shares of Rs. 10 /- each fully paid up	0.39	0.34
		0.39	0.34
	Aggregate value of unquoted investments	56.73	56.73
	Aggregate amount of impairment in value of investment in associate	-56.73	-56.73
	Aggregate value of quoted investments	0.39	0.34
	Investments carried at cost (net of provision of diminution of investments)	-	-
	Investments carried at fair value through other comprehensive income	0.39	0.34
	Investments carried at fair value through profit and loss	-	-
7	Inventories	As at 31st March 2022	As at 31st March 2021
	(As taken, valued and certified by the management)		
	Finished Goods	150.86	150.86
		150.86	150.86
8	Trade receivables	As at 31st March 2022	As at 31st March 2021
	Unsecured, considered good (unless otherwise stated)	3,950.23	16,921.92
	Less: Expected Credit Loss (Refer Note:41(i))	-926.92	-4,695.27
	Less: Provision for bad and doubtful debts	-	-1,191.19
		3,023.31	11,035.46

The trade receivables ageing schedule for the years ended as on March 31, 2022 & (March 31, 2021) is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	244.66		-	564.48	3,141.09	3,950.23
	-231.83	-2,903.31	-8.5	-11,279.28	-1,307.81	-15,730.73
(ii) Undisputed Trade Receivables – which have significant increase in credit risk			-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired			-	-	-1,191.19	-1,191.19
(iv) Disputed Trade Receivables–considered good			-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk			-	-	-	-
(vi) Disputed Trade Receivables – credit impaired			-	-	-	-
Trade Receivables	244.66		-	564.48	3,141.09	3,950.23
	-231.83	-2,903.31	-8.5	-11,279.28	-2,499.00	-16,921.92

Less: Allowance for credit loss	926.92
(including provision for bad & doubtful debts)	-5,886.46
Total Trade Receivables	3,023.31
	-11,035.46

	(Rs. In Lakhs)
	As at
	As at
9	As at
Cash and cash equivalents	As at
	31st March 2022
	31st March 2021

Cash on hand (as certified)			0
Balances with banks in current accounts		43.66	5.03
		43.66	5.03
10 Other financial assets		As at 31st March 2022	As at 31st March 2021
Non-current			
Security Deposits		76.74	90.02
		76.74	90.02
Current			
Advance against expenses		0.06	10.14
		0.06	10.14
11 Current tax assets (Net)		As at 31st March 2022	As at 31st March 2021
Income Tax Refundable		12.96	22.98
Tax Deducted/Collected at Source		23.95	50.63
		36.91	73.6
12 Other assets		As at 31st March 2022	As at 31st March 2021
Non-Current			
Prepaid expenses		-	11.45
		-	11.45
Current			
Advances other than capital advances			
- Advance to suppliers		2.1	953.7
Balances with Revenue Authorities		257.97	495.26
Prepaid expenses		-	2.07
		260.07	1,451.02
12.1 Assets Classified as held for sale		84.16	-
		84.16	-
13 Equity share capital		As at 31st March 2022	As at 31st March 2021
Authorised			
1,40,00,000 (31st March 2021 - 1,40,00,000) Equity Shares of Rs. 10/- each		1,400.00	1,400.00
		1,400.00	1,400.00
Issued, subscribed and fully paid-up			
5,45,450 (31st March 2021 - 1,09,09,000) Equity Shares of Rs. 10/- each		54.55	1,090.90
		54.55	1,090.90

A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at 31st March 2022		As at 31st March 2021	
	Number	Amount (Rs in lakhs)	Number	Amount (Rs in lakhs)
Balance as at the beginning of the year	10,909,000	1,090.90	10,909,000	1,090.90
Add: Issued during the year	-	-	-	-
Less: Capital Reduction (Refer Note below)	10,363,550	1,036.36	-	-
Balance as at the end of the year	545,450	54.55	10,909,000	1,090.90

Note: As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction in face value of the existing equity shares to Re. 0.50, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction in the quantity of the shares held by the existing shareholders by 1/20th of the existing quantity i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares. Pending approval from the Bombay Stock Exchange, required forms for the reduction / consolidation of shares have not yet been filed and shares of the Company are yet to be issued consequent upon the reduction of the share capital. However, the effect thereof has been taken in the accounts pursuant to the approved resolution plan.

B. Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the shareholders	As at 31st March 2022		As at 31st March 2021	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Kishanlal Choudhary	50,175	9.20%	1,003,500	9.20%
Sunil Choudhary (HUF)	63,050	11.56%	1,261,000	11.56%
Sunil Choudhary	61,225	11.23%	1,224,500	11.22%
Cooltex Merchandise Private Limited	108,150	19.83%	2,163,000	19.83%

D. Particulars of Shareholding of Promoters

Shares held by promoters at the end of the year			% change during the year
Sl.No.	Promoter Name	No. of Shares	% of total shares

As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the entire shareholdings of the erstwhile promoters of the Company have been re-classified as public shareholding and pending allotment of the shares to the new promoters, there is nothing to disclose under this sub-heading.

14 Other Equity

A. Deemed Equity

Subordinated Debt*

(Rs. In Lakhs)	
As at 31st March 2022	As at 31st March 2021
1,456.20	-
1,456.20	-

* Represents interest free loan from Resolution Applicant M/s Rishikunj Vincom Private Limited

B. Summary of other equity balance

Securities Premium
Retained Earnings (including other comprehensive income)
Share Application Money pending allotment*
Capital Reserve

As at 31st March 2022	As at 31st March 2021
1,673.85	1,673.85
-306.12	-6,984.22
1,046.00	-
1,036.36	-
3,450.08	-5,310.37
4,906.28	-5,310.37

Total Other Equity (A+B)

*Share Application Money received from resolution applicant, its associates, directors and relatives/friends of directors, pending allotment for approval from BSE.

	1st April 2021	Movement during the year	As at 31st March 2022	1st April 2020	Movement during the year	As at 31st March 2021
Securities Premium (a)	1,673.85		1,673.85	1,673.85	-	1,673.85
Retained Earnings (including other comprehensive income) (b)	-6,984.22	6,678.10	-306.12	-1,679.98	-5,304.24	-6,984.22
Share Application Money pending allotment		1,046.00	1,046.00	-	-	-

Capital Reserve	1,036.36	1,036.36	-	-	-
	-5,310.37	8,760.45	3,450.08	-6.13	-5,304.24
					-5,310.37

B. Nature and purpose of reserves:

- (i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- (ii) **Capital Reserve:** Capital Reserve represents the amount arising on account of reduction in paid-up equity share capital vide the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its Order dated 11th Jan'2022.
- (iii) **Retained earnings (including other comprehensive income):** This Reserve represents the cumulative profits / losses of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- (iv) **Share Application Money pending allotment:** This represents amounts received from resolution applicant, its associates, directors and relatives/friends of directors, pending allotment for approval from BSE.

15 Borrowings	(Rs. In Lakhs)			
	Current portion		Non-current portion	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Non-current Borrowings				
Secured				
Term loans				
Loan against vehicles *	-	9.23	-	6.95
	-	9.23	-	6.95
Unsecured				
Term Loan from a financial institution *	-	-	-	108.34
Loans from Bodies Corporate	-	-	271.58	-
	-	9.23	271.58	115.29
Current Borrowings				
Secured *				
Working Capital Loans from Bank				
- Cash Credit			-	16,424.93
Unsecured *				
Channel Financing from Banks & Financial Institutions			-	3,711.35
			-	20,136.28

* Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company on 24th March 2021 and in terms of the approved resolution vide an Order of the Kolkata Bench of the National Company Law Tribunal ("NCLT") dated January 11, 2022, the liability towards Secured and Unsecured financial creditors stands extinguished except an amount of Rs. 26 Lakhs which was paid by the Resolution applicant.

16 Lease Liabilities

	As at 31st March 2022	As at 31st March 2021
Non-Current	-	82.77
Current	-	7.57
	-	90.34

As all the existing Lease contracts have been terminated or have been converted into Short Term Lease Contracts, the brought forward balances of Lease Liabilities calculated as per IND AS 116 have been written back.

17 Other Financial Liabilities

	As at 31st March 2022	As at 31st March 2021
A. Non-Current		
Security Deposits	-	3.08
	-	3.08
B. Current		
Current maturities of long-term debt (Refer Note 14) *		9.23
Interest accrued but not due on borrowings *	-	10.05
Interest accrued and due on borrowings *	-	2,211.15
Deferred liability - On corporate guarantee **	-	9.75
	-	2,240.18

Notes:

* Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company on 24th March 2021 and in terms of the approved resolution plan vide an Order of the Kolkata Bench of the National Company Law Tribunal ("NCLT") dated January 11, 2022, the liability towards Secured and Unsecured financial creditors (including interest) stands extinguished except the amount of Rs. 26 lakhs which was paid by the Resolution applicant.

18 Trade payables

	As at 31st March 2022	As at 31st March 2021
Dues to Micro And Small Enterprises (as per the intimation received from vendors)		
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year *	-	-
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
Dues to others		
- For goods and services	36.69	198.24
	36.69	198.24

The trade payables ageing schedule for the years ended as on March 31, 2022 & (March 31, 2021) is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME			-		-
(ii) Others	36.69		-		36.69
(iii) Disputed dues – MSME	-79.08	-119.16	-		-198.24
(iv) Disputed dues - Others			-		-
Trade Payables	36.69		-		36.69
	-79.08	-119.16	-		-198.24

Pursuant to the Resolution Plan, liabilities related to operational creditors up to the date of commencement of CIRP have been fully extinguished.

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and thus relied upon by the auditors.

19 Other liabilities

	As at 31st March 2022	As at 31st March 2021
Non-Current		
Income received in advance	-	2.61
	-	2.61
Current		
Staff liability	27.78	25.5
Statutory liabilities	9.98	1.63
Income received in advance	-	0.3
	37.76	27.43

20 Deferred Tax (Assets) / Liabilities (net)

	As at 31st March 2022	As at 31st March 2021
Deferred tax liabilities		
Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties	-45.06	113.4
Fair Valuation of Investments	-0.2	-12.23
Total deferred tax liabilities (A)	-45.26	101.16
Deferred tax Assets		
Provision for Gratuity	-	2.82

Provision for expected credit losses & bad and doubtful debts on trade receivables	257.87	1,965.14
Business Losses & Unabsorbed Depreciation	395.49	1,453.58
Lease Liabilities & Other disallowances		946.55
Total deferred tax assets (B)	653.36	4,368.09
Net Deferred Tax (Assets)/Liabilities (A-B)	-698.62	-4,266.92

Movement in deferred tax liabilities/ assets balances

	Deferred tax liabilities/assets in relation to			
	As at 31st March 2021	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2022
Deferred tax liabilities				
Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties	113.4	-158.46	-	-45.06
Fair Valuation of Investments	-12.23	12.02	0.01	-0.2
Capital Gains / (Loss)	-	-	-	-
Total deferred tax liabilities (A)	101.16	-146.44	0.01	-45.26
Deferred tax Assets				
Provision for Gratuity	2.82	-2.82	-	-
Provision for expected credit losses & bad and doubtful debts on trade receivables	1,965.14	-1,707.27	-	257.87
Business Losses & Unabsorbed Depreciation	1,453.58	-1,058.09	-	395.49
Lease Liabilities & Others	946.55	-946.55	-	-
Total deferred tax assets (B)	4,368.09	-3,714.73	-	653.36
Net deferred tax (assets)/liabilities (A-B)	-4,266.92	3,568.29	0.01	-698.62

^^The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.

21 Provisions

Non-current

Provisions for employee benefits
- Provision for gratuity

	As at 31st March 2022	As at 31st March 2021
	-	4.54
	-	4.54

Current

Provisions for employee benefits
- Provision for gratuity

	As at 31st March 2022	As at 31st March 2021
	-	3.92
	-	3.92

As Per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide their Order dated January 11, 2022, the existing Liabilities towards workmen and employee have been extinguished.

22 Revenue from operations

Sale of Products
Revenue from Job Work (Conversion Charges)
Total revenue from operations

	As at 31st March 2022	As at 31st March 2021
	-	7,608.63
	1,162.28	184.63
	1,162.28	7,793.26

The Company had suspended its Trading and Manufacturing activities in the last quarter of the preceding year. The company had entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant for undertaking conversion work on job-order basis.

Details of sale of products (net of GST):

TMT Bars, Rounds, Squares, Angles, Flats and related items
Pig Iron, Scrap and related items

	As at 31st March 2022	As at 31st March 2021
	-	6,822.61
	-	786.02
	-	7,608.63

23 Other income

A. Interest income comprises interest:

- On fixed deposits

3.69 -

	-On financial assets carried at amortised cost	-	1.22
	Other non-operating income	-	-
	Rental Income	-	34.01
	Profit on sale of current investments	-	41.65
	Profit on sale of investment properties	-	46.7
	Lease liability written back	-	26.74
	Profit on Sale of Land	-	365.54
	Miscellaneous receipts	0.17	5.77
	Bad Debts recovery	10.52	-
	Amortisation of corporate guarantee obligation (Refer note: 17 for details)	-	9.75
	Sundry Balances Written off (Net)	0.81	-40.35
	Reversal of Amortisation of corporate guarantee obligation	9.75	-
		24.93	491.04
24	Cost of Materials Consumed	As at	As at
		31st March 2022	31st March 2021
	Iron and Steel Materials		
	Inventory at the beginning of the year	-	166.77
	Add : Purchases	-	3,834.90
		-	4,001.67
	Less: Sale of Raw materials	-	194.37
	Cost of Materials Consumed	-	3,807.30
25	Purchase of Traded Goods	As at	As at
		31st March 2022	31st March 2021
	TMT Bars, Rounds, Squares, Angles, Flats and related items	-	1,759.41
	Pig Iron, Scrap and related items	-	545.4
		-	2,304.81
26	Changes in Inventories	As at	As at
		31st March 2022	31st March 2021
	Opening Stock		
	-Finished Goods	150.86	350.22
	-Scrap and Miss Roll	-	33.52
	-Traded Goods	-	768.78
		150.86	1,152.52
	Closing Stock		
	-Finished Goods	150.86	150.86
		150.86	150.86
		-	1,001.66
27	Employee benefits expense	As at	As at
		31st March 2022	31st March 2021
	Salaries, wages and allowances	307.96	465.68
	Contribution to provident and other funds	-	1.71
	Director's Remuneration	-	48.25
	Staff welfare expenses	0.18	15.46
		308.14	531.11
28	Finance costs	As at	As at
		31st March 2022	31st March 2021
	Interest expense		
	To Banks (including LC Charges)	-	2,543.08
	To Others (on Unsecured Loans)	1.76	130.8
	On financial liabilities carried at amortised cost- Security Deposits	-	0.28
	On financial liabilities carried at amortised cost- Lease liabilities	-	11.28
	Other borrowing costs	-	4.76
		1.76	2,690.21
29	Other expenses	As at	As at

42 Other expenses

A. **Manufacturing Expenses**

Processing and Moulding Charges
Power and Fuel
Stores and Spares Consumed
Repairs and Maintenance

	31st March 2022	31st March 2021
	2.48	10.65
	649.71	525.65
	48.1	100.48
	21.49	25.99
	721.79	662.77

B. **Administrative and Other Expenses**

Rent & Service Charges
Rates & Taxes
Insurance
Freight & Delivery Charges
Telephone & Internet Expenses
Travelling & Conveyance
Repairs & Maintenance
- Building
- Others
Safety & Security Charges
Vehicle Running and Maintenance
Legal & Professional Fees
Sales Promotion Expenses
Auditor's Remuneration [Refer Note (a) below]
Directors' Sitting Fees
Miscellaneous Expenses
Bank Charges
Commission
Bad Debts written off
Interest on delay payments
Amortisation of corporate guarantee obligation (Refer note: 17 for details)
Provision for expected credit loss (Refer note: 41(i) for details)
Provision for bad and doubtful debts

	6	-0.29
	5.24	2.15
	1.12	1.33
	0.14	102.83
	-	0.88
	0.24	9.55
	0.06	1.34
	1.34	4.95
	11.88	13.87
	-	14.13
	19.31	30.26
	-	2.9
	2.5	5.4
	-	0.15
	3.21	8.22
	0.52	-
	-	0.57
	-	687.49
	0.41	-
	-	9.75
	-	3,572.06
	-	691.19
	51.97	5,158.73

Other expenses (A+B)

	773.76	5,821.50
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Payment to auditors

Statutory audit
Tax audit
Other Services

	As at 31st March 2022	As at 31st March 2021
	2	2.5
	0.5	0.5
	-	2.4
	2.5	5.4

30 **Exceptional Items ***

Exceptional items for the year ended 31st March 2022 comprises of:

Right of Use Asset Written off
Property, Plant & Equipment written off
Intangible Assets Written off
Irrecoverable advances/Deposits/Receivables written off
Bad Debts Written off
CIRP Expenses
Provision for expected credit Loss written back
Provision for Bad & Doubtful debts written back
Extinguishment of Trade Payables, current Financial Liabilities, and Non current/Short Term Borrowings

	As at 31st March 2022	As at 31st March 2021
	-17.51	-
	-361.49	-
	-1.45	-
	-1,307.01	-
	-12,987.42	-
	-58.23	-
	3,768.36	-
	1,191.19	-
	19,969.96	-
	10,196.39	-

* These adjustments, having one-time, non-routine material impact on the financial statements hence, the same has been disclosed as 'Exceptional Items' in the Financial Statements.

31 Based on the petition filed by a financial creditor, the Hon'ble NCLT, Kolkata Bench, passed the order for initiation of CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016 (As amended and hereinafter referred to as "the Code") dated 24th March 2021 appointing Mr. Krishna Komaravolu as Interim Resolution Professional, subsequently confirming him as the Resolution Professional ("RP") under the provisions of the Code. Further, the erstwhile RP had invited expression of Interest (Eoi) from Prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. Final plans received were placed, put to vote in the 6th CoC meeting held on 19th October 2021. The resolution plan submitted by Rishikunj Vincom Private Limited was approved by CoC. The application for Plan approval was filed with Hon'ble National Company Law Tribunal (NCLT) on 02nd November 2021 and subsequently has been approved/allowed by the Hon'ble NCLT vide Order dated 11th January 2022.

- 32 With the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal (NCLT) vide Order dated 11th January 2022, the CIRP of the Company has concluded and Mr. Krishna Komaravolu ceased to be the resolution professional of the Company. The said Resolution plan has been implemented by the Monitoring Committee and the management of the Company has been handed over to the RA by the Monitoring Committee w.e.f. 1st April 2022.
- 33 Pursuant to the Resolution Plan submitted by Rishikunj Vincom Private Limited (referred to as the "Resolution Applicant") and its approval by the Hon'able National Company Law Tribunal, Kolkata bench, vide their Order dated January 11, 2022 for the Corporate Insolvency of the Company, the following consequential impacts have been given in accordance with approved resolution plan / Accounting Standards :-
- a) The existing directors of the Company as on the date of Order stand replaced by the new Board of Directors with effect from 16-03-2022. As on date, the Board consists of Sumit Kumar Agarwal, Asit Baran Bhattacharjee, Ajit Kumar Nath and Akansha Agarwal
- b) The Face value of existing Equity shares have been reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction in face value of existing equity shares to Re. 0.50 the Face value of shares have been consolidated to Rs. 10/- per share resulting in reduction of the quantity of the shares held by the existing shareholders by 1/20th of the existing quantity i.e. the shares of existing shareholders holding 1,09,09,000 equity shares have been reduced to 5,45,450 equity shares.
- c) In respect of extinguishment of balances of operational and financial creditors, post payment as per the resolution plan, the same is recognised in statement of profit or loss account in accordance with "Ind AS - 109" on "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional items".
- d) Funds amounting to Rs. 1,726.20 Lakhs were brought by way of Unsecured Loans and Rs. 1,046 Lakhs by way of Share Application Money by the RA as per the terms of the approved resolution plan. However, the allotment against the Share Application Money received is pending for approval from Bombay Stock Exchange.
- e) The erstwhile promoter group has been classified as public shareholders under regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

34 Income taxes

A. Amount recognised in profit or loss

Current tax

Current period

A

Earlier Year tax

Earlier Year tax

B

Deferred tax

Deferred Tax for the year

C

3,568.29 (2,701.62)

Tax expense reported in the statement of profit and loss [(A)+(B)+(C)]

3,568.29 (2,701.62)

B. Income tax recognised in other comprehensive income

Deferred tax

On items that will not be reclassified to profit or loss

Remeasurements of defined benefit plans

Equity instruments through other comprehensive income

- -

Income tax expense reported in the statement of profit and loss

- -

C. Reconciliation of effective tax rate for the year ended 31st March 2022

Profit / (Loss) before tax

10,246.35 (80,005.90)

Tax using the Indian tax rate @ 31st March 2022: 27.82% (31st March 2021: 33.38%)

2850.53 -2672.69

Change in tax rate and other tax differences

717.75 (28.93)

Effective tax

3,568.29 (2,701.62)

35 Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

(Rs. In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
(a) Profit attributable to equity shareholders	6,678.06	(5,304.28)
(b) Adjusted profit for dilutive earnings	6,678.06	(5,304.28)
(c) Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	545,450	10,909,000
(d) Weighted average number of ordinary shares in computing diluted earnings per share [(d) + (e)]	545,450	10,909,000
(e) Shares Pending Allotment	10,363,550	-
(f) Potential shares after allotment	10,909,000	10,909,000
(g) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
Basic [(a)/(c)]	1,224.32	(48.62)
Diluted [(b)/(d)]	61.22	(48.62)

36 Contingent Liabilities*(to the extent not provided for)*

	Year ended 31 March 2022*	Year ended 31 March 2021
	Rs. in lakhs	Rs. in lakhs
Claims against the company not acknowledged as debts	-	401.38
Disputed Income Tax Demands under appeal	-	249.71
Corporate guarantee for credit facilities to Hari Equipments Private Limited	-	3,524.00
Other Corporate guarantee for credit facilities	-	3,198.00
Disputed Sales Tax/ VAT under appeal for the year 2010 - 11	-	4.69
Disputed Penalty on VAT under appeal for the period 04/2011 to 12/2012	-	21.00
Goods & Services Tax	-	3,569.00
	-	10,967.78

*As per the approved resolution plan, the contingent liabilities and commitments, claims and obligations, Corporate guarantees and Legal Proceedings initiated against Corporate Debtor stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan

further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.

37 Employee Benefits

The Company, presently, does not have a defined contribution plan or a defined benefit plan. Further, pursuant to the Resolution Plan approved by the Hon'ble NCLT, Kolkata Bench vide its Order dated 11th January 2022 for the Corporate Insolvency of the Company, the brought forward liability towards provident fund/ gratuity/ other employee benefits of Rs. 9.42 lakhs has been written back.

38 Segment information

The Company is currently engaged in a single business segment of Iron & Steel Products, accordingly there is no separate reportable segment as per Ind AS 108- "Operating Segment".

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations

All revenue from operations of the company are generated within India.

(b) Non-current assets

All Non-current assets of the company are located in India.

(c) Customer contributing more than 5% of Revenue

Revenue from **One** (31st March 2021: Three) external customers contributed to 100% (31st March 2021: 89.63%) of Company's total revenue amounting to Rs. **1162.28 lakhs** & Rs. **6984.82 lakhs** for the year ended 31st March 2022 & 31st March 2021 respectively. Other than these customers, there is no other customer whose revenue contributed to more than 5% of the Company's revenue.

39 Related Party Disclosures**Key Management Personnel (KMP)**

Sunil Kumar Choudhary
Ankit Gupta
Krishnamacharyulu Eunny
Rabi Kumar Gupta
Prakash Kumar Thakur
Swarnalath Mandaleeka
Sumit Kumar Agarwal
Asit Baran Bhattacharjee
Ajit Kumar Nath
Akansha Agarwal
Arun Kumar Meher

Nature of Relationship

Managing Director (upto 15.03.2022)
Whole Time Director & CFO (upto 15.03.2022)
Non Executive Independent Director (upto 15.03.2022)
Additional Director (upto 18.02.2022)
Additional Director (upto 18.02.2022)
Additional Director (upto 15.03.2022)
Additional Director (w.e.f 16.03.2022)
Additional Independent Director (w.e.f 16.03.2022)
Additional Independent Director (w.e.f 16.03.2022)
Additional Independent Director (w.e.f 16.03.2022)
Company Secretary & Compliance Officer

Relative of Director

Rachana Agarwal**

Associates

Hari Equipments Private Limited
Rishikunj Vincom Pvt Ltd**
Aspire Capital Private Limited**
Oipl India Private Limited**
Nippon Alloys Ltd.* (under liquidation)

Enterprises owned or significantly influenced by key management personnel or their relatives

Sumit Kumar Agarwal (HUF)**
Balajee Roadways*
Hemang Steel Traders*

*Upto 15th March 2022

**from 16th March 2022

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

(Rupees in lakhs)

Nature of Transactions	As at 31 March 2022	As at 31st March 2021	
Share Application Money Received (pending allotment)			
Aspire Capital Private Limited	100.00	-	
Oipl India Private Limited	100.00	-	
Rachana Agarwal	100.00	-	
Rishikunj Vincom Pvt Ltd	36.00	-	
Sumit Kumar Agarwal (HUF)	182.00	-	
Sumit Kumar Agarwal	100.00	-	
Unsecured Loan Received			
Oipl India Private Limited	160.00	-	
Rishikunj Vincom Pvt Ltd	1,456.20	-	
Payment upon invocation of Corporate Guarantee (as per approved Resolution Plan)			
Hari Equipments Private Limited	40.50	-	
Rental Income			
Agrimony Tradex Vyaappar Private Limited	-	0.27	
Nippon Alloys Ltd.	-	0.14	
Hari Equipments Private Limited	-	0.40	
Rent Deposit Paid			
Hari Equipments Private Limited	-	26.26	
Rent Paid			
Bina Choudhary	-	5.25	
Hari Equipments Private Limited	-	5.00	
Balajee Roadways	-	13.75	
Freight Expense			
Balajee Roadways	1.67	0.59	
Director's Remuneration			
Sunil Choudhary	-	27.25	
Ankit Gupta	-	21.00	
	-	-	
Director's Sitting Fees			
Bina Choudhary (upto 10.09.2019)	-	-	
Krishnamacharyulu Eunny	-	0.07	
Prakash Kumar Thakur	-	0.02	
Rabi Kumar Gupta	-	0.04	
Jaya Padmavathi Bandi	-	0.01	
Bhaskara Rao Puvvala	-	-	
Atul Kumar Saxena	-	-	
Swarnalath Mandaleeka	-	0.01	
Salary			
Arun Kumar Meher	6.00	4.20	

Outstanding Balances

Nature of Transactions	As at 31 March 2022	As at 31st March 2021	
Share Application Money Received (pending allotment)			
Aspire Capital Private Limited	100.00	-	
Oipl India Private Limited	100.00	-	
Rachana Agarwal	100.00	-	
Rishikunj Vincom Pvt Ltd	36.00	-	
Sumit Kumar Agarwal (HUF)	182.00	-	

Sumit Kumar Agarwal		100.00	-
Unsecured Loans Received			
Oipl India Private Limited		160.00	-
Rishikunj Vincom Pvt Ltd		1,456.20	-
Trade Payables			
Hari Equipments Private Limited*		-	13.18
Balajee Roadways*		-	1.67
Liabilities For Expenses			
Sunil Choudhary*		-	1.13
Bina Choudhary*		-	1.62
Rent Deposit Paid			
Hari Equipments Private Limited*		-	26.26

*Pursuant to the approved resolution plan, previous year balances stand extinguished

40 Ratios

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows

Particulars of Ratio	Numerator	Denominator	Numerator	Denominator	2021-22	2020-21	Variance (in %)
(a) Current Ratio,	Current Assets	Current Liabilities	Current Assets	Current Liabilities	48.34	0.56	8489.42%
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	Total debt	Shareholder's equity	0.05	(4.80)	101.04%
(c) Debt Service Coverage Ratio,	Earnings available for debt service	Debt service	Earnings available for debt service	Debt service	59.94	(0.09)	69801.16%
(d) Return on Equity Ratio,	Net profits after taxes	Shareholder's equity	Net profits before exceptional items	Shareholder's equity	1.01%	-	-
(e) Inventory turnover ratio,	Cost of Goods Sold	Average Inventory	Revenue	Inventories		5.13	100.00%
(f) Trade Receivables turnover ratio,	Revenue from Operations	Average Trade Receivables	Revenue	Average trade receivable	0.17	0.55	69.73%
(g) Trade payables turnover ratio,	Purchases	Average Trade Payables	Purchases of services and other expenses	Average trade payable		8.15	100.00%
(h) Net capital turnover ratio,	Revenue from Operations	Working Capital	Revenue	Working capital	0.33	(0.79)	141.84%
(i) Net profit ratio (before exceptional items)	Net profit	Revenue from Operations	Net profits before exceptional items	Revenue	4.30%	-68.06%	106.32%
(j) Return on Capital employed	Earning before interest and taxes	Capital employed	Earning before interest and taxes	Capital employed	195.86%	-33.16%	690.71%

Reason for variance: There are wide variances in the ratios, as the figures for the Financial Year 2021-22 are after implementation of the approved Resolution Plan, pursuant to which operational & financial liabilities stand extinguished and receivables have been written off.

41 Financial risk management

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

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

Risk management framework

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

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

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

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) **Credit risk**

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

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institution, dealer or end-user customer, their geographic location, industry, trade history with the Company and existence of

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	As at 31 March 2022	As at 31st March 2021
Balance at the beginning of the year	4,695.27	1,123.22
Add: Provision during the year (net of reversals)	-	3,572.06
Less: Provision written back during the year	3,768.36	-
Balance at the end of the year	926.91	4,695.28
% of Expected Credit Loss:		
More than 1 year	10.00%	10.00%
2-4 Years	25.00%	25.00%
More than 4 years	75.00%	75.00%

Exposure to credit risks

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

Particulars	Year ended 31st March 2021		Year ended 31st March 2021	
	%	Amount (Rs. In lakhs)	%	Amount (Rs. In lakhs)
Revenue from a top customer	100.00%	1,162.28	42.73%	3,257.75
Revenue from top five customers	100.00%	1,162.28	96.67%	7,533.62

Other credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever it is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(ii) **Liquidity risk**

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

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

Exposure to liquidity risk

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

Particulars				Total
As at 31 March 2022	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	271.58	-	-	271.58
Trade payables	36.69	-	-	36.69
Other financial liabilities	-	-	-	-
	308.27	-	-	308.27
As at 31 March 2021	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	22,366.71	115.29	-	22,482.00
Trade payables	198.24	-	-	198.24
Other financial liabilities	9.75	-	-	9.75
	22,574.70	115.29	-	22,689.99

(iii) **Market risk**

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

(a) **Interest rate risk**

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

Exposure to interest rate risk

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

Particulars	31 March 2022	31 March 2021
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	(125.34)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(271.58)	(20,136)

Sensitivity analysis

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

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Profit/ (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
Variable rate instruments	(1.36)	1.36	(0.98)	0.98
Cash flow sensitivity (net)	(1.36)	1.36	(0.98)	0.98
31 March 2021				
Variable rate instruments	(100.68)	100.68	(67.07)	67.07
Cash flow sensitivity (net)	(100.68)	100.68	(67.07)	67.07

(b) **Equity price risks**

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

(c) **Currency risk**

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

42 Capital management (Ind AS 1)

The Company's management objective are :

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

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

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

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

Particulars			31 March 2022	31 March 2021
Total debt (Bank and other borrowings)			271.58	20,270.85
Equity		A		
Liquid investments including bank deposits		B	4,960.83	(4,219.47)
Debt to Equity (A / B)		C	43.66	5.03
Debt to Equity (net) [(A-C) / B]			0.05	(4.80)
			0.05	(4.80)

43 The Company, currently, is not carrying any Trading and Manufacturing activity. However, in order to keep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis.

44 The Company has recognized an impairment loss of Rs. 56.73 lakhs on its investment in Hari Equipments Private Limited, an associate of the Company, as the associate company has suspended its trading activities incurring significant losses with complete erosion of its net worth as of the end of financial year 31.03.2020

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	As at 31.03.2022	As at 31.03.2021
Foreign Exchange Earnings	-	-
Expenditure in Foreign Currency:	-	-

46 Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

47 Balances under Trade Receivables & Other advances / receivables are subject to confirmations and adjustments, if any. The Company considers the said amounts as good for recovery and hence are carried in the accounts at their book values, after provision for expected credit loss.

48 Financial instruments and related disclosures

48.1 Fair value measurement

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

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2: Basis of Preparation

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

48.2 Financial Instrument by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

		As at 31st March 2022		As at 31st March 2021	
			carrying amount	fair value Level 1/2	carrying amount
A FINANCIAL ASSETS:					
a) Measured at Amortised Cost					
Investments				-	-
Trade receivables	8	3,023.31		11,035.46	
Cash and Cash equivalents	9	43.66		5.03	
Other financial assets	10	76.81		100.17	
b) Measured at fair value through profit and loss					
Investments	6	-		39.12	39.12
c) Measured at fair value through other comprehensive income					
Investments	6	0.39		0.39	0.34
B Financial liabilities:					
a) Measured at amortised cost					
Borrowings	15	271.58	271.58	20,296.55	20,296.55
Trade payables	18	36.69	-	198.24	-
Other financial liabilities	17		-	2,230.43	-

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March 2022 (Continued)
(All amount in Rupees in Lakhs, unless otherwise stated)

4A

Property, plant and equipment				
Particulars	Gross Carrying Amount			
	Balance at 31st March, 2021	Additions	Disposals/ Adjustments/ Written off *	Balance at 31st March 2022
Land (Freehold) {Refer note 34(B)}	309.33	-	-	309.33
Leasehold improvements	116.28	-	116.28	-
Buildings	432.30	-	220.99	211.30
Plant & Equipment	871.89	33.03	172.90	732.03
Computer	11.14	-	3.10	8.04
Office Equipment	23.29	-	22.91	0.38
Electrical Installation & Fittings	19.64	-	14.54	5.09
Furniture & Fixtures	143.84	-	127.25	16.59
Vehicles	48.12	-	-	48.12
Total	1,975.82	33.03	677.96	1,330.89

Property, plant and equipment						
Particulars	Accumulated Depreciation / amortisation				Net Carrying Value	
	Balance at 31st March, 2021	For the period	Disposals/ Adjustments/ Written off *	Balance at 31st March 2022	At 31st March 2021	At 31st March 2022
Land (Freehold)	-	-	-	-	309.33	309.33
Leasehold improvements	21.68	-	21.68	-	94.60	-
Buildings	89.84	6.44	41.42	54.86	342.45	156.45
Plant & Equipment	339.49	40.97	90.95	289.52	532.40	442.51
Computer	8.32	-	0.68	7.64	2.81	0.40
Office Equipment	16.66	0.02	16.51	0.17	6.63	0.21
Electrical Installation & Fittings	7.60	0.40	6.67	1.32	12.04	3.77
Furniture & Fixtures	65.99	0.93	54.39	12.53	77.85	4.06
Vehicles	27.96	4.84	-	32.79	20.16	15.33
Total	577.54	53.60	232.31	398.83	1,398.29	932.07

* Post approval of the Resolution Plan, the Company has identified certain items of Property, Plant & Equipment which have either become

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March 2022 (Continued)

5A	Right-of-use of assets						
	Particulars	Gross Carrying Amount					
		Balance at 31st March. 2021	Additions	Disposals/ Adjustments *	Balance at 31st March 2022		
	Vacant Sites	128.72	-	128.72	-		
Total	128.72	-	128.72	-			
Right-of-use of assets							
Particulars	Accumulated Depreciation / amortisation				Net Carrying Value		
	Balance at 31st March. 2021	For 12 Months	Disposals/ Adjustments *	At 31st March 2022	At 31st March 2021	At 31st March 2022	
Vacant Sites	20.87	-	20.87	-	107.85	-	
Total	20.87	-	20.87	-	107.85	-	

* As all the existing Lease contracts have been terminated or have been converted into Short Term Lease Contracts, the brought forward balances as per IND AS 116 have

5B	Intangible Assets						
	Particulars	Gross Carrying Amount					
		Balance at 31st March. 2021	Additions	Disposals/ Adjustments **	Balance at 31st March 2022		
	Computer Software	3.27	-	3.27	-		
Mobile Application	1.71	-	1.71	-			
Total	4.98	-	4.98	-			
Intangible Assets							
Particulars	Accumulated Depreciation/ amortisation				Net Carrying Value		
	Balance at 31st March. 2021	For 12 months	Disposals/ Adjustments **	At 31st March 2022	At 31st March 2021	At 31st March 2022	
Computer Software	2.62	-	2.62	-	0.65	-	
Mobile Application	0.91	-	0.91	-	0.80	-	
Total	3.53	-	3.53	-	1.45	-	

(1) The company has elected to measure all its intangible assets at the previous GAAP carrying amount i.e 31st March, 2017 as its deemed cost (Net Block Value) on the date of

(2) The aggregate amortization has been included under depreciation and amortisation expense in the statement of profit and loss for the respective years.

*After the corporate insolvency resolution process all the intangible assets have been written off by the company

INDEPENDENT AUDITORS' REPORT

To the Members of **Narayani Steels Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Narayani Steels Limited ("the Company")**, and its Associate ("**the group**") which comprises the consolidated balance sheet as at 31st March 2022, and the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of the associate as was audited by the other auditors **and except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report**, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31st, 2022, its consolidated profit, other comprehensive income, consolidated changes in equity and consolidated cash flows for the year that ended.

Basis for Qualified Opinion:

- a. The Company has, based on the internal evaluation, valued inventories at Rs. 150.86 Lakhs, wherein there is no movement since past one year. In the absence of valuation report, we are unable to ascertain the realisability of the inventories and to that extent, total profit is overstated.
- b. Internal Audit Report is not available since the management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- c. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- d. Provision for gratuity and leave encashment is not being made on actuarial basis, which is non-compliance with the requirements of IND AS – 19 'Employee Benefits'. In absence of an actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.
- e. Physical verification / valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

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

under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

(As reported by the auditor of Hari Equipments Private Limited, the associate company)

1. The Company has sent letters to customers in respect of trade receivables for confirming balances outstanding as at March 31st, 2022, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31st, 2022. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not quantified.
2. Pending confirmations/reconciliation of balances of unsecured loans & borrowings, financial/ non-financial assets and liabilities, the auditors are unable to comment upon any provision to be made for adverse variation in the carrying amounts of such balances.
3. The fair value of the Investment property as stated in the financials is based on the valuation report as on 31/03/2020. The management of the associate is of the view that there has not been any significant change in the fair value of the Investment property since that report, therefore they have not obtained a valuation report from the independent valuers for 31/03/2022.
4. The Auditors have drawn attention to the Associate Company's dependency upon raising additional finance in order to continue operations indicating the existence of a material uncertainty that may cast significant doubt about the Associate Company's ability to continue as a going concern.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

(i) Accounting treatment for the effects of the Resolution Plan: Refer Note 31 – Note 33 to the Consolidated Financial Statements for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2022 under Insolvency and Bankruptcy Code, 2016.

Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements and large number of operational and financial creditors, determination of the carrying amount of related liabilities on the date of approval of Resolution Plan was a complex exercise.

In respect of de-recognition of operational and financial creditors, difference amounting to 19,969.96 Lakhs between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit and loss in accordance with "Ind AS - 109" "Financial

Instruments" prescribed under section 133 of the Companies Act, 2013 and disclosed as an "Exceptional item".

Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the Financial Statements.

Our procedures included the following: We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the Financial Statements:

- Reviewed management's process for review and implementation of the Resolution Plan.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements.
- Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis.
- Verified the payment of funds on test check basis as per the Resolution Plan.
- Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors.
- Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS.
- Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan.

(ii) Litigations Matters & Contingent liabilities: Refer Note 3(e) to the Consolidated Financial Statements. Prior to the approval of the Resolution Plan, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.

The estimates related to exact outcome of litigations and its possible impact on the financials in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.

Our procedures included the following: We have performed the following procedures to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:

- Verified the underlying documents related to litigations and other correspondences with the statutory authorities.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact.
- Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.
- Discussed with the management on the development in these litigations during the year ended 31st March, 2022.
- Obtained representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

(iii) Non conduct of Internal Audit and Non availability of Internal Financial Controls: We were not provided with copy of Internal Audit Report and Risk Control Matrix including Standard Operating Procedures of the company which we consider to be significant key matter, keeping in view the nature and size of the operations of the Company.

Our procedures included the following: During the year, the Company was under CIRP up to 11th January, 2022. The issues relating to Internal Audit Report and Internal Financial Controls have been discussed with the management, who has assured necessary compliances in the current fiscal year.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The information included in the annual report is expected to be made available to us after the date of the auditor's report.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

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

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

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

Other Matter

We did not audit the financial statements of the Associate Company, namely, Hari Equipments Private Limited included in the Consolidated Financial Statements of the Company whose financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the audit report of the other auditors. The investment in the Associate in the Consolidated Financial Statement was impaired due to share of accumulated losses incurred by the Associate company exceeding the cost of investment in the Associate. As per Equity Method, further share of Net Loss of the Associate Company is not included in the financial statements as per IND-AS 28 (Investment in Associates) and investment is reported at NIL value. Our opinion is modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) 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 **except for matters described in the 'Basis for Qualified Opinion' para above.**
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 **except for matters described in the 'Basis for Qualified Opinion' para above.**

- (e) On the basis of the written representations received from the directors of the Associate Company as on March 31st, 2022 taken on record by the Board of Directors, none of the directors of the Associate Company is disqualified as on March 31st, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) The Company has not paid any managerial remuneration for the year ended March 31st, 2022 and hence no comments are required under this clause;
- (B) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the associate, as noted in the ‘Other Matters’ paragraph:
- a. Pursuant to the approval of the Resolution Plan by the Order dated 11th January 2022 of the Hon’ble National Company Law Board (Kolkata Bench), all the pre-existing contingent liabilities have been extinguished together with the associated pending litigations and hence, as per management, there is nothing to be disclosed in its financial statements.
- The Associate Company does not have any pending litigations having impact on its financial position in its financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its associate in India to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or its associate incorporated in India or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in notes to the consolidated financial statements, no funds have been received by the Company or its associate company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its associate company incorporated in India shall:

- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No.: 001150C

CA RITESH KUMAR SHAW
Partner
Membership No.: **305929**
UDIN: 22305929AJXOHB8175

Place of Signature: Kolkata
Date: The 30th day of May, 2022

ANNEXURE- 1 TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT OF NARAYANI STEELS LIMITED FOR THE YEAR ENDED 31st MARCH 2022

In our opinion and according to the information and explanations given to us, the associate company included in the consolidated financial statements, have unfavourable remarks or adverse remarks given by their auditors in their report under the Companies (Auditor's Report) Order, 2020 (CARO) as detailed hereunder:

Clause numbers of the CARO report which are unfavourable or adverse—ii(b), iii(a), vii(a), ix(a), xvii, and xix.

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No.: 001150C

CA RITESH KUMAR SHAW
Partner
Membership No.: **305929**
UDIN: 22305929AJXOHB8175

Place of Signature: Kolkata
Date: 30th day of May, 2022

ANNEXURE- 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Narayani Steels Limited** ("the Company") as of 31st March, 2022 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2022:

- i. The Company has, based on the internal evaluation, valued inventories at Rs. 150.86 Lakhs, wherein there is no movement since past one year. In the absence of valuation report, we are unable to ascertain the realisability of the inventories and to that extent, total profit is overstated.
- ii. Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- iii. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In the absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- iv. Provision for gratuity and leave encashment is not being made on actuarial basis, which is non-compliance with the requirements of IND AS – 19 'Employee Benefits'. In the absence of an actuarial valuation being made, we are unable to quantify the effect, if any, on the profit/loss of the Company for the year ended 31st March, 2022.
- v. Physical verification/valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification/valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.
- vi. Balances of trade receivable, Financial/ non-financial assets and liabilities of the Associate Company are subject to confirmation.

In our opinion, because of the possible effects of the material weakness as described above on the achievement of the objectives of internal control criteria, the Company has not maintained adequate internal financial control over financial reporting and such internal financial controls over

financial reporting were not operating effectively with respect to obtaining balance confirmations as on March 31, 2022, and

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of financial statements of the Company for the year ended March 31st, 2022 and these material weaknesses don't affect our opinion on the financial statements of the company.

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No.: 001150C

CA RITESH KUMAR SHAW
Partner
Membership No.: **305929**
UDIN: **22305929AJXOQT3338**

Place of Signature: Kolkata
Date: The 30th day of May, 2022

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
CONSOLIDATED BALANCE SHEET AS AT 31st March 2022

(Rs. In Lakhs)			
Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	932.07	1,398.29
(b) Right-of-use assets	5A	-	107.85
(c) Intangible Assets	5B	-	1.45
(d) Financial assets			
(i) Investments	6	0.39	0.34
(ii) Other assets	10	76.74	90.02
(e) Deferred Tax Assets (net)	20	698.62	4,266.92
(f) Other non-current assets	12	-	11.45
Total Non-current assets		1,707.82	5,876.33
(2) Current assets			
(a) Inventories	7	150.86	150.86
(b) Trade receivables	8	3,023.31	11,035.46
(c) Cash and cash equivalents	9	43.66	5.03
(d) Other assets	10	0.06	10.14
(e) Current tax assets (net)	11	36.91	73.6
(f) Other current assets	12	260.07	1,451.02
(g) Assets Classified as held for sale	12.1	84.16	-
Total Current assets		3,599.04	12,726.12
TOTAL ASSETS		5,306.86	18,602.45
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	54.55	1,090.90
(b) Other equity	14	4,906.28	-5,310.37
Total Equity		4,960.82	-4,219.47
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	271.58	115.29
(ii) Lease liabilities	16	-	82.77
(iii) Other liabilities	17	-	3.08
(b) Other non-current liabilities	19	-	2.61
(c) Provisions	21	-	4.54
Total Non-current liabilities		271.58	208.3
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	20,136.28
(ii) Lease liabilities	16	-	7.57
(iii) Trade payables	18	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		36.69	198.24
(iv) Other liabilities	17	-	2,240.18
(b) Other current liabilities	19	37.76	27.43
(c) Provisions	21	-	3.92
Total Current liabilities		74.46	22,613.62
TOTAL EQUITY AND LIABILITIES		5,306.86	18,602.45
Significant accounting policies	3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For P D RUNGTA & CO.,

Chartered Accountants

Firm Registration Number: 001150C

Sumit Kumar Agarwal
Director
DIN: 02184000

Asit Baran Bhattacharjee
Director
DIN: 02559634

RITESH KUMAR SHAW

Partner

Membership No: 305929

Place of Signature: Kolkata

Dated: The 30th day of May, 2022

Arun Kumar Meher

Company Secretary

M.NO.: ACS48598

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST March, 2022

SL. No.	Particulars	Note	Year ended 31-Mar-22	Year ended 31-Mar-21
I	Revenue from operations	22	1,162.28	7,793.26
II	Other income	23	24.93	491.04
III	Total income (I + II)		1,187.21	8,284.29
IV	Expenses			
	Cost of Materials Consumed	24	-	3,807.30
	Purchase of Traded Goods	25	-	2,304.81
	Changes in Inventories of Finished & Traded Goods	26	-	1,001.66
	Excise Duty			
	Impairment loss allowance	27	-	-
	Employee benefit expenses	27	308.14	531.11
	Finance costs	28	1.76	2,690.21
	Depreciation and amortisation expense	4A, 4C & 5	53.6	133.59
	Other expenses	29	773.76	5,821.50
	Total expenses (IV)		1,137.25	16,290.19
V	PROFIT BEFORE TAX & EXCEPTIONAL ITEMS (III-IV)		49.96	-8,005.90
VI	Exceptional Items		10,196.39	-
VII	Profit before tax (V-VI)		10,246.35	-8,005.90
VIII	Tax expense:	34		
	Current tax		-	-
	Earlier year tax		-	-
	Deferred tax	20	3,568.29	-2,701.62
IX	Profit for the year (VII-VIII)		6,678.06	-5,304.28
X	Share of net profits from Associate accounted for using equity method for the year (net of tax)	6A(i)	-	-
	Other comprehensive income (net of tax)			
	A. Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit liability/ (asset)		-	-
	(b) Equity instruments through other comprehensive income		0.05	0.05
	(c) Income taxes relating to items that will not be reclassified to profit or loss		-0.01	-0.02
	Net other comprehensive income not to be reclassified subsequently to profit or loss		0.03	0.04
	B. Items that will be reclassified to profit or loss		-	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
X	Other comprehensive income		0.03	0.04
XI	Total comprehensive income for the year (IX + X)		6,678.09	-5,304.24
XII	Earnings per equity share			
	[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
	- Basic		1,224.32	-48.62
	- Diluted		61.22	-48.62
	Significant accounting policies	3		
<i>The accompanying notes form an integral part of these financial statements</i>				
As per our report of even date attached				
For P D RUNGTA & CO.,				
Chartered Accountants				
Firm Registration Number: 001150C				
		Sumit Kumar Agarwal	Asit Baran Bhattacharjee	
		Director	Director	
		DIN: 02184000	DIN: 02559634	
	RITESH KUMAR SHAW			
	Partner			
	Membership No: 305929			
	Place of Signature: Kolkata	Arun Kumar Meher		
	Dated: The 30th day of May, 2022	Company Secretary		
		M.NO.: ACS48598		

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2022

1 Corporate Information

The consolidated financial statements comprise financial statements of Narayani Steels Limited and its associate; Hari Equipments Private Limited for the year ended 31st March, 2022.

Narayani Steels Limited ("the Company") is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc (including conversion on job-work basis) and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Vizianagaram, Andhra Pradesh, India.

Narayani Steels Limited is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at 23A, N.S.Road 7th Floor, Kolkata - 700001. **(Corporate Office at Survey No. 202/31-38, Modavalsa Village, Denkada Mandalam, Vizianagaram, Andhra Pradesh-535006, India).**

2 Basis of preparation

a) Statement of Compliance

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

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

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs'). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III, unless otherwise stated.

c) Basis of measurement

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

(i) Certain financial assets and financial liabilities measured at fair value;

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

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

The statement of cash flows have been prepared under indirect method.

d) Use of judgements and estimates

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

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

e) Basis of Consolidation

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements" and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures".

The Company's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. If the Company's share of the net fair value of the investee's identifiable assets and liabilities exceeds the cost of the investment, any excess is recognised directly in Equity as capital reserve in the period in which the investment is acquired. Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Company's share of the results of operations of the associate. Any change in Other Comprehensive Income of investee is presented as part of the Company's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associates, the Company recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Company and the associate is eliminated to the extent of the interest in the associate.

If the Company's share of losses of associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates. If the associate subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Company's share of profit/loss of associate is shown on the face of the Consolidated Statement of Profit and Loss.

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date, i.e., year ended on 31st March.

When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each balance sheet date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of associates' in the Consolidated Statement of Profit and Loss.

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

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

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

(ii) Fair value measurement of financial instruments:

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

(iii) Defined benefit plans:

The Company, presently, does not have a defined contribution plan or a defined benefit plan.

(iv) Recognition and measurement of provisions and contingencies:

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

(v) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Measurement of fair values

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

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

The management regularly reviews significant unobservable inputs and valuation adjustments.

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

- Level 1 : includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

- Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

- Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

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

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

3 Significant accounting policies

a) Operating Cycle

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

b) Financial instruments

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

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

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

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

Financial assets at amortised cost

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

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

Financial assets at FVOCI

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

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

Financial assets at FVTPL

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

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

Derecognition

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

ii. Financial liability

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial liabilities through FVTPL

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

Financial liabilities at amortised cost

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

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. **Offsetting of financial instruments**

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

c) Property, Plant and Equipment

i. Recognition and measurement

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

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

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

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

iv. Depreciation

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

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram, on written down value method on other property, plant and equipment and on written down basis on Right-to-use Assets.

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter.

The estimated useful lives of the assets of property, plant and equipment are estimated by the management which are equal to the life prescribed under Schedule II of the Act.

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

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes accompanying these financial statements.

Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) Intangible Assets

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

The useful life of computer software is considered to be 5 years.

i. Amortisation

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

Intangible assets are amortised over a period of 5 years.

Lease

The Company as a Lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

f) The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

Transition

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on FIFO basis.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

h) Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

i) Investment in associates

Investment in associates are carried at cost less impairment loss, if any. The cost comprises price paid to acquire investment and directly attributable cost.

j) Impairment

i. Impairment of financial instruments: financial assets

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

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

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

ii. Impairment of non-financial assets

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

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

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

k) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the Consolidated financial statements of the Company.

i. Short-term employee benefits

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

ii. Defined contribution plans

The Company, presently, does not have a defined contribution plan.

iii. Defined benefit plans

The Company, presently, does not have a defined benefit plan.

l) Provisions (other than for employee benefits)

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Revenue recognition

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

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company has adopted Ind AS 115 using cumulative effect method of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). There is no impact on the adoption of the standard in the Consolidated financial statements.

n) Recognition of dividend income, interest income or expense

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

Interest income or expense is recognised using the effective interest method after taking into account the amount outstanding and the rate applicable.

o) Income tax

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

i. Current tax

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

ii. Deferred tax

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

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

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have evaluated any impact of on its Consolidated financial statements.

p) Borrowing costs

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

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

q) Foreign currency transaction

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

ii) Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

iii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

iv) Exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

r) Earnings per share

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

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

s) Segment reporting (Ind AS 108)

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Trading of Iron & Steel and related products, hence does not have segment as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

t) Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive 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 discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable

A Contingent Asset is not recognized in the Accounts.

u) Cash and cash equivalents

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

NARAYANI STEELS LIMITED (CIN: L27109WB1996PLC082021) CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022		
(Rs. In Lakhs)		
Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes & Extraordinary Items	10,246.35	-8,005.90
ADJUSTMENTS FOR NON-CASH ITEMS:		
Depreciation and Amortisation	53.6	133.59
Provision/(Reversal of Provision) for expected credit loss	-3,768.36	3,572.06
Provision/(Reversal of Provision) for Doubtful Debts	-1,191.19	691.19
Extinguishment of Trade Payable, Other Current and Non Current Liabilities	-168.96	-
Extinguishment of Current & Non-Current Borrowings	-19,801.00	-
Impairment in Value of Plant, Property & Equipment	361.49	-
Impairment in Value of Intangible Assets	1.45	-
Allowances for Loans & Advances	1,307.01	-
Right of use assets written off upon termination of lease (Net of lease liabilities)	17.51	-
Bad debts written off	12,987.42	-
Finance Costs	1.76	2,690.21
Profit on sale of investments	-	-88.35
Profit on sale of land	-	-365.54
Sundry Balance written off (net)	-	40.35
Lease liability written back	-	-26.74
Interest income	-3.69	-1.22
Reversal of Amortisation of corporate guarantee obligation	-9.75	-
	-10,212.71	6,611.53
Operating profit before working capital changes	33.64	-1,394.36
(Increase)/Decrease in Trade receivables , loans & advances & Other assets	-31.81	1,689.34
(Increase)/Decrease in Inventories	-	1,181.31
Increase/(Decrease) in Trade payables & Other current/non-current liabilities	3.59	1,676.21
	-28.23	4,546.86
Cash generated from operations	5.42	3,152.50
Income tax paid	-23.76	-13.15
Net Cash from / (used in) Operating Activities	-18.35	3,139.35
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	-33.03	-15.04
Sale/Write off/impairment of Property, Plant & Equipment	-	950.44
Intangible Assets written off	-	-
Sale of Investments	-	315.11
(Investments in) / Proceeds from Bank deposits (maturity more than 3 months but less than 12 months)	-	1,833.96
Rent received	-	34.01
Interest received	3.69	1.22
Net cash from / (used in) Investing Activities	-29.34	3,119.70
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of non current financial borrowings pursuant to resolution plan	1,727.78	-3,562.38
Proceeds of Share application money pursuant to resolution plan	1,046.00	-
Repayment of Current & Non Current Borrowings pursuant to resolution plan	-2,681.00	-
Principal (accrued) / reversed on lease liabilities	-	-18
Interest accrued on lease liabilities	-	-11.28
Finance Costs	-1.76	-2,678.93
Net cash from / (used in) financing activities	91.02	-6,270.60
Net Increase / (Decrease) in Cash & Cash equivalents	43.34	-11.55
Cash & Cash equivalents at beginning of the year[^]	5.03	16.58
Cash & Cash equivalents written off	-4.71	-
Cash & Cash equivalents at end of the year[^]	43.66	5.03
[^] as disclosed in Note 9		
Note :		
The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.		
Significant accounting policies		
3		
<i>The accompanying notes form an integral part of these financial statements</i>		
For and on behalf of Narayani Steels Limited		
As per our report of even date attached		
For P D RUNGTA & CO.,		
Chartered Accountants		
Firm Registration Number: 001150C		
	Sumit Kumar Agarwal Director DIN: 02184000	Asit Baran Bhattacharjee Director DIN: 02559634
RITESH KUMAR SHAW		
Partner		
Membership No: 305929		Arun Kumar Meher Company Secretary M.NO.: ACS48598
Place of Signature: Kolkata		
Dated: The 30th day of May, 2022		

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

Statement of Changes In Equity (SOCE)

A. Equity Share Capital

(1) Current reporting period

(Rs. In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year *	Balance at the end of the current reporting period
1,090.90	-	1,090.90	-1,036.36	54.55

* Refer Note below

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
1,090.90	-	1,090.90	-	1,090.90

B. Other Equity

(1) Current reporting period

(Rs. In Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Total
			Capital Reserve	Securities Premium	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	-	1,673.85	-6,984.22	-5,310.37
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Transfer from Share Capital *	-	-	1,036.36	-	-	1,036.36
Received during the year	1,046.00	-	-	-	-	1,046.00
Balance at the end of the current reporting period	1,046.00	-	1,036.36	1,673.85	-306.13	3,450.08

* Refer Note below

(2) Previous reporting period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Total
			Capital Reserve	Securities Premium	Retained Earnings	
Balance at the beginning of the previous reporting period	-	-	-	1,673.85	-1,679.98	-6.13
Total Comprehensive Income for the previous year	-	-	-	-	-5,304.24	-5,304.24
Transfer to retained earnings	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	-	1,673.85	-6,984.22	-5,310.37

Notes:

a) As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction in face value of existing equity shares to Re. 0.50, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction of the quantity of the shares held by the existing shareholders by 1/20th of the existing quantity i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares. The amount of the reduction in the equity share capital has been transferred to Capital Reserve.

Significant accounting policies

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The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

For and on behalf of Narayani Steels Limited

RITESH KUMAR SHAW
Partner
Membership No: 305929

Sumit Kumar Agarwal
Director
DIN: 02184000

Asit Baran Bhattacharjee
Director
DIN: 02559634

Place of Signature: Kolkata
Dated: The 30th day of May, 2022

Arun Kumar Meher
Company Secretary
M.NO.: ACS48598

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31 March 2022 (Continued)

(Rs. In Lakhs)

	As at 31st March 2022	As at 31st March 2021
6 Investments		
Non-Current investments		
Investments in equity instruments fully paid up - Unquoted In an associate (at cost)		
Hari Equipments Private Limited, 4,59,490 (31st March, 2021: 4,59,490) equity shares of Rs. 10 /- each fully paid up	56.73	56.73
Less: Provision for impairment in the value of investment in associate	-56.73	-56.73
	-	-
Investments in equity instruments fully paid up - Quoted In Others (at fair value through Other Comprehensive Income - FVOCI)		
Union Bank of India - 1,009 (31st March, 2021: 1,009) Equity Shares of Rs. 10 /- each fully paid up	0.39	0.34
	0.39	0.34
Aggregate value of unquoted investments	56.73	56.73
Aggregate amount of impairment in value of investment in associate	-56.73	-56.73
Aggregate value of quoted investments	0.39	0.34
Investments carried at cost (net of provision of diminution of investments)	-	-
Investments carried at fair value through other comprehensive income	0.39	0.34
Investments carried at fair value through profit and loss	-	-

6A(i) Details of Associate

The Company's interest in associate is accounted for using the equity method in the consolidated financial statements.

Name of Associate	Principal Activity	Place of Incorporation	Proportion of ownership interest / voting rights held by Company	
			3/31/2022	3/31/2021
Hari Equipments Private Limited	Trading of Iron & Steel Products and Coal	Kolkata, West Bengal, India	37.51%	37.51%

The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in Ind AS 110 "Consolidated Financial Statements" and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures". notified by Ministry of Corporate Affairs and combined as per Equity Method under Ind AS. The consolidated financial statements are prepared applying uniform accounting policies on all material items.

The following table summarizes the financial information of the Balance Sheet of the associate prepared in accordance with Ind AS:

	(Rs. In Lakhs)	
Particulars	As at 31st March 2022	As at 31st March 2021
Non - current assets	1082.05	1085.47
Current assets	1287.32	2466.24
Non - current liabilities	225.87	601.17
Current liabilities	4501.79	3693.21
Equity	(2358.29)	(742.67)

The following table summarizes the financial information of the Statement of Profit & Loss of the associate prepared in accordance with Ind AS:

Particulars

Hari Equipments Private Limited

	2021-22	2020-21
Revenue from operations	-	-
Other income	66.68	269.49
(a) Total Income	66.68	269.49
Purchase of Traded Goods	-	-
Changes in Inventories	-	-
Employee benefits expense	-	-
Finance costs	569.88	542.39
Depreciation and amortisation expense	3.43	7.20
Other expenses	1,177.66	627.57
(b) Total Expenses	1,750.97	1,177.16
(c) Profit / (Loss) before tax (a - b)	(1,684.29)	(907.67)
(d) Tax expense	(0.34)	0.00
(e) Deferred Tax	69.02	24.88
(f) Other comprehensive income (net of tax)	-	-
(g) Total comprehensive income for the year (c + d + e + f)	(1,615.61)	(882.79)
Group's share of net profit / (loss) (net of tax) restricted to the value of company's investment in the associate.	(124.82)	(124.82)

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

Particulars	Hari Equipments Private Limited	
	As at 31st March 2022	As at 31st March 2021
Net assets of associate	-2,358.29	-742.67
Proportion of the Group's ownership interest	37.51%	37.51%
Group's share of net assets	-884.59	-278.58
7 Inventories		
(As taken, valued and certified by the management)		
Finished Goods	150.86	150.86
	150.86	150.86
8 Trade receivables		
Unsecured, considered good (unless otherwise stated)	3,950.23	16,921.92
Less: Expected Credit Loss (Refer Note:41(i))	-926.92	-4,695.27
Less: Provision for bad and doubtful debts	-	-1,191.19
	3,023.31	11,035.46

The trade receivables ageing schedule for the years ended as on March 31, 2022 & (March 31, 2021) is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	244.66	-	-	564.48	3,141.09	3,950.23
	-231.83	-	-2,903.31	-8.5	-1,307.81	-15,730.73
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-1,191.19	-1,191.19
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Trade Receivables	244.66	-	-	564.48	3,141.09	3,950.23

Trade receivables	-231.83	-2,903.31	-8.5	-11,279.28	-2,499.00	-16,921.92
Less: Allowance for credit loss (including provision for bad & doubtful debts)						926.92
Total Trade Receivables						<u>-5,886.46</u> <u>3,023.31</u> <u>-11,035.46</u>

		(Rs. In Lakhs)	
		As at 31st March 2022	As at 31st March 2021
9	Cash and cash equivalents		
	Cash on hand (as certified)	-	0
	Balances with banks in current accounts	43.66	5.03
		<u>43.66</u>	<u>5.03</u>
10	Other financial assets		
	Non-current		
	Security Deposits	76.74	90.02
		<u>76.74</u>	<u>90.02</u>
	Current		
	Advance against expenses	0.06	10.14
		<u>0.06</u>	<u>10.14</u>
11	Current tax assets (Net)		
	Income Tax Refundable	12.96	22.98
	Tax Deducted/Collected at Source	23.95	50.63
		<u>36.91</u>	<u>73.6</u>
12	Other assets		
	Non-Current		
	Prepaid expenses	-	11.45
		<u>-</u>	<u>11.45</u>
	Current		
	Advances other than capital advances		
	- Advance to suppliers	2.1	953.7
	Balances with Revenue Authorities	257.97	495.26
	Prepaid expenses	-	2.07
		<u>260.07</u>	<u>1,451.02</u>
12.1	Assets Classified as held for sale		
		84.16	-
		<u>84.16</u>	<u>-</u>
13	Equity share capital		
	Authorised		
	1,40,00,000 (31st March 2021 - 1,40,00,000) Equity Shares of Rs. 10/- each	1,400.00	1,400.00
		<u>1,400.00</u>	<u>1,400.00</u>
	Issued, subscribed and fully paid-up		
	5,45,450 (31st March 2021 - 1,09,09,000) Equity Shares of Rs. 10/- each	54.55	1,090.90
		<u>54.55</u>	<u>1,090.90</u>
A.	Reconciliation of number of equity shares outstanding at the beginning and at the end of the period		
		As at 31st March 2022	As at 31st March 2021

Balance as at the beginning of the year
Add: Issued during the year
Less: Capital Reduction (Refer Note below)
Balance as at the end of the year

Number	Amount (Rs in lakhs)	Number	Amount (Rs in lakhs)
10,909,000	1,090.90	10,909,000	1,090.90
-	-	-	-
10,363,550	1,036.36	-	-
545,450	54.55	10,909,000	1,090.90

Note: As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction in face value of the existing equity shares to Re. 0.50, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction in the quantity of the shares held by the existing shareholders by 1/20th of the existing quantity i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares. Pending approval from the Bombay Stock Exchange, required forms for the reduction / consolidation of shares have not yet been filed and shares of the Company are yet to be issued consequent upon the reduction of the share capital. However, the effect thereof has been taken in the accounts pursuant to the approved resolution plan.

B. Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the shareholders	As at 31st March 2022		As at 31st March 2021	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Kishanlal Choudhary	50,175	9.20%	1,003,500	9.20%
Sunil Choudhary (HUF)	63,050	11.56%	1,261,000	11.56%
Sunil Choudhary	61,225	11.23%	1,224,500	11.22%
Cooltex Merchandise Private Limited	108,150	19.83%	2,163,000	19.83%

D. Particulars of Shareholding of Promoters

Shares held by promoters at the end of the year			% change during the year
Sl.No.	Promoter Name	No. of Shares	% of total shares

As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the entire shareholdings of the erstwhile promoters of the Company have been re-classified as public shareholding and pending allotment of the shares to the new promoters, there is nothing to disclose under this sub-heading.

14 Other Equity

A. Deemed Equity

Subordinated Debt*

	(Rs. In Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Subordinated Debt*	1,456.20	-
	1,456.20	-

* Represents interest free loan from Resolution Applicant M/s Rishikunj Vincom Private Limited

B. Summary of other equity balance

Securities Premium
Retained Earnings (including other comprehensive income)
Share Application Money pending allotment*
Capital Reserve

	(Rs. In Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Securities Premium	1,673.85	1,673.85
Retained Earnings (including other comprehensive income)	-306.13	-6,984.22
Share Application Money pending allotment*	1,046.00	-
Capital Reserve	1,036.36	-
	3,450.08	-5,310.37
	4,906.28	-5,310.37

Total Other Equity (A+B)

*Share Application Money received from resolution applicant, its associates, directors and relatives/friends of directors, pending allotment for approval from BSE.

	1st April 2021	Movement during the year	As at 31st March 2022	1st April 2020	Movement during the year	As at 31st March 2021
Securities Premium (a)	1,673.85	-	1,673.85	1,673.85	-	1,673.85
Retained Earnings (including other comprehensive income) (b)	-6,984.22	-	6,678.09	-306.13	-5,304.24	-6,984.22
Share Application Money pending allotment	-	-	1,046.00	1,046.00	-	-
Capital Reserve	-	-	1,036.36	1,036.36	-	-
	-5,310.37		8,760.45	3,450.08	-5,304.24	-5,310.37

B. Nature and purpose of reserves:

- (i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- (ii) **Capital Reserve:** Capital Reserve represents the amount arising on account of reduction in paid-up equity share capital vide the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its Order dated 11th Jan'2022.
- (iii) **Retained earnings (including other comprehensive income):** This Reserve represents the cumulative profits / losses of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- (iv) **Share Application Money pending allotment:** This represents amounts received from resolution applicant, its associates, directors and relatives/friends of directors, pending allotment for approval from BSE.

15 Borrowings	(Rs. In Lakhs)			
	Current portion		Non-current portion	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Non-current Borrowings				
Secured				
Term loans				
Loan against vehicles *		9.23	-	6.95
		9.23	-	6.95
Unsecured				
Term Loan from a financial institution *			-	108.34
Loans from Bodies Corporate			271.58	-
		9.23	271.58	115.29
Current Borrowings				
Secured *				
Working Capital Loans from Bank				
- Cash Credit			-	16,424.93
Unsecured *				
Channel Financing from Banks & Financial Institutions			-	3,711.35
			-	20,136.28

* Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company on 24th March 2021 and in terms of the approved resolution vide an Order of the Kolkata Bench of the National Company Law Tribunal ("NCLT") dated January 11, 2022, the liability towards Secured and Unsecured financial creditors stands extinguished except an amount of Rs. 26 Lakhs which was paid by the Resolution applicant.

16 Lease Liabilities	As at	
	31st March 2022	31st March 2021
Non-Current	-	82.77
Current	-	7.57
	-	90.34

As all the existing Lease contracts have been terminated or have been converted into Short Term Lease Contracts, the brought forward balances of Lease Liabilities calculated as per IND AS 116 have been written back.

17 Other Financial Liabilities	As at	As at
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17 Other financial liabilities

A. Non-Current

Security Deposits

	31st March 2022	31st March 2021
	-	3.08
	-	3.08

B. Current

Current maturities of long-term debt (Refer Note 14) *

Interest accrued but not due on borrowings *

Interest accrued and due on borrowings *

Deferred liability - On corporate guarantee **

	-	9.23
	-	10.05
	-	2,211.15
	-	9.75
	-	2,240.18

Notes:

* Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company on 24th March 2021 and in terms of the approved resolution plan vide an Order of the Kolkata Bench of the National Company Law Tribunal ("NCLT") dated January 11, 2022, the liability towards Secured and Unsecured financial creditors (including interest) stands extinguished except the amount of Rs. 26 lakhs which was paid by the Resolution applicant.

18 Trade payables

	As at 31st March 2022	As at 31st March 2021
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Dues to Micro And Small Enterprises (as per the intimation received from vendors)

a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year *

- -

b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

- -

c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)

- -

d. The amount of interest accrued and remaining unpaid at the end of accounting year

- -

e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

- -

Dues to others

- For goods and services

	36.69	198.24
	36.69	198.24

The trade payables ageing schedule for the years ended as on March 31, 2022 & (March 31, 2021) is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	36.69	-	-	-	36.69
	-79.08	-	-119.16	-	-198.24
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	-	-	-	-	-
Trade Payables	36.69	-	-	-	36.69
	-79.08	-	-119.16	-	-198.24

Pursuant to the Resolution Plan, liabilities related to operational creditors up to the date of commencement of CIRP have been fully extinguished.

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and thus relied upon by the auditors.

19 Other liabilities

Non-Current

Income received in advance

	As at 31st March 2022	As at 31st March 2021
	-	2.61

	-	2.61
Current		
Staff liability	27.78	25.5
Statutory liabilities	9.98	1.63
Income received in advance	-	0.3
	37.76	27.43

20 Deferred Tax (Assets) / Liabilities (net)

Deferred tax liabilities

Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties

Fair Valuation of Investments

Total deferred tax liabilities (A)

Deferred tax Assets

Provision for Gratuity

Provision for expected credit losses & bad and doubtful debts on trade receivables

Business Losses & Unabsorbed Depreciation

Lease Liabilities & Other disallowances

Total deferred tax assets (B)

Net Deferred Tax (Assets)/Liabilities (A-B)

	As at 31st March 2022	As at 31st March 2021
Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties	-45.06	113.4
Fair Valuation of Investments	-0.2	-12.23
Total deferred tax liabilities (A)	-45.26	101.16
Provision for Gratuity	-	2.82
Provision for expected credit losses & bad and doubtful debts on trade receivables	257.87	1,965.14
Business Losses & Unabsorbed Depreciation	395.49	1,453.58
Lease Liabilities & Other disallowances	-	946.55
Total deferred tax assets (B)	653.36	4,368.09
Net Deferred Tax (Assets)/Liabilities (A-B)	-698.62	-4,266.92

Movement in deferred tax liabilities/ assets balances

Deferred tax liabilities

Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties

Fair Valuation of Investments

Capital Gains / (Loss)

Total deferred tax liabilities (A)

Deferred tax Assets

Provision for Gratuity

Provision for expected credit losses & bad and doubtful debts on trade receivables

Business Losses & Unabsorbed Depreciation

Lease Liabilities & Others

Total deferred tax assets (B)

Net deferred tax (assets)/liabilities (A-B)

Deferred tax liabilities/assets in relation to				
As at 31st March 2021	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2022	As at 31st March 2021
113.4	-158.46	-	-45.06	113.4
-12.23	12.02	0.01	-0.2	-12.23
-	-	-	-	-
101.16	-146.44	0.01	-45.26	101.16
2.82	-2.82	-	-	2.82
1,965.14	-1,707.27	-	257.87	1,965.14
1,453.58	-1,058.09	-	395.49	1,453.58
946.55	-946.55	-	-	946.55
4,368.09	-3,714.73	-	653.36	4,368.09
-4,266.92	3,568.29	0.01	-698.62	-4,266.92

^^The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability.

21 Provisions

Non-current

Provisions for employee benefits

- Provision for gratuity

Current

Provisions for employee benefits

- Provision for gratuity

	As at 31st March 2022	As at 31st March 2021
- Provision for gratuity	-	4.54
	3.92	3.92

As Per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide their Order dated January 11, 2022, the existing Liabilities towards workmen and employee have been extinguished.

		As at 31st March 2022	As at 31st March 2021
22	Revenue from operations		
	Sale of Products	-	7,608.63
	Revenue from Job Work (Conversion Charges)	1,162.28	184.63
	Total revenue from operations	1,162.28	7,793.26
The Company had suspended its Trading and Manufacturing activities in the last quarter of the preceding year. The company had entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant for undertaking conversion work on job-order basis.			
Details of sale of products (net of GST):			
		As at 31st March 2022	As at 31st March 2021
	TMT Bars, Rounds, Squares, Angles, Flats and related items	-	6,822.61
	Pig Iron, Scrap and related items	-	786.02
		-	7,608.63
23	Other income		
A.	Interest income comprises interest:		
	- On fixed deposits	3.69	-
	-On financial assets carried at amortised cost	-	1.22
	Other non-operating income		
	Rental Income	-	34.01
	Profit on sale of current investments	-	41.65
	Profit on sale of investment properties	-	46.7
	Lease liability written back	-	26.74
	Profit on Sale of Land	-	365.54
	Miscellaneous receipts	0.17	5.77
	Bad Debts recovery	10.52	-
	Amortisation of corporate guarantee obligation (Refer note: 17 for details)	-	9.75
	Sundry Balances Written off (Net)	0.81	-40.35
	Reversal of Amortisation of corporate guarantee obligation	9.75	-
		24.93	491.04
24	Cost of Materials Consumed		
Iron and Steel Materials			
	Inventory at the beginning of the year	-	166.77
	Add : Purchases	-	3,834.90
		-	4,001.67
	Less: Sale of Raw materials	-	194.37
	Cost of Materials Consumed	-	3,807.30
25	Purchase of Traded Goods		
		As at 31st March 2022	As at 31st March 2021
	TMT Bars, Rounds, Squares, Angles, Flats and related items	-	1,759.41
	Pig Iron, Scrap and related items	-	545.4
		-	2,304.81
26	Changes in Inventories		
Opening Stock			
	-Finished Goods	150.86	350.22

	-Scrap and Miss Roll	-	33.52
	-Traded Goods	-	768.78
		150.86	1,152.52
Closing Stock			
	-Finished Goods	150.86	150.86
		150.86	150.86
		-	1,001.66
27 Employee benefits expense		As at 31st March 2022	As at 31st March 2021
	Salaries, wages and allowances	307.96	465.68
	Contribution to provident and other funds	-	1.71
	Director's Remuneration	-	48.25
	Staff welfare expenses	0.18	15.46
		308.14	531.11
28 Finance costs		As at 31st March 2022	As at 31st March 2021
	Interest expense		
	To Banks (including LC Charges)	-	2,543.08
	To Others (on Unsecured Loans)	1.76	130.8
	On financial liabilities carried at amortised cost- Security Deposits	-	0.28
	On financial liabilities carried at amortised cost- Lease liabilities	-	11.28
	Other borrowing costs	-	4.76
		1.76	2,690.21
29 Other expenses		As at 31st March 2022	As at 31st March 2021
A. Manufacturing Expenses			
	Processing and Moulding Charges	2.48	10.65
	Power and Fuel	649.71	525.65
	Stores and Spares Consumed	48.1	100.48
	Repairs and Maintenance	21.49	25.99
		721.79	662.77
B. Administrative and Other Expenses			
	Rent & Service Charges	6	-0.29
	Rates & Taxes	5.24	2.15
	Insurance	1.12	1.33
	Freight & Delivery Charges	0.14	102.83
	Telephone & Internet Expenses	-	0.88
	Travelling & Conveyance	0.24	9.55
	Repairs & Maintenance		
	- Building	0.06	1.34
	- Others	1.34	4.95
	Safety & Security Charges	11.88	13.87
	Vehicle Running and Maintenance	-	14.13
	Legal & Professional Fees	19.31	30.26
	Sales Promotion Expenses	-	2.9
	Auditor's Remuneration [Refer Note (a) below]	2.5	5.4
	Directors' Sitting Fees	-	0.15
	Miscellaneous Expenses	3.21	8.22
	Bank Charges	0.52	-
	Commission	-	0.57
	Bad Debts written off	-	687.49
	Interest on delay payments	0.41	-
	Amortisation of corporate guarantee obligation (Refer note: 17 for details)	-	9.75
	Provision for expected credit loss (Refer note: 41(i) for details)	-	3,572.06
	Provision for bad and doubtful debts	-	691.19
		51.97	5,158.73

Other expenses (A+B)

	773.76	5,821.50
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Payment to auditors

Statutory audit
Tax audit
Other Services

	As at 31st March 2022	As at 31st March 2021
	2	2.5
	0.5	0.5
	-	2.4
	2.5	5.4

30 Exceptional Items ***Exceptional Items for the year ended 31st March 2022 comprises of:**

Right of Use Asset Written off
Property, Plant & Equipment written off
Intangible Assets Written off
Irrecoverable advances/Deposits/Receivables written off
Bad Debts Written off
CIRP Expenses
Provision for expected credit Loss written back
Provision for Bad & Doubtful debts written back
Extinguishment of Trade Payables, current Financial Liabilities, and Non current/Short Term Borrowings

	As at 31st March 2022	As at 31st March 2021
	-17.51	-
	-361.49	-
	-1.45	-
	-1,307.01	-
	-12,987.42	-
	-58.23	-
	3,768.36	-
	1,191.19	-
	19,969.96	-
	10,196.39	-

* These adjustments, having one-time, non-routine material impact on the financial statements hence, the same has been disclosed as 'Exceptional Items' in the Financial Statements.

31 Based on the petition filed by a financial creditor, the Hon'ble NCLT, Kolkata Bench, passed the order for initiation of CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016 (As amended and hereinafter referred to as "the Code") dated 24th March 2021 appointing Mr. Krishna Komaravolu as Interim Resolution Professional, subsequently confirming him as the Resolution Professional ("RP") under the provisions of the Code. Further, the erstwhile RP had invited expression of Interest (EoI) from Prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. Final plans received were placed, put to vote in the 6th CoC meeting held on 19th October 2021. The resolution plan submitted by Rishikunj Vincom Private Limited was approved by CoC. The application for Plan approval was filed with Hon'ble National Company Law Tribunal (NCLT) on 02nd November 2021 and subsequently has been approved/allowed by the Hon'ble NCLT vide Order dated 11th January 2022.

32 With the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal (NCLT) vide Order dated 11th January 2022, the CIRP of the Company has concluded and Mr. Krishna Komaravolu ceased to be the resolution professional of the Company. The said Resolution plan has been implemented by the Monitoring Committee and the management of the Company has been handed over to the RA by the Monitoring Committee w.e.f. 1st April 2022.

33 Pursuant to the Resolution Plan submitted by Rishikunj Vincom Private Limited (referred to as the "Resolution Applicant") and its approval by the Hon'able National Company Law Tribunal, Kolkata bench, vide their Order dated January 11, 2022 for the Corporate Insolvency of the Company, the following consequential impacts have been given in accordance with approved resolution plan / Accounting Standards :-

- The existing directors of the Company as on the date of Order stand replaced by the new Board of Directors with effect from 16-03-2022. As on date, the Board consists of Sumit Kumar Agarwal, Asit Baran Bhattacharjee, Ajit Kumar Nath and Akansha Agarwal
- The Face value of existing Equity shares have been reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction in face value of existing equity shares to Re. 0.50 the Face value of shares have been consolidated to Rs. 10/- per share resulting in reduction of the quantity of the shares held by the existing shareholders by 1/20th of the existing quantity i.e. the shares of existing shareholders holding 1,09,09,000 equity shares have been reduced to 5,45,450 equity shares.
- In respect of extinguishment of balances of operational and financial creditors, post payment as per the resolution plan, the same is recognised in statement of profit or loss account in accordance with "Ind AS - 109" on "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional items".
- Funds amounting to Rs. 1,726.20 Lakhs were brought by way of Unsecured Loans and Rs. 1,046 Lakhs by way of Share Application Money by the RA as per the terms of the approved resolution plan. However, the allotment against the Share Application Money received is pending for approval from Bombay Stock Exchange.
- The erstwhile promoter group has been classified as public shareholders under regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

34 Income taxes**A. Amount recognised in profit or loss**

Current tax
Current period

	As at 31st March 2022	As at 31st March 2021
	A	-

Earlier Year tax

Earlier Year tax	B	-	-
Deferred tax			
Deferred Tax for the year	C	3,568.29	-2,701.62
Tax expense reported in the statement of profit and loss [(A)+(B)+(C)]		3,568.29	-2,701.62

B. Income tax recognised in other comprehensive income

Deferred tax			
On items that will not be reclassified to profit or loss		-	-
Remeasurements of defined benefit plans		-	-
Equity instruments through other comprehensive income		0.01	-0.02
Income tax expense reported in the statement of profit and loss		0.01	-0.02

C. Reconciliation of effective tax rate for the year ended 31st March 2022

Profit / (Loss) before tax		10,246.35	-8,005.90
Tax using the Indian tax rate @ 31st March 2022: 27.82% (31st March 2021: 33.38%)		2,850.53	-2,672.69
Change in tax rate and other tax differences		717.76	-28.93
Effective tax		3,568.29	-2,701.62

35 Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

	Year ended 31-Mar-22	(Rs. In Lakhs) Year ended 31-Mar-21
(a) Profit attributable to equity shareholders	6,678.06	-5,304.28
(b) Adjusted profit for dilutive earnings	6,678.06	-5,304.28
(c) Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	545,450	10,909,000
(d) Weighted average number of ordinary shares in computing diluted earnings per share [(d) + (e)]	545,450	10,909,000
(e) Shares Pending Allotment	10,363,550	-
(f) Potential shares after allotment	10,909,000	10,909,000
(g) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
Basic [(a)/(c)]	1,224.32	-48.62
Diluted [(b)/(d)]	61.22	-48.62

36 Contingent Liabilities

(to the extent not provided for)

	Year ended 31 March 2022*	Year ended 31-Mar-21
	Rs. in lakhs	Rs. in lakhs
Claims against the company not acknowledged as debts	-	401.38
Disputed Income Tax Demands under appeal	-	249.71
Corporate guarantee for credit facilities to Hari Equipments Private Limited	-	3,524.00
Other Corporate guarantee for credit facilities	-	3,198.00
Disputed Sales Tax/ VAT under appeal for the year 2010 - 11	-	4.69
Disputed Penalty on VAT under appeal for the period 04/2011 to 12/2012	-	21
Goods & Services Tax	-	3,569.00
	-	10,967.78

*As per the approved resolution plan, the contingent liabilities and commitments, claims and obligations, Corporate guarantees and Legal Proceedings initiated against Corporate Debtor stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.

37 Employee Benefits

The Company, presently, does not have a defined contribution plan or a defined benefit plan. Further, pursuant to the Resolution Plan approved by the Hon'ble NCLT, Kolkata Bench vide its Order dated 11th January 2022 for the Corporate Insolvency of the Company, the brought forward liability towards provision for gratuity (actuarial value) amounting to Rs.8.46 Lakhs has been written back.

38 Segment information

The Company is currently engaged in a single business segment of Iron & Steel Products, accordingly there is no separate reportable segment as per Ind AS 108- "Operating Segment".

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations

All revenue from operations of the company are generated within India.

(b) Non-current assets

All Non-current assets of the company are located in India.

(c) Customer contributing more than 5% of Revenue

Revenue from **One** (31st March 2021: Three) external customers contributed to 100 % (31st March 2021: 89.63%) of Company's total revenue amounting to Rs. **1162.28 lakhs** & Rs. 6984.82 lakhs for the year ended 31st March 2022 & 31st March 2021 respectively. Other than these customers, there is no other customer whose revenue contributed to more than 5% of the Company's revenue.

39 Related Party Disclosures

Key Management Personnel (KMP)

Sunil Kumar Choudhary
Ankit Gupta
Krishnamacharyulu Eunny
Rabi Kumar Gupta
Prakash Kumar Thakur
Swarnalath Mandaleeka
Sumit Kumar Agarwal
Asit Baran Bhattacharjee
Ajit Kumar Nath
Akansha Agarwal
Arun Kumar Meher

Nature of Relationship

Managing Director (upto 15.03.2022)
Whole Time Director & CFO (upto 15.03.2022)
Non Executive Independent Director (upto 15.03.2022)
Additional Director (upto 18.02.2022)
Additional Director (upto 18.02.2022)
Additional Director (upto 15.03.2022)
Additional Director (w.e.f 16.03.2022)
Additional Independent Director (w.e.f 16.03.2022)
Additional Independent Director (w.e.f 16.03.2022)
Additional Independent Director (w.e.f 16.03.2022)
Company Secretary & Compliance Officer

Relative of Director

Rachana Agarwal**

Associates

Hari Equipments Private Limited
Rishikunj Vincom Pvt Ltd**
Aspire Capital Private Limited**
Oipl India Private Limited**
Nippon Alloys Ltd.* (under liquidation)

Enterprises owned or significantly influenced by key management personnel or their relatives

Sumit Kumar Agarwal (HUF)**
Balajee Roadways*
Hemang Steel Traders*

*Upto 15th March 2022

**from 16th March 2022

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

Nature of Transactions	(Rupees in lakhs)	
	As at 31-Mar-22	As at 31-Mar-21
Share Application Money Received (pending allotment)		
Aspire Capital Private Limited	100	-
Oipl India Private Limited	100	-
Rachana Agarwal	100	-

Rishikunj Vincom Pvt Ltd	36	-
Sumit Kumar Agarwal (HUF)	182	-
Sumit Kumar Agarwal	100	-
Unsecured Loan Received		
Oipl India Private Limited	160	-
Rishikunj Vincom Pvt Ltd	1,456.20	-
Payment upon invocation of Corporate Guarantee (as per approved Resolution Plan)		
Hari Equipments Private Limited	40.5	-
Rental Income		
Agrimony Tradex Vyaappar Private Limited	-	0.27
Nippon Alloys Ltd.	-	0.14
Hari Equipments Private Limited	-	0.4
Rent Deposit Paid		
Hari Equipments Private Limited	-	26.26
Rent Paid		
Bina Choudhary	-	5.25
Hari Equipments Private Limited	-	5
Balajee Roadways	-	13.75
Freight Expense		
Balajee Roadways	1.67	0.59
Director's Remuneration		
Sunil Choudhary	-	27.25
Ankit Gupta	-	21
Director's Sitting Fees		
Krishnamacharyulu Eunny	-	0.07
Prakash Kumar Thakur	-	0.02
Rabi Kumar Gupta	-	0.04
Jaya Padmavathi Bandi	-	0.01
Swarnalath Mandaleeka	-	0.01
Salary		
Arun Kumar Meher	6	4.2

Outstanding Balances

Nature of Transactions	As at 31-Mar-22	As at 31-Mar-21
Share Application Money Received (pending allotment)		
Aspire Capital Private Limited	100	-
Oipl India Private Limited	100	-
Rachana Agarwal	100	-
Rishikunj Vincom Pvt Ltd	36	-
Sumit Kumar Agarwal (HUF)	182	-
Sumit Kumar Agarwal	100	-
Unsecured Loans Received		
Oipl India Private Limited	160	-
Rishikunj Vincom Pvt Ltd	1,456.20	-
Trade Payables		
Hari Equipments Private Limited*	-	13.18
Balajee Roadways*	-	1.67
Liabilities For Expenses		
Sunil Choudhary*	-	1.13
Bina Choudhary*	-	1.62

Rent Deposit Paid		
Hari Equipments Private Limited*	-	26.26

*Pursuant to the approved resolution plan, previous year balances stand extinguished

40 Ratios

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows

Particulars of Ratio	Numerator	Denominator	2021-22	2020-21	Variance (in %)
(a) Current Ratio,	Current Assets	Current Liabilities	48.34	0.56	8489.42%
(b) Debt-Equity Ratio,	Total debt	Shareholder's equity	0.05	-4.8	101.14%
(c) Debt Service Coverage Ratio,	Earnings available for debt service	Debt service	59.94	-0.09	69801.16%
(d) Return on Equity Ratio,	Net profits before exceptional items	Shareholder's equity	1.01%	-	-
(e) Inventory turnover ratio,	Revenue	Inventories	-	5.13	100.00%
(f) Trade Receivables turnover ratio,	Revenue	Average trade receivable	0.17	0.55	69.73%
(g) Trade payables turnover ratio,	Purchases of services and other expenses	Average trade payable	-	8.15	100.00%
(h) Net capital turnover ratio,	Revenue	Working capital	0.33	-0.79	141.84%
(i) Net profit ratio (before exceptional items)	Net profits before exceptional items	Revenue	4.30%	-68.06%	106.32%
(j) Return on Capital employed	Earning before interest and taxes	Capital employed	195.86%	-33.16%	690.71%

Reason for variance: There are wide variances in the ratios, as the figures for the Financial Year 2021-22 are after implementation of the approved Resolution Plan, pursuant to which operational & financial liabilities stand extinguished and receivables have been written off.

41 Financial risk management

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

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

Risk management framework

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

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

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

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) Credit risk

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

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institution, dealer or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

However, out of abundant caution, over and above the provisions required as per IND-AS, on account of doubtful debts due to continued disruptions in supply throughout the year and also due to the possible repercussions arising out of the global pandemic COVID-19, an additional provision of Rs.500 lakhs has been created towards provision for doubtful debts.

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	As at 31-Mar-22	As at 31-Mar-21
Balance at the beginning of the year	4,695.27	1,123.22
Add: Provision during the year (net of reversals)	-	3,572.06
Less: Provision written back during the year	3,768.36	-
Balance at the end of the year	926.92	4,695.27
% of Expected Credit Loss:		
More than 1 year	10.00%	10.00%
2-4 Years	25.00%	25.00%
More than 4 years	75.00%	75.00%

Exposure to credit risks

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

Particulars	Year ended 31st March 2021		Year ended 31.03.2021	
	%	Amount (Rs. In lakhs)	%	Amount (Rs. In lakhs)
Revenue from a top customer	100.00%	1,162.28	42.73%	3,257.75
Revenue from top five customers	100.00%	1,162.28	96.67%	7,533.62

Other credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever it is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(ii) Liquidity risk

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

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

Exposure to liquidity risk

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

Particulars				
As at 31 March 2022	Less than 1 year	1-5 years	> 5 years	Total
Borrowings		271.58		271.58

Trade payables		36.69	-	-	36.69
Other financial liabilities		-	-	-	-
		308.27	-	-	308.27
As at 31 March 2021		Less than 1 year	1-5 years	> 5 years	Total
Borrowings		22,366.71	115.29	-	22,482.00
Trade payables		198.24	-	-	198.24
Other financial liabilities		9.75	-	-	9.75
		22,574.70	115.29	-	22,689.99

(iii) **Market risk**

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

(a) **Interest rate risk**

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

Exposure to interest rate risk

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

Particulars	31 March 2022	31 March 2021
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-125.34
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-271.58	-20,136

Sensitivity analysis

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

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Profit/ (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
	31-Mar-22			
Variable rate instruments	-1.36	1.36	-0.98	0.98
Cash flow sensitivity (net)	-1.36	1.36	-0.98	0.98
	31-Mar-21			
Variable rate instruments	-100.68	100.68	-67.07	67.07
Cash flow sensitivity (net)	-100.68	100.68	-67.07	67.07

(b) **Equity price risks**

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

(c) **Currency risk**

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

42 Capital management (Ind AS 1)

The Company's management objective are :

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

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

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

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

Particulars			31 March 2022	31 March 2021
Total debt (Bank and other borrowings)		A	271.58	20,270.85
Equity		B	4,960.82	-4,219.47
Liquid investments including bank deposits		C	43.66	5.03
Debt to Equity (A / B)			0.05	-4.8
Debt to Equity (net) [(A-C) / B]			0.05	-4.8

43 The Company, currently, is not carrying any Trading and Manufacturing activity. However, in order to keep the plant (Unit-2) running, the company has entered into an agreement with M/s Elegant Metals and Minerals Private Limited, to operate the plant on conversion basis.

44 The Company has recognized an impairment loss of Rs. 56.73 lakhs on its investment in Hari Equipments Private Limited, an associate of the Company, as the associate company has suspended its trading activities incurring significant losses with complete erosion of its net worth as of the end of financial year 31.03.2020.

45 Delay/Default in repayment of Borrowing and Interest by the Associate Company

The Associate Company has delayed / defaulted in the payment of working capital loan taken from Indian Overseas Bank. The total value of default as on 31 March 2022 is Rs.3309.62 lakhs (31 March 2021 Rs.3051.74 lakhs (including interest amount). This does not include unpaid Interest amount of Rs.473.22 lacs which has been reversed by the said bank. Considering the principles of prudence, this has been treated as liability in the books by the management pf the Associate. The bank vide letter dated 30 November 2019 has classified the account of the Associate Company as NPA.

The Associate Company had given a corporate guarantee to State Bank of India in respect of credit facilities extended to Agrimony Tradex Vyapaar Pvt Ltd, who had defaulted in the payments of its obligations and as such the bank sold the properties of the associate company on the basis of which the loan was secured. The proceeds of the said sale have been considered as receivables from the defaulting company.

Furthermore, the associate company is one of the 5 Guarantors for the loan availed by Kedarnath Commotrade Pvt Ltd, taken from Canara bank (erstwhile- Syndicate bank) and the total liabilities of the said loan as on 31/03/2021 amounted to Rs. 3197.85 lakhs as per the sale notice from Bank dated 02/06/2021. This was collaterally secured by a land at Vizianagram owned by the Associate Company. The said bank has initiated action under SARFAESI Act, and Rules thereof, vide the said letter dated: 02/06/2021,

46 Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings
Expenditure in Foreign Currency:

	As at 31st March 2022	As at 31st March 2021
	-	-
	-	-

47 Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

48 Balances under Trade Receivables & Other advances / receivables are subject to confirmations and adjustments, if any. The Company considers the said amounts as good for recovery and hence are carried in the accounts at their book values, after provision for expected credit loss.

48 Financial instruments and related disclosures

48.1 Fair value measurement

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

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2: Basis of Preparation

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

48.2 Financial Instrument by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

Particulars	Note No	As at 31st March 2022		As at 31st March 2021	
		carrying amount	fair value	carrying amount	fair value
			Level 1/2		Level 1/2
A FINANCIAL ASSETS:					
a) Measured at Amortised Cost					
Trade receivables	8	3,023.31		11,035.46	
Cash and Cash equivalents	9	43.66		5.03	
Other financial assets	10	76.81		100.17	
b) Measured at fair value through profit and loss					
Investments	6	-	-	39.12	39.12
c) Measured at fair value through other comprehensive income					
Investments	6	0.39	0.39	0.34	0.34
B Financial liabilities:					
a) Measured at amortised cost					
Borrowings	15	271.58	271.58	20,296.55	20,296.55
Trade payables	18	36.69	-	198.24	-
Other financial liabilities	17	-	-	2,230.43	-

NARAYANI STEELS LIMITED

(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March 2022 (Continued)

(All amount in Rupees in Lakhs, unless otherwise stated)

4A Property, plant and equipment				
Particulars	Gross Carrying Amount			
	Balance at 31st March, 2021	Additions	Disposals/ Adjustments/Written off *	Balance at 31st March 2022
Land (Freehold) (Refer note 34(B))	309.33	-	-	309.33
Leasehold improvements	116.28	-	116.28	-
Buildings	432.3	-	220.99	211.3
Plant & Equipment	871.89	33.03	172.9	732.03
Computer	11.14	-	3.1	8.04
Office Equipment	23.29	-	22.91	0.38
Electrical Installation & Fittings	19.64	-	14.54	5.09
Furniture & Fixtures	143.84	-	127.25	16.59
Vehicles	48.12	-	-	48.12
Total	1,975.82	33.03	677.96	1,330.89

Property, plant and equipment						
Particulars	Accumulated Depreciation / amortisation				Net Carrying Value	
	Balance at 31st March, 2021	For the period	Disposals/ Adjustments/Written off *	Balance at 31st March 2022	At 31st March 2021	At 31st March 2022
Land (Freehold)	-	-	-	-	309.33	309.33
Leasehold improvements	21.68	-	21.68	-	94.6	-
Buildings	89.84	6.44	41.42	54.86	342.45	156.45
Plant & Equipment	339.49	40.97	90.95	289.52	532.4	442.51
Computer	8.32	-	0.68	7.64	2.81	0.4
Office Equipment	16.66	0.02	16.51	0.17	6.63	0.21
Electrical Installation & Fittings	7.6	0.4	6.67	1.32	12.04	3.77
Furniture & Fixtures	65.99	0.93	54.39	12.53	77.85	4.06
Vehicles	27.96	4.84	-	32.79	20.16	15.33
Total	577.54	53.6	232.31	398.83	1,398.29	932.07

* Post approval of the Resolution Plan, the Company has identified certain items of Property, Plant & Equipment which have either become redundant or have outlived their utility. While some of these items have been written off, others have been transferred to 'Assets held for sale', the book value of which has been shown under Current Assets.

NARAYANI STEELS LIMITED
(CIN: L27109WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March 2022 (Continued)

(Rs. In Lakhs)

5A	Right-of-use of assets				
	Particulars	Gross Carrying Amount			
		Balance at 31st March, 2021	Additions	Disposals/ Adjustments *	Balance at 31st March 2022
	Vacant Sites	128.72		128.72	-
	Total	128.72		128.72	-

	Right-of-use of assets						
	Particulars	Accumulated Depreciation / amortisation			Net Carrying Value		
		Balance at 31st March, 2021	For the year	Disposals/ Adjustments *	At 31st March 2022	At 31st March 2021	At 31st March 2022
	Total	20.87	-	20.87	-	107.85	-

* As all the existing Lease contracts have been terminated or have been converted into Short Term Lease Contracts, the brought forward balances as per IND AS 116 have been written off.

5B	Intangible Assets				
	Particulars	Gross Carrying Amount			
		Balance at 31st March, 2021	Additions	Disposals/ Adjustments **	Balance at 31st March 2022
	Computer Software	3.27		3.27	-
	Mobile Application	1.71		1.71	-
Total	4.98		4.98	-	

	Intangible Assets						
	Particulars	Accumulated Depreciation/ amortisation			Net Carrying Value		
		Balance at 31st March, 2021	For 12 months	Disposals/ Adjustments **	At 31st March 2022	At 31st March 2021	At 31st March 2022
	Computer Software	2.62		2.62	-	0.65	-
	Mobile Application	0.91		0.91	-	0.8	-
Total	3.53	-	3.53	-	1.45	-	

*After the corporate insolvency resolution process all the intangible assets have been written off by the company