

**50<sup>th</sup>**  
**ANNUAL REPORT**

**2020 - 21**

BOARD OF DIRECTORS	Shri Prem Narain Varshney (DIN:00012709) – Managing Director Mr. Abhishek Verma (DIN 08104325), Independent Director Smt Sangeeta Pandey (DIN 08213476), Independent Woman Director Smt Pinky Verma (DIN 08260165), Independent Woman Director
AUDITORS	M/s H.G. & Company, Chartered Accountants III-A, 49 Nehru Nagar Ghaziabad (U.P.), Pin- 201001
LEGAL ADVISOR	Mr. Subhash Chawla, Advocate Chamber no.180, Western Wing, Tis Hazari Court, Delhi-110054
BANKERS	Assets Care & Reconstruction Enterprise Ltd* Canara Bank J M Financial Asset Reconstruction Company Limited Union Bank *Bank of Baroda, Dena Bank & S.B.I. has assigned its loan
REGISTERED OFFICE	24/1 Block -A, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi - 110044 Ph: 011- 40512426 Web Site: <a href="http://www.rathisteelandpower.com">http://www.rathisteelandpower.com</a>
CORPORATE OFFICE	Industrial Area No. 1 A-3, South of GT Road Ghaziabad (U.P.) Pin- 201009 Ph: 0120-2840346-350 Fax: 0120-2840352-353
WORKS:	<i>Unit No. 1</i> Industrial Area No. 1 A-3, south side of GT Road, Ghaziabad (U.P.) Pin- 201009 Ph: 0120-2840346-350 Fax: 0120-2840352-353  <i>Unit No.2</i> Vill. Potapalli, Sikirdi, P.S. Burla, Dist. Sambalpur Odisha Pin- 768006
REGISTRAR & SHARE TRANSFER AGENT	Mas Services Limited T-34, Second Floor Okhla Industrial Area, Phase-II, New Delhi- 110020 Ph: 011-26387281-82-83 Fax:011-26387384 Email: <a href="mailto:info@masserv.com">info@masserv.com</a>

## INDEX

<b>Sr. No</b>	<b>Contents</b>	<b>Page Number</b>
1	Notice of 50 <sup>th</sup> Annual General Meeting	1
2	Director's Report	8
3	Management Discussion and Analysis	25
4	Corporate Governance Report	29
5	Standalone Financial Statement	41

## Notice

**NOTICE** is hereby given that the 50<sup>th</sup> Annual General Meeting of the Members of Rathi Steel and Power Ltd. (CIN: L27109DL1971PLC005905) will be held on Wednesday, 29<sup>th</sup> September 2021 at 5.00 PM to transact through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

**1. Adoption of Financial Statements**

To consider and adopt the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2021, together with the Report of the Directors and Auditors’ thereon.

**2. Appointment of Statutory Auditors**

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 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the appointment of Messrs H.G. & Company, Chartered Accountants (Firm’s Registration No. 013074C) as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 51<sup>st</sup> Annual General Meeting of the Company to be held in year 2022, subject to be ratified by shareholders at every AGM and to examine and audit the accounts of the Company for the Financial Year 2021-22 at such remuneration plus GST, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”

**3. Retirement by Rotation and Re-appointment :**

Mr. Abhishek Verma, Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

In this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** Mr. Abhishek Verma, Director of the Company, who retire by rotation in terms of Section 152 of Companies Act, 2013 and being eligible be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation”.

### SPECIAL BUSINESS:

**4. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2022 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50,000/- (Rupee fifty thousand) plus out-of-pocket expenses payable to Messrs R. M. Bansal & Co., Cost Accountants, Cost Accountants (Firm’s Registration No. 000022) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31 March, 2022.”

**5. To Re-appoint Mr. Prem Narain Varshney as Managing Director of the Company**

**To consider and if thought fit, to pass the following resolution as a special resolution:**

“**RESOLVED THAT** pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 117, 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or reenactment(s) thereof for the time being in force).

The approval of the members/shareholders of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Mr.Prem Narain Varshney (DIN: **00012709**) as the Managing Director (Key Managerial Personnel) of the Company, for a period of five years from August 14, 2021 to August 13, 2026 as recommend/ approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on August 14, 2021, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mr.Prem Narain Varshney, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 .

**“RESOLVED FURTHER THAT** the any Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution

By Order of the Board  
For **Rathi Steel And Power Ltd**

Sd/- .  
**Prem Narain Varshney**  
(Managing Director)  
DIN: 00012709

Date:14-08-2021  
Place: Delhi

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for themembers is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM andparticipate thereat and cast their votes through e-voting.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and afterthe scheduled time of the commencement of the Meeting by following the procedurementioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM willbe made available for 1000 members on first come first served basis. This will notinclude large Shareholders (Shareholders holding 2% or more shareholding),Promoters, Institutional Investors, Directors, Key Managerial Personnel, theChairpersons of the Audit Committee, Nomination and Remuneration Committee andStakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGMwithout restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be countedfor the purpose of reckoning the quorum under Section 103 of the Companies Act,2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended)and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to itsMembers in respect of the business to be transacted at the EGM/AGM. For this purpose,the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorizedagency. The facility of casting votes by a member using remote e-Voting system aswell as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.rathisteelandpower.com](http://www.rathisteelandpower.com). The Notice can also be accessed from the websites ofthe Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is alsoavailable on the website of NSDL (agency for providing the Remote e-Voting facility) i.e.[www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions ofthe Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020and MCA Circular No. 17/2020 dated April 13, 2020,MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-**

**The remote e-voting period begins on Sunday, 26-09-2021, at 09:00 A.M. and ends on Tuesday, 28-09-2021at 05:00 P.M. The remote e-votingmodule shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22-09-2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22-09-2021.**

## **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular 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. Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” 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 options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 held 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 options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li></ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"><li>1. Existing users who have opted for Easi / Easiest, they can login through their 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li><li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li><li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li></ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once 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 options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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. NSDL and CDSL.

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”. Now you are ready for e-Voting as the Voting page opens.
2. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
3. Upon confirmation, the message “Vote cast successfully” will be displayed.
4. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
5. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cskbhatnagar@gmail.com](mailto:cskbhatnagar@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@masserv.com](mailto:info@masserv.com).
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors@rathisteelandpower.com](mailto:investors@rathisteelandpower.com). The same will be replied by the company suitably.

**ANNEXURE TO THE NOTICE:**

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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 3**

Based on the recommendation of the Audit Committee, the Board in its meeting appointed Messrs R. M. Bansal & Co., Cost Accountants, to conduct the audit of the steel manufacturing and power generation business for the financial year 2021-22 at fee of Rs. 50,000/- plus out of pocket expenses.



In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Members of the Company. Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors as set out in the Resolution at item No 3 of the convening Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolution.

**Item No.4**

**Mr.Prem Narain Varshney** is Managing Director of the Company and is associated as the Managing Director since 24 Aug 2016. In his able leadership the performance of the Company has been satisfactory. The present terms of appointment of **Mr.Prem Narain Varshney** is expiring and it would be appropriate to re-appoint him for a period of 5 years.

The Board of Director of the Company at its meeting held on 14.08.2021, re-appointed **Mr.Prem Narain Varshney** as Managing Director (KMP) of the Company subject to the approval of members/shareholders of the Company in the ensuing Annual General Meeting to be held on Wednesday, 29th day of September 2021 as a Special Resolution for a period of five years from August 14, 2021 to August 13, 2026 at the remuneration, in accordance with norms laid down in Schedule V and other applicable provisions of Companies act, 2013 and rules made there under.

By Order of the Board  
**For Rathi Steel And Power Ltd**  
Sd/-  
**Prem Narain Varshney**  
Managing Director  
DIN: 00012709

**Date :** 14-08-2021

**Place:** Delhi

**Registered Office:** 24/1 Block -A, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi - 110044

**CIN:** L27109DL1971PLC005905

**Phone :** 011- 40512426

**Email :** [investors@rathisteelandpower.com](mailto:investors@rathisteelandpower.com) **Website :** [www.rathisteelandpower.com](http://www.rathisteelandpower.com)

## BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 50<sup>th</sup> Annual Report together with the Audited Statement of Accounts of Rathi Steel & Power Limited for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL RESULTS:

	CURRENT YEAR (RS. IN LACS)	PREVIOUS YEAR (RS. IN LACS)
Sales	38921.17	3753.46
EBITDA	1613.36	(1712.57)
Interest	-	-
Depreciation	1649.09	850.13
Exceptional / Extraordinary Items	0.00	0.00
Profit Before Tax(PBT)	(35.74)	(2562.70)
Tax adjusted for earlier year(s)	0	-
Profit after Tax (PAT)	(35.74)	(2562.70)
Dividend	NIL	NIL

### 2. OPERATIONAL REVIEW:

During the year under review, the Company has achieved revenue from operation of Rs. 43,746.69 Lacs as against previous year of Rs. 10,000.65 Lacs. The Company has incurred loss of Rs. 35.74 Lacs against previous year loss of Rs. 2562.70 Lacs. Company expects to do better if there is an improvement in overall industrial scenario.

### 3. DIVIDEND

In view of losses, no dividend has been recommended.

### 4. ECONOMIC SCENARIO AND OUTLOOK

#### Introduction

India was the world's second-largest steel producer with production standing at 111.2 million tonnes (MT) in 2019. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

#### Market Size

India's finished steel consumption grew at a CAGR of 5.2% during FY16-FY20 to reach 100 MT. India's crude steel and finished steel production increased to 108.5 MT and 101.03 MT in FY20P, respectively. Between April 2020 and February 2021, India's cumulative production of finished steel at 85.60 MT. In April 2021, India's finished steel consumption stood at 6.78 MT.

For the period April 2020 and February 2021, India's cumulative production of crude steel stood at 92.78 MT. Export and import of finished steel stood at 8.24 MT and 6.69 MT, respectively, in FY20P. Export and import of finished steel stood at 9.49 MT and 4.25 MT, respectively, between April 2020 and February 2021. In April 2021, India's export rose by 196% over 2020 and 17% over 2019.

#### Investments

Steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past.

According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US\$ 14.24 billion in the period April 2000-September 2020.

Some of the major investments in the Indian steel industry are as follows:

- In May 2021, JSW Steel signed a Memorandum of Understanding (MOU) to conduct a feasibility study with its strategic alliance partner JFE Steel Corporation to establish a Grain-oriented Electrical Steel Sheet Manufacturing and Sales JV Company in India.

- In May 2021, JSW Steel announced the steel-making expansion at its Vijayanagar plant by 5 MT every year to 17 MT every year by the financial year ending March 2024.
- In March 2021, JSW Steel completed its takeover of debt-ridden Bhushan Power and Steel Ltd., boosting to the former's overall output to 21.5 mtpa. JSW Steel's has 18 mtpa of capacity, which will hit more than 26 mtpa with the addition of BPSL and a doubling of capacity at JSW Steel's Dolvi steel mill to 10 mtpa.
- In March 2021, Arcelor Mittal Steel signed Rs 50,000 crore deal with Odisha government to setup a steel plant in the state.
- In February 2021, Tata Steel BSL collaborated with FarEye, a software logistics firm to improve its digital transformation process.
- In a move towards becoming self-reliant, Indian steel companies have started boosting steel production capacity. To this end, SAIL announced doubling of its at 5 of its steel plants capacity in September 2020.
- In March 2020, Arcelor Mittal Nippon Steel India (AM/NS) acquired Bhandar Power plant in Hazira, Gujarat from Edelweiss Asset Reconstruction Company.
- In February 2020, GFG Alliance acquired Adhunik Metaliks and its arm Zion Steel for Rs. 425 crore (US\$ 60.81 million), marking its entry into the Indian steel market.
- For FY20, JSW Steel set a target of supplying around 1.5 lakh tonnes of TMT Rebars to metro rail projects across the country.
- In December 2019, Arcelor Mittal completed the acquisition of Essar Steel at Rs. 42,000 crore (US\$ 6.01 billion) and formed a joint venture with Nippon Steel Corporation.
- JSW Steel has planned a US\$ 4.14 billion capital expenditure programme to increase its overall steel output capacity from 18 million tonnes to 23 million tonnes by 2020.
- Ministry of Steel plans to invest US\$ 70 million in the eastern region of the country through accelerated development of the sector.
- The production capacity of SAIL is expected to increase from 13 MTPA to 50 MTPA in 2025 with total investment of US\$ 24.88 billion.
- Tata Steel has decided to increase the capacity of its Kalinganagar integrated steel plant from 3 million tonnes to 8 million tonnes at an investment of US\$ 3.64 billion.

## 5. REVIVAL SCHEME

Company is in continuous talks with all the lenders as well as investors to work out a long term revival scheme to maximize the recovery for its lenders and stakeholders. As a step towards it, the lenders have assigned the Odisha unit of Company on lease basis to an outside entity. We believe this will be beneficial for up keep of the assets and an operational plant is likely to enhance value, and will also have a positive impact on the socio economic conditions around the area.

At the Ghaziabad Unit, the company is striving to improve capacity utilization of Stainless Steel products.

An improved demand scenario post lockdowns, and efficient operations are likely to yield positive results going forward.

The operations of TMT bar still remain subdued due to sluggish demand and increasing cost disparities between primary / integrated set ups and Secondary producers. Going forward, the company will strive to make its operations more efficient and focus on value added products.

The company is also in regular dialogue with all its stake holders to arrive at a long term sustainable business model.

## 6. CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development

## 7. RISK MANAGEMENT POLICY

Risk management policy of the Company promotes a proactive approach in reporting, evaluating and mitigating risks associated with the business. Mechanisms for identification and prioritization of risks include business risk environment scanning and focused discussions in the Risk Management Group (at Senior Management Level).

## 8. INTERNAL FINANCIAL CONTROLS

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure, both capital and revenue. The Company uses an established ERP system to record day to day transactions for accounting and financial reporting.

The Company's internal audit function monitors and assesses the adequacy and effectiveness of the Internal Financial Controls. The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The Audit Committee satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. Details of internal control system are given in the Management Discussion and Analysis Report, which forms part of the Report.

#### **9. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Protected disclosures can be made by a whistleblower through several channels. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

#### **10. RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were no material related party transactions in pursuance of regulation 23 of SEBI (LODR) regulations, 2015.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

#### **11. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **Directors**

##### **Appointment/Re-appointment**

There was no new appointment during the year 2020-21.

##### **Independent Directors**

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation in terms of Section 149(13) the Act. In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and the Listing Regulations. Details of Familiarisation programme for Independent Director is provided separately in the Corporate Governance Report.

##### **Key Managerial Personnel (KMP)**

Mr. P. N. Vershney, Managing Director, Mr Rakesh Kumar (CFO) and Mrs. Shobhita Singh, Company Secretary are the other KMP as per the definition under Section 2(51) and Section 203 of the Act.

Company accepted the Resignation of CFO (Chief Financial Officer) of the Company Mr. Shyam S Bageshara w.e.f. 12<sup>th</sup> March 2021. Company Appointed CFO in his place Mr. Rakesh Kumar on 12<sup>th</sup> March 2021.

##### **BOARD EVALUATION**

Pursuant to the provisions of the Act and the corporate governance requirements prescribed under the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, and that of its Committees and Individual Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members. The criteria for performance evaluation of the committees included aspects such as composition of committees, effectiveness of committee meetings, etc.

The Board and the NRC reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the feedback received from the Directors on the performance of the Board, its Committees and Individual directors were also discussed.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2020-21.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have 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 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 the 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) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **13. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORTS**

Pursuant to Regulation 34 of SEBI (LODR) Regulation, 2015, the Management Discussion and Analysis and the Corporate Governance Report are presented in a separate section forming part of the Annual Report.

## **14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, are provided in **Annexure -1** to this Report.

## **15. AUDITORS**

### **I. Auditors and their report:**

M/s H. G & Company, Chartered Accountants, were re-appointed as Statutory Auditors of the Company to hold office till the conclusion of 51<sup>st</sup> Annual General Meeting to be held in year 2022. As required by the provisions of the Companies Act, 2013 their appointment should be ratified by members each year at the AGM. Accordingly, requisite forms part of the notice convening the AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

## **II. Cost Auditors and Cost Audit report:**

In view of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, R. M. Bansal & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the FY 2021-22. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM. The Company is properly maintaining the records for the purpose of Cost Audit as per the provisions of the Companies Act, 2013.

## **III. Secretarial Audit**

In terms of Section 204 of the Act and Rules made there under, M/s. Samir Bhatnagar & Company, Practicing Company Secretaries have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure-2** to this Report. The report is self-explanatory and do not call for any further comments.

## **IV. Internal Auditors**

M/s Rajiv S Agarwal & Co. Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

## **16. DISCLOSURES**

### **i. Details of Board meetings**

During the year, 13 (Thirteen) Board meetings were held and the details of which are provided in the Corporate Governance Report.

### **ii. Composition of Audit Committee:**

The Audit Committee comprises 3 (three) Members out of which two are Independent Directors. During the year, 4 (Four) Audit Committee meetings were held and the details of which are provided in the Corporate Governance Report.

### **Listing Regulations**

The Securities and Exchange Board of India (SEBI) has, by its notification dated 2nd September, 2015, issued the (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Regulations became effective from 1st December, 2015 and have replaced the Listing Agreements. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. The Company has entered into Listing Agreement with BSE Limited. Pursuant to the Listing Regulations, the following policies were approved and adopted by the Board:

- (i) Policy on determination of Materiality for disclosures of events or information.
- (ii) Policy for preservation of documents, to classify documents in two categories, viz. documents which need to be preserved permanently and documents which need to be preserved for not less than 8 years after completion of the relevant transactions.
- (iii) Archival Policy, to determine the period, for which information is required to be disclosed on the Company's website. Policy on Materiality and Archival Policy are also available on the website of the Company under 'Investor Relations' section.

### **Particulars of Employees**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The company has One Executive Director and no sitting fees have been paid to any director during the year. Details enclosed as **Annexure-4** to this Report

## **17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

A detailed note on ongoing litigations/court orders has been provided in the notes to account.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT 9 is enclosed as **Annexure -3** to this Report.

## ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge the support extended by the Company's Unions and all the employees for their dedicated service.

## CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on behalf of the Board of Directors

New Delhi  
14-08-2021

Sd/-  
Shobhita Singh  
Company Secretary

Sd/-  
**Prem Narain Varshney**  
Managing Director  
**DIN: 00012709**

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Managing Director and the Whole-time Directors. In addition, the Company has adopted the Code of Conduct for the Non-Executive Directors. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the Financial Year ended March 31<sup>st</sup>, 2021, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31<sup>st</sup>, 2021.

New Delhi  
14-08-2021

Sd/-  
**Prem Narain Varshney**  
Managing Director  
**DIN: 00012709**

## ANNEXURE TO THE DIRECTORS' REPORT:

### ANNEXURE-1

#### I. CONSERVATION OF ENERGY

##### (A) Energy Conservation measures taken

- i. All the staff members are strictly instructed to switch off all the lights and equipments after office hours when not in use.
- ii. Optimization of capacity utilization thus reducing specific consumption of energy.
- iii. Strict control of quality input for saving electricity consumption.
- iv. Minimization of handling loss.

##### (B) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy.

The company is studying the feasibility of adding variable frequency drives for various applications wherever suitable, to bring down the energy consumption subject to techno-commercial viability of the proposal.

##### (C) The impact of above (a) and (b) for reduction of energy consumption and consequent impact on cost of production of goods.

##### (D) The per ton power consumption has been under

**FORM A**  
**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

S. No.	PARTUCULARS		
A.	Power and Fuel Consumption	Current Year	Previous year
<b>1.</b>	<b>ELECTRICITY</b>		
	<b><u>Ghaziabad Unit</u></b>		
	(a) Purchase Units		
	(i) Rolling Mill Unit (A-3)	20609750	20228100
	(ii) SMS Unit (C-4)	25015500	20645300
	(b) Total Amount (In Rs.)		
	(i) Rolling Mill Unit (A-3)	152430635	172530808
	(ii) SMS Unit (C-4)	190973406	160388107
	(c) Rate / Unit		
	(i) Rolling Mill Unit (A-3)	7.40	8.52
	(ii) SMS Unit (C-4)	7.63	7.77
	<b><u>Odisha Unit</u></b>		
	(a) Purchase Units (KWH)	-	-
	(b) Total Amount (In Rs.)	-	-
	(c) Rate / Unit	-	-
	<b>Own Generation</b>	-	-
<b>2.</b>	<b>GAS &amp; FUELS</b>		
	(a) LSHS / LDO/ HSD/(Litre)	22,56,298	23,03,785
	(b) Natural Gas Rs./ SCM	N.A.	N.A.
	(c) LSHS / LDO/ HSD/(Avg. Rs./ Litre)	41.58	43.45
	(d) Coal Rs. / Kg	--	9.52
<b>3.</b>	<b>OTHER GENERATION</b>		NIL
<b>B.</b>	<b>CONSUMPTION PER MT OF PRODUCTION</b>		
	<b><u>Ghaziabad Unit</u></b>		
	Electricity (in unit)		
	(i) Rolling Mill Unit (A-3)	195.043	165 per MT
	(ii) SMS Unit (C-4)	530.94	505 per MT
	Natural Gas / HSD (SCM / Litre)	23.43 Ltr per MT	18.83 Ltr per MT
	Coal (Kg)	--	0.24
	<b><u>Odisha Unit</u></b>		
	Electricity (KWH) per ton Billet	-	-

Note: Previous year figures have been regrouped / rearranged wherever necessary.



## II. TECHNOLOGY ABSORPTION

### FORM B

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

##### A. Research and Development

The Company is doing in house R&D activities to improve operational efficiencies and yield of its products.

##### B. Technology Absorption, Adaptation & Innovation

(1) Efforts in brief, made towards technology absorption and innovation. - The company has always tried to adopt the best and latest technologies to manufacture its products. It is due to this very reason that over the years the company has witnessed very positive response and quick adaptation of the various products and grades of steel that have been manufactured from time to time. For instance, the company was amongst the first in the country to adopt the TOR® technology in the 1970s and was again amongst the first to make a quick transformation to THERMEX® technology for manufacturing TMT bars at its Ghaziabad plant.

In the area of special steel as well, the company has installed the most modern and suitable technology for manufacturing of high quality stainless steel products in the steel melting shop at Ghaziabad and has also installed the most modern mono-block to finish superior quality of wire rods. Company has also manufacturing Special grade steel billets for manufacturing special grade wire rods at its Unit at Ghaziabad (U.P.). In addition to the above, the company has also continuously upgraded and modernized the rolling mills as well as its Steel Melting Shop to adhere to the international standards.

## III. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new Export market for products and services and export plans.

The Company is in continuous process to promote its products in other countries to increase its market share. The Company promptly responds to the enquiry/ information received from the prospective buyers.

2. Total Foreign Exchange used and earned:  
Expenditure in Foreign Currency : Rs. 2,14,17,224/-  
FOB Value of exports: NIL

**Form MR-3**

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED March 31, 2021**

**To,  
The Members  
M/s Rathi Steel and Power Limited  
Plot No. 24/1, A-Block Mohan Cooperative Industrial Estate  
Mathura Road New Delhi - 110044**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Rathi Steel and Power Limited (hereinafter 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 my opinion thereon.

Based on our verification, 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 March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board process 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 the company for the financial year ended on March 31, 2021, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made 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 (FDI) and Overseas Direct Investment and External Commercial Borrowings.
- 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 (Prohibition of Insider Trading) Regulations, 1992;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- vi. Other specific laws applicable to the Company are :
  1. Factories Act, 1948
  2. Employees State Insurance Act, 1948 and the rules made there under
  3. The Contract Labour (Regulation and Abolition) Act, 1970
  4. Environmental Pollution Act, 1986
  5. The Electricity Act, 2003
  6. The Industrial Dispute Act, 1947
  7. The Child Labour Act, 1970
  8. The Water (Prevention and Control of Pollution) Act, 1974 read with Water (Prevention and Control of Pollution) Rules, 1975
  9. Environment Protection Act, 1986
  10. Air (Prevention and Control of Pollution) Act, 1981 read with Air (Prevention and Control of Pollution) Rules, 1982.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India.

- b. The Listing Agreements entered into by the company with the stock exchanges.

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:

We further report that:

1. The Company is yet to file Form MGT14 and Form SH7 w.r.t. Increase in Authorised Share Capital from Rs. 65,00,00,000/- to Rs. 90,00,00,000/-. The Company has already passed members resolution in the General Meeting for the same
2. The Company is yet to file Form PAS3 w.r.t. allotment of 45196748 Redeemable Preference Shares.
3. The Authorised Share Capital as appearing on MCA Portal (www.mca.gov.in) as on date is Rs. 65,00,00,000/- whereas the Paid Up Share Capital is appearing as Rs. 76,50,48,590/-.
4. The Company – M/s Rathi Steel and Power Limited, its former MD – Mr. Pradeep Kumar Rathi, former CEO – Mr. Udit Rathi and Asst. General Manager – Mr. Kushal Agarwal has been found guilty and convicted under Section 420 and Section 120B of IPC in Coal Block Case by Special Court on 26.07.2016. They were granted bail by Special Court on 27.07.2016 with certain conditions which has since been complied with. The Company has further filed appeal with Hon'ble High Court, Delhi against the said order and the case is till pending.
5. There were Compliances relating to filing of Unaudited Financials with the BSE which were not done within time during the financial year.
6. The Company filed application for Extension of Due Date of Annual General Meeting for the financial year ending March 31, 2019 and conducted the Annual General Meeting on 30.10.2019.
7. The BSE has suspended the trading of Shares due to Non-Payment of Annual Listing Fees and other charges. Further, the Promoters shareholding has been frozen by the department and the Company has also received Notices for Delisting of the Company from Stock Exchange(s).

**We further report that:**

The Constitution of Board of Directors of the Company is not as per the provisions of the Companies Act, 2013. The Company is in non compliance under Section 152 of the Companies Act, 2013 w.r.t. Retire by Rotation of Directors. There were no changes in the composition of the Board of Directors that took place during the year under review. Moreover, Mr. Shyam S Bageshara resigned from the post of Chief Financial Officer (CFO) and Mr. Rakesh Kumar was appointed as the new Chief Financial Officer (CFO) of the Company w.e.f. 12.03.2021.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:-

- a. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- b. Redemption / buy-back of securities.
- c. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- d. Merger/ amalgamation/ reconstruction, etc.
- e. Foreign technical collaborations.

**Place: New Delhi**  
**Company Secretary**  
**Date: 13.08.2021**

**SD/-**  
**Sameer Kishore Bhatnagar**  
**Practicing**

**M. No. 30997**  
**CoP No. 13115**

**ANNEXURE – A**

**To,**  
**The Members**  
**M/s Rathi Steel and Power Limited**  
**Plot No. 24/1, A-Block Mohan Cooperative Industrial Estate**  
**Mathura Road New Delhi - 110044**

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

1. Maintenance of Secretarial records 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 verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the 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 efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Place: New Delhi**  
**Date: 13.08.2021**

**SD/-**  
**Sameer Kishore Bhatnagar**  
**Practicing Company Secretary**  
**M. No. 30997**  
**CoP No. 13115**

**Annexure -3  
Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 2021**

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

I	<b>REGISTRATION &amp; OTHER DETAILS:</b>	
i	CIN	L27109DL1971PLC005905
ii	Registration Date	17/12/1971
iii	Name of the Company	RATHI STEEL AND POWER LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	24/1, Block-A, Mohan Cooperative Industrial Estate, New Delhi 110044 011-40512426
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	"M/s. Mas Services Limited (Unit Rathi Steel). T-34, Second Floor, Okhla Ind. Area, Phase-II, New Delhi- 110020

II			
<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10% or more of the total turnover of the company shall be stated)			
SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Steel	24105	97.68%

III					
<b>PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>					
SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N/A				
IV					
<b>SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)</b>					

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [ As on 31-March 2020]				No. of Shares held at the end of the year [ As on 31-March 2021]				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	8245219	0	8245219	26.34%	8245219	0	8245219	26.34%	0	0%
b) Central Govt.or State Govt.										
c) Bodies Corporates	7867695		7867695	25.13%	7867695		7867695	25.13%	0	0%
d) Bank/FI										
e) Any other										
<b>SUB TOTAL:(A) (1)</b>	16112914	0	16112914	51.47%	16112914	0	16112914	51.47%	0	0%
<b>(2) Foreign</b>										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
<b>SUB TOTAL (A) (2)</b>										
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	16112914	0	16112914	51.47%	16112914	0	16112914	51.47%	0	0%
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	686913		686913	2.19%	686913		686913	2.19%	0	0%
b) Banks/FI	2008056		2008056	6.41%	2008056		2008056	6.41%	0	0%

Category of Shareholders	No. of Shares held at the beginning of the year [ As on 31-March 2020]				No. of Shares held at the end of the year [ As on 31-March 2021]				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
C) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
<b>SUB TOTAL (B)(1):</b>	2694969	0	2694969	8.60%	2694969	0	2694969	8.60%	0	0%
<b>(2) Non Institutions</b>										
a) Bodies corporate										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	6202256	510315	6712571	21.44%	6218401	510405	6728806	21.49%	16235	0.05%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	4047051	0	4047051	12.93%	4047251	0	4047251	12.93%	200	0.00%
Any Other	1689592	51014	1740606	5.56%	1673157	51014	1724171	5.51%	-16425	-0.05%
<b>SUB TOTAL (B)(2):</b>	<b>11938262</b>	<b>561966</b>	<b>12500228</b>	<b>39.93%</b>	<b>11938809</b>	<b>561419</b>	<b>12500228</b>	<b>39.93%</b>	<b>0</b>	<b>0%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>14633231</b>	<b>561966</b>	<b>15195197</b>	<b>48.53%</b>	<b>14633231</b>	<b>561966</b>	<b>15195197</b>	<b>48.53%</b>	<b>0</b>	<b>0%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>30746145</b>	<b>561966</b>	<b>31308111</b>	<b>100.00%</b>	<b>30746145</b>	<b>561966</b>	<b>31308111</b>	<b>100.00%</b>	<b>0</b>	<b>0%</b>

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. UDIT RATHI	740231	2.36%	2.36%	740231	2.36%	2.36%	0.00%
2	Mr. PRADEEP KUMAR RATHI	7504988	23.97%	23.97%	7,504,988	23.97%	23.97%	0.00%
3	M/s ARCHIT SECURITIES PVT LTD	4035223	12.89%	12.89%	4035223	12.89%	12.89%	0.00%
4	M/s DBG LEASING AND HOUSING LIMITED	3832472	12.24%	12.24%	3832472	12.24%	12.24%	0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	No changes during the year		16112914	51.47%	16112914	51.47%
	Changes during the year	No changes during the year		0	0.00%	0	0.00%
	At the end of the year	No changes during the year		16112914	51.47%	16112914	51.47%

**(iv) Shareholding Pattern of top ten Shareholders**

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	CANARA BANK (Earlier SYNDICATE BANK)						
	* At the beginning of the year			1,091,536	3.49%	1,091,536	3.49%
	Changes during the year				0.00%	--	0.00%
	At the end of the year			1,091,536	3.49%	1,091,536	3.49%
2	ANUPAMA SARDA						

	At the beginning of the year			901,696	2.88%	901,696	2.88%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			901,696	2.88%	901,696	2.88%
	.						
3	LIC MF SPECIAL UNIT SCHEME						
	At the beginning of the year			686,913	2.19%	686,913	2.19%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			686,913	2.19%	686,913	2.19%
	.						
4	MODERN FERRO ALLOYS PRIVATE LIMITED						
	At the beginning of the year			500,000	1.60%	500,000	1.60%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			500,000	1.60%	500,000	1.60%
	.						
5	SRM CAPITAL MARKET PVT LTD						
	At the beginning of the year			4,35,254	1.39%	4,35,254	1.39%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,35,254	1.39%	4,35,254	1.39%
	.						
6	PUNJAB NATIONAL BANK						
	At the beginning of the year			4,33,297	1.38%	4,33,297	1.38%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,33,297	1.38%	4,33,297	1.38%
	.						
7	ANIRUDH RATHI						
	At the beginning of the year			427,482	1.37%	427,482	1.37%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			427,482	1.37%	427,482	1.37%
	.						
8	BANK OF BARODA						
	At the beginning of the year			369,161	1.18%	369,161	1.18%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			369,161	1.18%	369,161	1.18%
	.						
9	ASISH AGRAWAL						
	At the beginning of the year			225,041	0.72%	225,041	0.72%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225,041	0.72%	225,041	0.72%
	.						
10	PURUSHOTTAM SARDA						
	At the beginning of the year			199,286	0.64%	199,286	0.64%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			199,286	0.64%	199,286	0.64%

\* In the Beginning of the year, Shares were with Syndicate Bank and due to merger of Syndicate Bank with Canara Bank, the same is with Canara Bank at the end of Year

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	There is no Director or KMP, who is holding shares of Company						

<b>V. INDEBTEDNESS (Rs. in Lacs)</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	59505.37	222.82		59728.19

ii) Interest due but not paid	4671.36			4671.36
iii) Interest accrued but not due	0.00			0.00
<b>Total (i+ii+iii)</b>	<b>64176.73</b>	<b>222.82</b>	<b>0.00</b>	<b>64399.55</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0.00	0.00		0.00
* Reduction	0.00	0.00		0.00
<b>Net Change</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	59505.37	222.82		59728.19
ii) Interest due but not paid	4671.36			4671.36
iii) Interest accrued but not due				0.00
<b>Total (i+ii+iii)</b>	<b>64176.73</b>	<b>222.82</b>	<b>0.00</b>	<b>64399.55</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	PREM NARAIN VARSHNEY	(Rs/Lac)
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,53,463	1.53
	(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		
	<b>Total (A)</b>	<b>1,53,463</b>	<b>1.53</b>
	Ceiling as per the Act		

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		ABHISHEK VERMA	SANGEETA PANDEY	PINKY VERMA	(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings	--	--	--	--
	Commission	--	--	--	-
	Others, please specify	--	--	--	--
	Total (1)	--	--	--	--
2	Other Non-Executive Directors	--	--	--	--
	Fee for attending board committee meetings	--	--	--	--
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total (2)	--	--	--	--
	Total (B)=(1+2)	--	--	--	--
	Total Managerial Remuneration (A+B)	--	--	--	<b>1.53</b>
	Overall Ceiling as per the Act				



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					(Rs/Lac)
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Shyam S Bageshara *	Rakesh Kumar *	Shobhita Singh	
	Designation	CFO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,94,453	21,158	2,50,000	9.66
	(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	-		-	-
	<b>Total</b>	<b>6,94,453</b>	<b>21,158</b>	<b>2,50,000</b>	<b>9.66</b>

\* Sh. Shyam S. Bageshara resigned and relieved from the post of CFO and Sh. Rakesh Kumar Joined from 12<sup>th</sup> March 2021.

VII. 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)
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

There are no Penalties / Punishment / Compounding of offences as per Companies Act against the Directors and its officers.

#### Annexure 4

#### PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:

- (a) **The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year:**

Directors	Ratio to median Remuneration
Sh. Prem Narain Varshney	1.64
Sh. Abhishek Verma	N.A.
Smt. Pinky Verma	N.A.
Smt Sangeeta Pandey	N.A.

- (b) **The percentage increase in remuneration of each Director, Chief Executive officer, Chief Financial officer, Company Secretary or Manager, if any, in the financial year;**

Name of person	% increase in remuneration
Sh. Prem Narain Varshney	N.A.
Sh. Shyam S Bageshra *	N.A.
Sh. Rakesh Kumar *	N.A.
Smt. Shobhita Singh	0.00%

\* Sh. Shyam S. Bageshara resigned and relieved from the post of CFO and Sh. Rakesh Kumar Joined from 12<sup>th</sup> March 2021.

- c) **The percentage increase in the median remuneration of employees in the financial year** – Looking at the loss of Company, there was no increment in this year except in few cases. In general there is marginal increment in the remuneration of staff which is not based on %.
- (d) **The number of permanent employees on the rolls of company:** As on 31.03.2021 employees are 181. Further, the contractual labour were 21 as on 31-03-2021.
- (e) **The explanation on the relationship between average increase in remuneration and company performance:** Looking at the loss of Company, there was no increment in this year except in few cases. In general there is marginal increment in the remuneration of staff which is not based on percentage.
- (f) **Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company:**

Particulars	Rs in Lacs
Remuneration of Key Managerial Personnel(KMP) during financial year 2020-21 (Aggregated)	11.19
Total Income	43746.69
Remuneration (as % of Total Income)	0.026%
Profit before tax (PBT)	(35.74)
Remuneration (as % of PBT)	N.A.

- (g) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31 March 2021	As at 31 March 2020	Variation (%)
Closing rate of share at BSE	Rs.	2.10	2.10	N.A.
EPS	Rs.	(0.11)	(8.19)	+98.66%
Market Capitalisation	Rs./Lac	657.47	657.47	N.A.
Price Earning Ratio	Ratio	N.A.	N.A.	N.A.

- (h) Marginal increment already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with marginal increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- i) **Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company**

Particulars	MD	C.S.	CFO
	Rs/lac	Rs/lac	Rs/lac
Remuneration	1.53	2.50	7.16
Total Income	43746.69		
Remuneration (as % Revenue)	0.0035%	0.0057%	0.0164%
Profits before tax (PBT)	(35.74)		
Remuneration (as % of PBT)	N.A.	N.A.	N.A.

- (j) The key parameters for any variable component of remuneration availed by the directors: NIL
- (k) The Ratio of the Remuneration of the highest paid Director to that of Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year: NIL
- (l) Affirmation that the remuneration is as per the remuneration policy of the company

The company's remuneration policy is driven by the success and performance of the individual employees and the Company. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development

Steel market fundamentals continued to worsen in 2019. Steel production growth turned negative in all regions, with the exception of Asia and the Middle East. Weakening global economic activity, uncertain prospects for steel demand growth, and the upturn in new capacity investments in some regions risking to exacerbate supply-demand imbalances are long-term factors that have been weighing on steel markets. The first half of 2020 was dramatically impacted by the COVID-19 outbreak, which started in the People's Republic of China (hereafter "China") but quickly spread to the whole world, causing large demand and production shocks that impacted all economic sectors including steel. Steel production declined in all regions (in aggregate terms) during the first half of 2020. The reduction in steel production was however uneven across jurisdictions as production even grew in a number of some jurisdictions, such as China and Viet Nam. Although the demand and production shocks caused by the COVID-19 outbreak began to abate in the second half of 2020, the crisis risks resulting in long-lasting and significant impacts on the steel sector.

Below is the impact of the COVID-19 pandemic on the steel industry during the first half of 2020. The following key developments are

- The economic situation:** In June 2020, OECD forecasts that world GDP will drop by 6%-7.6% in 2020 and rebound by 2.8%-5.2% in 2021, depending on whether the global economy faces a second wave of the COVID-19 epidemic by the end of 2020. In addition, downside risks to GDP include a further escalation of trade and cross-border investment restrictions, and financial vulnerabilities stemming from slowing economic growth and high corporate indebtedness with deteriorating credit quality.
- Steel consumption:** According to the World Steel Association (worldsteel)'s, global steel consumption picked up by 3.4% in 2019. The largest increases were recorded in Viet Nam (9.0%), China (8.5%) and Russia (5.0%). The largest decreases were observed in Turkey (-15.4%) and Germany (-12.0%). Steel consumption growth turned negative in the first three months of 2020 due to the initial impact of COVID-19 on the global economy. Total steel consumption decreased by 2.4% in this period compared to the same period one year earlier, with the largest drop year-over-year being in March 2020 (-7.7%). Assessments of the impacts of COVID-19 on steel consumption suggest that the steel market could face a prolonged period of weak demand.
- Steel Production:** All regions saw declining steel production during the first half of 2020. Compared to the first half of 2019, crude steel production was more resilient in the Middle East region (-0.5%), in Asia (-2.3%), in Oceania (-3.3%), in the CIS (-4.1%) and in Other Europe (-6.3%). In contrast, steel production dropped sharply in the European Union (-17.9%), in North America (-17.6%), in South America (-19.9%), in Africa (-20.9%).
- World Steel Trade:** Steel exports continued to decline for most economies in 2019. Steel export decreases were observed in the United States (-15.7%), Russia (-11.7%), and Japan (-7.6%) during this period. On the other hand, steel export growth in India remained strong in 2019 (+21.6%).
- Steel and Steelmaking Raw Material Prices:** Steel prices continued to decline during the first half of 2020, and in July 2020 world average prices for both flat and long (rebar) products were 16% below their levels one year earlier. As of July 2020, iron ore, coking coal and scrap prices were 9%, 4% and 3%, respectively, lower than one year earlier. Coking coal prices might currently face more upside than downside risks, because producers successfully downsized their production. Iron ore prices are driven to a large extent by Chinese demand. Scrap prices are expected to remain volatile.
- Capacity:** Global steelmaking capacity could increase to 2 455.8 mmt at the end of 2020, i.e. by 1.7% (41.8 mmt) from the level at the end of 2019, according to the available information as of June 2020. World steel production as a share of capacity is expected to fall from 76.6% in 2019 to 71.2% in 2020.
- Steel demand outlook:** The June 2020 forecasts of worldsteel points to a decrease in global steel consumption of 6.4% in 2020, erasing the 3.4% increase registered in 2019 and most of the gains of 2018.1 Steel demand is expected to decline significantly across most economies in 2020, as a result of the COVID-19 crisis. Chinese steel demand could increase by 1.0% due the faster-than-expected recovery, according to worldsteel. Other major steel consuming economies like India, Japan, the European Union and the United States however are projected to experience demand declines of 18.0%, 19.1%, 15.8% and 22.9%,

## INDIAN STEEL INDUSTRY IN THE POST-COVID-19 WORLD

### Steel consumption outpaces production:

Domestic consumption of finished steel has outpaced production for third straight month ended January 2021, giving way to imports. While production of finished steel rose by 4.1% to 9.5 million tonnes, consumption grew by 8.7% to 9.97 million tonnes. Steel consumption returned to y-o-y growth in October 2020 and continued to extend in January 2021 on the back of higher demand from the auto, white goods and construction segments. The continuous increase in consumption has also led to absorption of inventories

with the steel producing companies and closing stock of finished steel was 3.8% lower at 10.6 million tonnes at the end of December 2020 than that in the previous month and 18% lower than December 2019.

#### **India turns net importer of finished steel in Jan 2021:**

In January 2021, India turned into a net importer of finished steel from a being a net exporter during April-December 2020 and deficit stood at 59 thousand tonnes, as consumption grew faster than domestic production. During the current fiscal (April – Jan FY21), export of finished steel from India grew by 22.5% while imports fell by 36.8%. India was a net exporter of finished steel until December 2020. However, the gradual unlocking of the economy has led to improvement in overall economic activities leading to improvement in domestic demand for steel. This has resulted in moderation in export whereas imports have risen, in recent months.

#### **Financial performance:**

The iron & steel industry has seen boost in their gross margins ever since the lifting of lockdown. Higher automotive sales, higher rural consumption on the back of good monsoon and government spending on infrastructure has boosted gross margins of steel companies. The RM cost curve started to taper from Q2FY21 onwards and the industry's sales returned to yoy growth which led to expansion in OPM. We expect expansion in margins to persist on the back of recovery in domestic demand and higher steel prices in Q4FY21. The margins of large integrated steel players would be even better on account of self-sufficiency in iron ore, lower coking coal costs and better fixed-cost absorption due to near-normal utilisation rates.

#### **Trend in prices**

Domestic steel prices have seen unprecedented rise over the last seven months. HRC (Hot Rolled Coils) prices have risen to multi-year highs on the back of higher demand for flat products from auto and white goods segment. Domestic steelmakers have raised HRC prices by around 55% since June 2020 to average Rs 54,867 per tonne in January 2021. Long product prices have also picked up in anticipation of pick-up in construction activities post monsoon and festive season. Domestic rebar prices have risen to Rs 37,100 per tonne in Q3 from an average of Rs 32,000 per tonne in the second quarter of FY21. A sharp correction was seen in long steel prices in first week of February 2021 of about Rs 8,000 per tonne however prices have recovered by Rs 3,000 per tonne on the back of strong demand. Internationally while a correction was seen in Chinese steel prices, in US and UK prices surged in January and February 2021 due to demand recovery. World HRB export prices have risen 74% since June 2020 to average \$730 per tonne during the first week of February 2021.

#### **Iron ore prices at 10-year high, volatile coking coal prices:**

Iron ore prices have leapt to 10-year high in January 2021 to average \$ 169.6 per and are up 55% since June 2020. China's rapid recovery from the Pandemic led a sharp rise in its iron ore and steel consumption. China's crude steel production grew by 5.2% to 1,053 million tonnes in the pandemic-struck year 2020. China's steel exports fell by 17% on year in CY20 while imports surged 64% on year. China's customs data also showed that the country imported a record 1.17 billion tonnes of iron ore in 2020 as compared to 1.07 billion tonnes in 2019. While demand for iron ore from China remained strong, supply of iron ore from Brazil, largest supplier was constrained due to severe weather conditions and covid induced restrictions which led to a sharp spike in iron ore prices which in turn led to a surge in steel prices. While iron ore prices rose to 10-year high, coking coal prices fell to 4-year low in December 2020. Hard coking coal prices declined steadily from \$ 159 per tonne in March 2020 to \$ 102 per tonne in December 2020 due to China restricting imports from Australia. This benefitted India as India imports almost 70% of total coking coal from Australia. However, in January 2021, hard coking coal prices remained quite volatile hitting a high of USD 150 per tonne and a low of USD 114 per tonne as a category Two Tropical Cyclone Kimi emerged near Queensland, Australia which raised supply concerns.

### **OPPORTUNITIES AND RISKS**

#### **OPPORTUNITIES**

The Company continues to adapt to the ever changing business environment to take advantage of the opportunities to deliver sustainable value for all its stakeholders. With increasing migration, newer centres of development and government programmes such as the Smart City Mission, the rate of urbanisation in India is expected to rise significantly in the near future. A young demography tends to propel demand for housing, transportation and public infrastructure. Despite a significantly growing urban population, India's per capita steel consumption is considerably low compared to China and other Developed Countries. This clearly shows that there is significant headroom for consumption growth. The Company expects to take advantage of the growth opportunity provided by the Indian economy, by enhancing its steel producing capacity. The Company expects the demand for steel products to be strong in the developing economies and the Company proposes to utilize it to meet this increased demand.

#### **RISKS**

The Company is exposed to risks arising out of the dynamic macro-economic environment as well as from internal business drivers. These could adversely impact its ability to create value over the short, medium and long-term. The key risks and Company's mitigation plans are given below:

##### **1. Macroeconomic risks**

Overcapacity and oversupply in the global steel industry and high levels of imports may negatively affect steel prices and demand thereby reducing the Company's profitability. Developments in the competitive environment in the steel industry, such as consolidation among the Company's competitors, could have a material adverse effect on the Company's competitive position. This could potentially impact the Company's business, financial condition, results of operations and future prospects. Any downgrading of India's sovereign rating by independent agency (ies) may harm the Company's ability to raise finance.

## 2. Financial risks

The Company has substantial amount of debt, which may adversely affect its cash flow and its ability to operate the business. Any changes in assumptions underlying the carrying value of certain assets, including as a result of adverse market conditions, could result in impairment of such assets.

## 3. Regulatory risks

The Company faces regulatory risk from predatory pricing and surge in steel imports. The Company may benefit from certain protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which if not available, may adversely affect its operations and financial condition. The Company's business could be affected by potential regulatory and judicial actions.

## 4. Operational risks

The industry is highly cyclical and a decrease in steel prices may adversely impact its financial condition. The Company's operations and financial condition could be adversely affected if it is unable to successfully implement its growth strategies. The Company's business is prone to high proportion of fixed costs and volatility in the prices of raw materials and energy. Mismatches between trends in prices of raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect its profitability.

## 5. Market related risks

Competition from other materials, or changes in the products or manufacturing processes of the Company's customers who use steel products, could reduce market prices and demand for the Company's products, thereby reducing its cash flow and profitability. Product liability claims may adversely affect the Company's operations and finance.

## 6. People risk

The Company's success depends on the continued services of its senior management team and business and prospects could suffer if it loses one or more key personnel or if it is unable to attract and retain its employees. Any labour unrest could adversely affect the Company's operations and financial condition.

The Company's mitigation strategies are enumerated as under:

The macroeconomic and market related risks are addressed through diversification of the Company's product portfolio and development of value added products.

The Company works with policy makers to curb predatory pricing and surge in steel imports to create a level playing field. The operational risks are mitigated through development of well-structured processes for effective project planning & management.

To mitigate the risk of climate change and to be sustainable, the Company is focussing on innovative technologies that can significantly lower emissions

## GOVERNMENT INITIATIVES

Some of the other recent Government initiatives in this sector are as follows:

- Under the Union Budget 2020-21, the government allocated Rs. 39.25 crore (US\$ 5.4 million) to the Ministry of Steel.
- In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India-Japan Steel Dialogue.
- In December 2020, the Minister for Petroleum & Natural Gas and Steel, Mr. Dharmendra Pradhan, has appealed to the scientific community to Innovate for India (I4I) and create competitive advantages to make India 'Aatmanirbhar'.
- In September 2020, the Ministry of Steel prepared a draft framework policy for development of steel clusters in the country.
- On October 1, 2020, Directorate General of Foreign Trade (DGFT) announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centres, distributors, dealers and stock yards.
- Government introduced Steel Scrap Recycling Policy to reduce import.
- An export duty of 30% has been levied on iron ore<sup>e</sup> (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

## **Road ahead**

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.

As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21.

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

## **FUTURE OUTLOOK**

- *Domestic crude steel production is likely to be about 102 MTs and de-growth estimated to reduce to around 7% amid continuous ramp up in production levels by steel players.*
- *Similarly, fall in steel consumption is estimated to be around 8% to about 92 MTs considering that Jan-March is a seasonally heavy quarter for the industry.*
- *We expect government's thrust on improving the infrastructure of the country and investment in projects such as affordable housing, railway line, metro rail, shipbuilding and oil & gas distribution pipeline projects would boost steel consumption.*
- *Higher international steel prices and iron ore prices on the back of strong demand from China as well as recovery in domestic demand will keep steel prices firm in Q4FY21.*
- *After a sharp drop in Q1FY21, the domestic steel industry has reported sharp rebound in margins in the September 2020 and December 2020 quarter benefiting from improving demand and realizations on the one hand and softer coking coal costs on the other hand. Margins of steel companies are expected to show further expansion in the March FY21 quarter.*

## **Risk & Concerns**

The Company on regular basis reviews its Risk Management Policy and takes proactive steps to safeguard and minimize any adversity related to the Market, Technology, People, Environment/Regulatory, Financial and Opportunity Risks. Wherever necessary, the Company takes adequate insurance coverage of its assets for safeguarding from unforeseen risks.

## **Internal Control System and their adequacy**

The Company has adequate internal control system and well laid-down policies and procedures for all its operations and financial functions. The procedures are aligned to provide assurance for maintaining proper accounting controls, monitoring efficient and proper usage of all its assets and reliability of financial and operational reports. The internal control system is ably supported by the Internal Audit Department which carries out extensive audit of various functions throughout the Company. The Company's Board has an Audit Committee which comprises of three members, all of whom are Independent Directors. The Audit Committee reviews significant findings of the internal audit.

## **Financial Performance**

During the year under review, the Company has achieved Total Revenue of Rs. 43749.69 Lacs as against previous year of Rs. 10000.65 Lacs. The Company has incurred loss of Rs. 35.74 Lacs against previous year loss of Rs. 2562.70 Lacs. Company expects to do better if there is an improvement in overall industrial scenario.

## **Human Resources and Industrial Relation**

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various Human Resource initiatives are taken to align the HR Policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Technical and safety training programmes are given periodically to workers.

Industrial relations in the organization continued to be cordial during the year under review.

**CORPORATE GOVERNANCE REPORT**  
**THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

The Company is in compliance with the requirements stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

**BOARD OF DIRECTORS**

**i) Composition**

The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on 31st March, 2021, the Board comprised four Directors, out of which three are Non- Executive Directors and one Managing Director. Out of three Non-Executive Directors, two (i.e. 66.66%) are Independent Directors and one woman Independent Director.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other.

Details of Directors, categories and attendance records are as under-

Name/Designation of Directors	Executive/ Non Executive/ Independent	No. of Position held in other companies		No. of Board Meetings Attended	Attendance at Last AGM
		Board#	Committee		
Mr. Prem Narain Varshney (Managing Director)	ED	1	Nil	13	Yes
Mr. Abhishek Verma	NED(I)	Nil	Nil	13	Yes
Mrs Pinky Verma	NED(I)	Nil	Nil	13	Yes
Mrs Sangeeta Pandey	NED(I)	Nil	Nil	13	Yes

# excludes directorship in Private Limited Company, Foreign Companies and Section 8 Companies

ED (P) – Executive Director (Promoter)

NED - Non-Executive Director

ED -Executive Director

NED (I) - Non-Executive Director (Independent)

ii) Thirteen Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

23rd June 2020, 30th June 2020, 24th July 2020, 31st July 2020, 02nd September 2020, 05th October 2020, 12th November 2020, 24th December 2020, 30th December 2020, 13th February 2021, 05th March 2021, 12th March 2021 and 19th March 2021

iii) During the year 2020-21, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

iv) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

v) During the year, one meetings of the Independent Directors were held on March 31, 2020. The Independent Directors, *inter-alia*, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

vi) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

vii) The details of the familiarisation programme of the Independent Directors are there in the Company.

**Committees of the Board**

**A. Audit committee**

i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

- ii. The terms of reference of the audit committee are broadly as under:
- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditors’ report thereon before submission to the board for approval.
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Review and monitor the auditors’ independence and performance, and effectiveness of audit process;
  - Examination of the financial statement and the auditors’ report thereon;
  - The audit committee shall review the information required as per SEBI Listing Regulations.
- iii. The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting (“AGM”) of the Company was held on December 30, 2020 and was attended by Mr. Abhishek Verma, who was Chairman of the audit committee in FY 2019-20.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below

Sr. No.	Name	Category	No. of Meetings attended
1.	Mr. Prem Narain Varshney	ED	4
2.	Mr Abhishek Verma	NED (I)	4
3.	Mrs. Sangeeta Pandey	NED (I)	4

NED (I) - Non-Executive Director (Independent)

ED - Executive Director

The meetings of Audit Committee are also attended by Managing Director, CFO, Statutory Auditors as special invitees.

During the year 2020-21, Four Audit Committee Meetings were held on 30th June 2021, 31st July 2021, 12th November 2021 and 13th February 2021. The necessary quorum was present at the meetings.

#### **Nomination and Remuneration Committee:**

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

##### **i) Terms of reference:**

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director’s performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

##### **ii) Composition :**

The Nomination and Remuneration Committee of the Company consists of Non-Executive and Independent Directors.

##### **iii) No. of Meetings held during the year:**

During the year the Committee had 5 meeting i.e. on 30<sup>th</sup> June 2020, 31<sup>st</sup> July , 2020, 12<sup>th</sup> November 2020, 13<sup>th</sup> February, 2021, 12<sup>th</sup> March 2021

##### **iv) Composition, name of Members and attendance during the year:**

Name of the Director	Position	No. of Meetings held in tenure	No. of Meetings Attended
Mrs. Pinky Verma	Member	5	5
Mr. Abhishek Verma	Chairman	5	5
Mrs. Sangeeta Pandey	Member	5	5

Company Secretary was the Compliance Officer during the year under review. He performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board.



He also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws, rules and regulations, and directives of such authorities concerning investor service and complaints.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act. The Committee performs following functions:

- Transfer/Transmission of shares
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialization.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of company's Registrar & Transfer Agent.
- All other matters related to the shares.

During 2019-20 the committee was chaired by Mrs. Sangeeta Pandey. At present the committee comprises of two Non-Executive Directors and one Executive Director. Four meetings were held on 23<sup>rd</sup> June 2020, 31<sup>st</sup> July 2020, 12<sup>th</sup> November 2020 and 13<sup>th</sup> February 2021.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

#### **Disclosures**

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

### **SHAREHOLDERS**

#### **i) Means of Communication**

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance ethics. The Company has demonstrated this commitment by sending its Shareholders a full version of its Annual Report.

The quarterly, half-yearly and annual results of the Company are published in newspapers in India which include "The Pioneer" (English) and "The Pioneer" (Hindi language) both Delhi editions. The results are also displayed on the BSE's website.

**Website:** the company's website [www.rathisteelandpower.com](http://www.rathisteelandpower.com) contains a separate dedicated section "**Investor**" where shareholders information is available. The annual report of the company is also available on the website in a user-friendly and download form.

#### **ii) Compliance Officer**

Company Secretary is the compliance officer for complying with requirement of the Securities Laws and the Listing Agreements with the Stock Exchange.

#### **iii) Insider Trading**

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code on Insider Trading for its Directors, Management and designated Executives. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in securities of the Company. Ms Shobhita Singh (CS) is the Compliance Officer for complying with the said code.

**iv) SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**v) General Body Meetings**

Details of location, time and date of last three Annual General Meetings of the Company were held:-

Year	Venue of Meeting	Date & Time	Special Resolution Passed
2019-2020	Through VC. / OAVM	30 <sup>th</sup> December 2020, 2.00 PM	Yes
2018-2019	The Little Theater Group, Copernicus Marg, New Delhi- 110001	30 <sup>th</sup> October 2019, 10.00 AM	Yes
2017-2018	The Little Theater Group, Copernicus Marg, New Delhi- 110001	29 <sup>th</sup> September, 2018, 10.00 A.M	Yes

No Special Resolution was passed by the Company last year through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

**10. GENERAL SHAREHOLDER INFORMATION**

**i) Annual General Meeting:** Date : 29<sup>th</sup> September 2021  
Day : Wednesday  
Time : 05.00 P.M.

Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)

**ii) Financial Calendar (tentative):**

Board Meeting to take on record	Schedule
Results for the	
* Quarter ending 30 <sup>th</sup> June, 2021	On or before Aug 14, 2021
* Quarter ending 30 <sup>th</sup> September, 2021	On or before Nov 13, 2021
* Quarter ending 31 <sup>st</sup> December, 2021	On or before Feb 14, 2022
* Quarter ending 31 <sup>st</sup> March, 2022	On or before May 30, 2022

**iii) Book Closure Date** : 23<sup>rd</sup> September 2021 to 29<sup>th</sup> September 2021 (Both days inclusive)

**iv) Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on the following Stock Exchange:-

Name & Address of the Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd. Floor 25, P J Towers, Dalal Street, Mumbai - 400 001	504903

**v) Stock Market Data:**

The Equity Shares of the Company are traded at the Bombay Stock Exchange Limited (BSE) only. The performance of the Equity Shares of the Company in comparison to BSE Sensex is given hereunder:-

Month	Share Prices		Closing (Rs.)
	High	Low	
April 2020	2.10	2.10	2.10
May 2020	2.10	2.10	2.10
June 2020	2.10	2.10	2.10
July 2020	2.10	2.10	2.10
August 2020	2.10	2.10	2.10
September 2020	2.10	2.10	2.10
October 2020	2.10	2.10	2.10
November 2020	2.10	2.10	2.10
December 2020	2.10	2.10	2.10
January 2021	2.10	2.10	2.10
February 2021	2.10	2.10	2.10
March 2021	2.10	2.10	2.10

Source: [www.bseindia.com](http://www.bseindia.com)

**vi) Registrar and Share Transfer Agents:**

M/s. Mas Services Limited has been appointed as the Registrar and Share Transfer Agents for the equity shares of the Company in physical and electronic form. Shareholders/Investors can direct all correspondence with regard to share transfer, transmission and change of address etc. at their following address:-

M/s. Mas Services Limited (Unit Rathi Steel).  
T-34, Second Floor,  
Okhla Ind. Area, Phase-II,  
New Delhi- 110020,  
Ph: 011-26387281-82-83  
Fax No. 011-26387384  
Email: info@masserv.com

**vii) Share Transfer System:**

M/s. Mas Services Limited Committee of the Company. The meeting of Share Transfer Committee is held at least once in a fortnight. All the physical share certificates are sent to the transferees subsequent to transfer within the prescribed period.

**viii) Status of Complaints/queries and their redressal as on March 31, 2021:-**

During the year 2020-21, immediate action taken by RTA and Company in respect of the complaints as received by Company and /or RTA and made nil complaints on score site. As on date, no complaints are pending other than those, which are under litigation, disputes or court orders.

**ix) Pending Share Transfers:**

No Share transfers were pending as on March 31, 2021.

**x) Dematerialization of Shares :**

The Company has entered into an agreement with NSDL and CDSL for dematerialization of shares. As on March 31, 2021, a total of 30746692 Equity Shares representing 98.21% of the total paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode. The shares of the Company can be traded in demat mode only.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE336C01016**

**Number of shares held in dematerialized and physical Mode as on 31<sup>st</sup> March,2021**

Particulars	Total Shares	% of Equity
Shares in dematerialized form with NSDL	11673411	37.29%
Shares in dematerialized form with CDSL	19073281	60.92%
Physical	561419	1.79%
<b>Total</b>	<b>31308111</b>	<b>100.00%</b>

**xi) Distribution of Shareholding:**

The distribution of shareholding as on March 31, 2021 was as under:-

Range of Holding	Shareholders Number	%	No. of Shares	%
1 to 5000	10541	80.29%	1614758	5.16%
5001 to 10000	1294	9.86%	1061065	3.39%
10001 to 20000	621	4.73%	948177	3.03%
20001 to 30000	187	1.42%	480661	1.54%
30001 to 40000	106	0.81%	378335	1.21%
40001 to 50000	102	0.78%	482524	1.54%
50001 to 100000	135	1.03%	1002628	3.20%
100001 & above	143	1.09%	25339963	80.94%
<b>TOTAL</b>	<b>13129</b>	<b>100.00%</b>	<b>31308111</b>	<b>100.00%</b>

*(108 Shareholders are common in Physical and Demat Form)*

**xii) Outstanding GDRs/ADRs/Warrants etc:**

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2020.

**xiii) Address for Correspondence:**

Plot No. 24/1, Block A,  
Mohan Cooperative Industrial Estate  
Mathura Road, New Delhi-110044  
Ph: 011- 40512426  
Web Site: www.rathisteelandpower.com

## **OTHER DISCLOSURES**

### **Statutory Compliance**

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets during the last three years.

### **Whistleblower Policy and Vigil Mechanism**

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy.

The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. No personnel of the Company has been denied access to the Audit Committee.

### **Accounting Treatment in preparation of Financial Statements**

The Company has prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act / Companies Act, 1956, as applicable.

### **CEO / CFO Certification**

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31st March, 2021.

### **Mandatory Requirements**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

### **DECLARATION BY THE MANAGING DIRECTOR**

I, Prem Narain Varshney, Managing Director of Rathi Steel and Power Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the Listing Regulations for the year ended 31st March, 2021.

For Rathi Steel and Power Limited

Sd/-

**Prem Narain Varshney**

Managing Director

**DIN: 00012709**

New Delhi

14-08-2021

### **REPORT ON CORPORATE GOVERNANCE**

(In terms of Regulation 34(3) and Schedule V(E) of SEBI (Listing and Obligation and Disclosure Requirements) Regulations, 2015

To

The Members of

**RATHI STEEL AND POWER LIMITED**

We have examined the compliance of conditions of Corporate Governance by RATHI STEEL AND POWER LIMITED ("**the Company**"), for the year ended on March 31, 2021, as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with schedule V of the same

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

In our opinion and according to the information and explanation given to us, the Company has complied with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Sd/-

**Sameer Kishore Bhatnagar**  
Practicing Company Secretary

M. No. 30997

CoP No. 13115

Place: New Delhi

Date: 03.09.2021

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of M/s. RATHI STEEL AND POWER LIMITED**

#### **Opinion**

We have audited the accompanying standalone financial statements of M/s. RATHI STEEL AND POWER LIMITED ('the company'), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Loss, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 judgment, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Emphasis of Matter**

1. We draw attention to note no. 15 to the financial statements regarding the presentation of the same on-going concern basis. The company has incurred a net loss of Rs. 35,73,894.00 during the year ended on March 31, 2021 and as on that date the company's current liabilities exceed its current assets by Rs. 213,23,95,848.00 and company's net worth has been fully eroded. Majority lenders since have assigned Debt to ARCs, Company has approached the ARCs for restructuring of debt for long term revival of the Company in the interest of all its stakeholders and efforts are made as well as to maximize the operating levels / minimize the costs.

Considering the above measures these financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, bankers / ARCs / other lenders and signs of recovery in general economic scenario. Our opinion is not qualified in respect of this matter.

2. Lenders to the Company have since exited the approved CDR scheme in view of defaults made by the Company in meeting its debt obligations as per restructuring scheme approved by CDR EG hence not considered any obligation as current liability. Interests on secured loans have been provided in the books of accounts to the extent provided by the lenders.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements, Management of Company 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 the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

1. Identifies and assesses the risks of material misstatement of the entity's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains 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.
2. Obtains 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 companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concludes 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
6. 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 the auditor identifies during the 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 the auditor's 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matters mentioned in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” and
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial Statements – Refer Note 2 to the Notes to Accounts attached to financial statements;
  - j. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; and
- k. There was no amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Act and rules made there under.

Place: New Delhi  
Dated : 12.08.2021

**For H G & CO.**  
Chartered Accountants  
Firm Registration Number: 013074C  
Sd/-  
**Himanshu Garg**  
(Partner) .  
M. No.: 403482  
UDIN : 21403482AAAAAU5010

**Annexure –A to the Independent Auditors’ Report the Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31st March 2021, we report that: -**

**1. In respect of fixed assets:**

- a. The company has been maintaining details showing full particulars, including quantitative details of fixed assets.
- b. We have been informed that physical verification of fixed assets has been conducted by the management at reasonable intervals and no material discrepancies were noticed by them.
- c. According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in the Financial statements, are held in the name of the company

**2. In respect of inventories:**

According to the information and explanations given to us, the physical verification of inventory (excluding stocks lying with third parties) has been conducted by the management at reasonable intervals. The physical verification of finished goods and raw material has been done on estimation basis, from time to time, due to the nature of the business and the cost involved and discrepancies, if any, were properly dealt with in the accounts. In respect of goods inventory lying with third parties, these have substantially been confirmed by them.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, paragraph 3 (iii) (a), (b), and (c) of the order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investment, given any guarantee or security, secured or unsecured, to any companies, firms or other parties except surety with Sales Tax department for other Companies as covered under section 185 and 186 of the Act over and above the limits prescribed under these sections.
5. The Company has not accepted any deposits from the public and therefore, the directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under do not apply to the Company.

6. As informed to us, the Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
7. (a) The Company has not been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and undisputed amounts of approx. Rs. 13.01 Crores is payable in respect of provident fund, income tax, sales tax, GST, service tax, Excise Duty, Entry Tax, value added tax, cess and other material statutory dues as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the particulars of dues of income tax, excise duty, service tax, value added tax which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Addition in Income	140.00	2009-10 & 2010-11	Income Tax- Appellate Tribunal –New Delhi
	Addition of Cash Credits	578.26	2017-18	Commissioner of Income Tax – Appeals
Central Excise Act, 1944	Excise Duty	317.15	2005-06 to 2007-08	High Court of Odisha
		91.21	2008-09 to 2012-13	Under Appeal with CESTAT
		52.03	2011-12 & 2012-13	Commissioner Appeals Bhubaneswar
		77.21	2006-07	Supreme Court of India
		239.61	2014-15	DGCEI New Delhi
Finance Act, 1994 Service Tax Provisions	Service Tax	21.79	2012-13	Additional Commissioner. Sambalpur / Rourkela
Sales Tax Act of Various States	Sales Tax	13.70	2010-11 to 2013-14	Before Addl. Commissioner , Northern Zone, Sambalpur
		2294.99	1994-95 to 2012-13	Commercial Tax Tribunal, UP
		2290.05	1994-95 to 2016-17	Additional Commissioner Grade-2, Appeal-1, UP
		424.78	2011-22 & 2012-13	Jt. Commissioner, Appeal, Haryana
		810.42	2013-14	Jt. Commissioner, Appeal, Haryana
		438.15	2008-09 to 2010-11	High Court of Odisha
Odisha Entry Tax Act, 1999	Entry Tax	6.02	2005-06 to 2009-10	Commercial Tax Tribunal, Cuttack
		23.75	2008-09 to 2010-11	High Court of Odisha

8. The Company had been defaulting in repayment of dues to banks since 2014-15. The entire outstanding balance has been called by the banks. However, majority lenders i.e. Bank of Baroda, State Bank of India and Dena Bank have assigned debts to ARCs M/s Asset Care and Reconstruction Enterprise Ltd and KVB to JM Financial Asset Reconstruction Company Ltd.
9. According to the information and explanations given to us, during the year the Company has not raised any fresh share capital and term loans and hence clause 3(ix) is not applicable.
10. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required under applicable Accounting Standard.



14. According to the information and explanations given to us and based on our examinations of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under report.
15. According to the information and explanations given to us and based on our examinations of the records, the Company has not entered into non-cash transaction with directors or person connected with them.
16. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of the Clause 3 (xvi) of the order is not applicable to the Company.

**For H G & CO.**  
Chartered Accountants  
Firm Registration Number: 013074C  
Sd/-  
**Himanshu Garg**  
(Partner)  
M. No.: 403482  
UDIN : 21403482AAAAAU5010

Place: New Delhi  
Dated : 12.08.2021

**Annexure-B to the Independent Auditors' Report the Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that: -**

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

We have audited the internal financial controls over financial reporting of Rathi Steel and Power Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls 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 timely preparation of reliable financial information, as required under the Companies Act 2013 ("the Act")

**Auditor's Responsibility**

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitation 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 controls over financial reporting may become inadequate because of the changes in the conditions, or that the degree of compliance with the policies if procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Place: New Delhi  
Dated : 12.08.2021

**For H G & CO.**  
Chartered Accountants  
Firm Registration Number: 013074C  
Sd/-  
**Himanshu Garg**  
(Partner)  
M. No.: 403482  
UDIN : 21403482AAAAAU5010

**RATHI STEEL AND POWER LIMITED**
**CIN L27109DL1971PLC005905**
**BALANCE SHEET AS AT 31 MARCH, 2021**

(Amount in Rupees)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
(a) Property, Plant and Equipment	2	2,080,172,077	2,215,198,024
(b) Capital work - in - progress		15,000	15,000
(c) Financial assets			
(i) Non Current Investments	3	1,570,997	1,570,997
(ii) Other financial assets	4	46,415,859	39,587,359
(d) Other non - current assets	5	38,645,239	38,645,239
Deffered Tax Assests		729,096,639	729,096,639
<b>Total Non- Current Assets</b>		<b>2,895,915,811</b>	<b>3,024,113,258</b>
<b>Current Assets</b>			
(a) Inventories	6	106,431,411	82,864,863
(b) Financial assets			
(i) Trade receivables	7	187,342,196	124,176,563
(ii) Cash and cash equivalents	8	26,355,650	29,385,905
(iii) Other financial assets	9	185,669,093	142,867,782
(c) Other current assets	10	29,723,680	20,872,801
<b>Total Current Assets</b>		<b>535,522,030</b>	<b>400,167,914</b>
<b>TOTAL ASSETS</b>		<b>3,431,437,841</b>	<b>3,424,281,172</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	11	765,048,590	765,048,590
(b) Other Equity	12	(4,708,984,380)	(4,705,410,486)
<b>Total Equity</b>		<b>(3,943,935,790)</b>	<b>(3,940,361,896)</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	4,640,440,566	4,640,440,566
(b) Provisions	14	19,226,203	18,573,818
(c) Other Long Term Liabilites	15	47,788,984	58,267,779
(b) Other non current liability		-	-
<b>Total Non- Current Liabilities</b>		<b>4,707,455,753</b>	<b>4,717,282,163</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	1,777,233,033	1,777,233,033
(ii) Trade payables	17	298,291,839	354,943,403
(b) Other current liabilities	18	589,036,689	511,828,152
(c) Provisions	19	3,356,317	3,356,317
<b>Total Current Liabilities</b>		<b>2,667,917,878</b>	<b>2,647,360,905</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,431,437,841</b>	<b>3,424,281,172</b>

The accompanying Notes are an integral part of the financial statements

 Sd/-  
 Abhishek Verma  
 Director

 Sd/-  
 Shobhita Singh  
 Company Secretary

 Sd/-  
 P.N.Varshney  
 Managing Director

 Sd/-  
 Rakesh Kumar  
 CFO

 As per our Report of even date  
 For H. G. & CO.  
 Chartered Accountants

 Sd/-  
 HIMANSHU GARG  
 (Partner )  
 M. No. 403482  
 UDIN: 21403482AAAAAU5010

 Place : New Delhi  
 Dated : 12.08.2021

**RATHI STEEL AND POWER LIMITED**
**CIN L27109DL1971PLC005905**
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2021**
*(Amount in Rupees)*

Particulars	Note No.	2020-2021	2019-2020
Revenue from operations	20	3,892,170,615	375,346,321
Other income	21	482,497,983	624,718,413
<b>Total Income</b>		<b>4,374,668,598</b>	<b>1,000,064,734</b>
<b>Expenses</b>			
Cost of material consumed	22	3,660,166,029	586,496,541
Purchases of Stock-in-Trade			
Changes in inventories of Finished goods and Work - in -progress	23	2,121,652	87,969,917
Excise Duty on sale of goods			
Employee benefit expense	24	52,184,918	65,316,782
Finance Costs	25	72,290,879	21,509,118
Depreciation & amortization expense		164,909,401	85,013,388
Other Expenses	26	426,569,613	410,028,888
<b>Total Expenses</b>		<b>4,378,242,492</b>	<b>1,256,334,634</b>
<b>Profit before exceptional items &amp; tax</b>		<b>(3,573,894)</b>	<b>(256,269,900)</b>
Add: Exceptional Items		-	-
<b>Profit/(Loss) before tax</b>		<b>(3,573,894)</b>	<b>(256,269,900)</b>
<b>Less: Tax expenses</b>			
(1) Current tax			
of Current year		-	-
of Earlier years		-	-
(2) Deferred tax			
of Current year		-	-
of Earlier years		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit / ( Loss ) after tax</b>	A	<b>(3,573,894)</b>	<b>(256,269,900)</b>
Other Comprehensive Income			
Other Comprehensive Income/ Expenses net of taxes expenses item that will not be reclassified to profit or loss		1,683,973	221,546
Total Other Comprehensive Income for the year	B	1,683,973	221,546
<b>Total Comprehensive Income for the year</b>	(A+B)	<b>(1,889,921)</b>	<b>(256,048,354)</b>

The accompanying Notes are an integral part of the financial statements

 Sd/-  
 Abhishek Verma  
 Director

 Sd/-  
 P.N.Varshney  
 Managing Director

 Sd/-  
 Shobhita Singh  
 Company Secretary

 Sd/-  
 Rakesh Kumar  
 CFO

 As per our Report of even date  
 For H. G. & CO.  
 Chartered Accountants

 Sd/-  
 HIMANSHU GARG  
 (Partner )  
 M. No. 403482  
 UDIN: 21403482AAAAAU5010

 Place : New Delhi  
 Dated : 12.08.2021

**RATHI STEEL AND POWER LIMITED**

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

**Property, Plant and Equipment**

**NOTE - 2**

PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K	
	As at 01.04.2020  (Rs.)	Addition during the year (Rs.)	Sales/ Adjustment (Rs.)	As at 31.03.2021  (Rs.)	Upto 31.03.2020  (Rs.)	Adjustment  (Rs.)	For the Year  (Rs.)	Total Upto 31.03.2021  (Rs.)	As at 31.03.2021  (Rs.)	As at 31.03.2020  (Rs.)
<b>FIXED ASSETS</b>										
Land Freehold	1,889,704	-	-	1,889,704	-	-	-	-	1,889,704	1,889,704
Land Leasehold	49,525,262	-	-	49,525,262	-	-	-	-	49,525,262	49,525,262
Boundary Wall	173,896	-	-	173,896	138,468	-	-	<b>138,468</b>	35,428	35,428
Building	582,928,342	-	-	582,928,342	171,728,359	-	15,558,089	<b>187,286,448</b>	395,641,894	411,199,983
Plant & Machinery	3,977,753,146	39,003,275	196,640,659	3,820,115,762	2,226,602,619	186,808,626	149,162,079	<b>2,188,956,072</b>	1,631,159,690	1,751,150,527
Furniture Fixtures	8,309,168	-	-	8,309,168	7,848,892	-	34,622	<b>7,883,514</b>	425,654	460,276
Office Equipment	5,524,206	476,989	-	6,001,195	5,076,406	-	78,975	<b>5,155,381</b>	845,814	447,800
Vehicles	22,734,745	68,015	-	22,802,760	22,579,328	-	23,838	<b>22,603,166</b>	199,594	155,417
Computers	11,339,918	167,208	-	11,507,126	11,006,291	-	51,798	<b>11,058,089</b>	449,037	333,627
<b>TOTAL</b>	<b>4,660,178,387</b>	<b>39,715,487</b>	<b>196,640,659</b>	<b>4,503,253,215</b>	<b>2,444,980,363</b>	<b>186,808,626</b>	<b>164,909,401</b>	<b>2,423,081,138</b>	<b>2,080,172,077</b>	<b>2,215,198,024</b>
Previous Year	4,633,597,643	26,580,744	-	4,660,178,387	2,359,966,975	-	85,013,388	2,444,980,363	2,215,198,024	
<b>WIP</b>	15,000	-	-	15,000	-	-	-	-	15,000	15,000

3 NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars			As at		As at	
			March 31, 2021		March 31, 2020	
	Face Value	No. of Shares	Value	No. of Shares	Value	
<b>Non Trade Investments</b>						
Quoted						
Equity Instruments (At FVOCI)						
Bank of Baroda	2	635	29,210	635	29,210	
State Bank of India	1	5,180	489,900	5,180	489,900	
Focus Industrial Resources Ltd	10	2,400	20,086	2,400	20,086	
BOB Pioneer PSU Mid Cap - Equity Plan	10	100,000	1,000,000	100,000	1,000,000	
<b>Total Value of Quoted Investments</b>			<b>1,539,196</b>		<b>1,539,196</b>	
<b>Unquoted</b>						
Moradabad Syntex Ltd	10	20000	1	20000	1	
First Financial Services Ltd	10	1,000	10,000	1,000	10,000	
Lynx Traders & Export Ltd	10	3,350	33,500	3,350	33,500	
<b>Total Value of Unquoted Investments</b>			<b>43,501</b>		<b>43,501</b>	
Less : Provision for diminution in Value			11,700		11,700	
			<b>1,570,997</b>		<b>1,570,997</b>	
<b>Fair Market Value of Qouted Investments</b>			<b>3,223,169</b>		<b>1,760,742</b>	
<b>Fair Value of Unqouted Investments (Net of Provision)</b>			<b>31,801</b>		<b>31,801</b>	
<b>Total</b>			<b>3,254,970</b>		<b>1,792,543</b>	
<b>Other Comprehensive Income not to be reclassified to P &amp; L account</b>			<b>1,683,973</b>		<b>221,546</b>	

4 OTHER FINANCIAL ASSETS

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
Security Deposit	46,415,859		39,587,359	
	<b>46,415,859</b>		<b>39,587,359</b>	

5 OTHER NON CURRENT ASSETS

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
Trade Receivable and Advance recoverable in cash or kind or for value to be received				
a ) Unsecured - Considered Good	13,509,489		13,509,489	
b ) Unsecured - Considered Doubtful			-	
Less : Provision for Bad & Doubtful			-	
Others	25,135,750		25,135,750	
	<b>38,645,239</b>		<b>38,645,239</b>	

6 INVENTORIES

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
Raw Material	88,511,992		57,749,915	
Work-in-progress	-		-	
Finished Goods	238,150		2,359,802	
Stores & Spares	14,308,026		20,650,806	
Fuel & Oils	3,373,243		2,104,340	
	<b>106,431,411</b>		<b>82,864,863</b>	

**RATHI STEEL AND POWER LIMITED**  
**CIN L27109DL1971PLC005905**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

<b>7 TRADE RECEIVABLES</b>			
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>March 31, 2021</b>		<b>March 31, 2020</b>
(Unsecured)			
Considered Good	100,365,792		31,207,918
Considered Doubtful	2,714,693		2,497,314
Less: Provision for doubtful Debts	(449,472)		(449,472)
Others	84,711,183		90,920,803
	<b>187,342,196</b>		<b>124,176,563</b>
<b>8 CASH AND CASH EQUIVALENTS</b>			
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>March 31, 2021</b>		<b>March 31, 2020</b>
<b>Balance With Banks</b>			
- On Current account	11,059,764		8,998,450
Cash on Hand	1,884,475		7,828,362
Deposits (Original maturity of less than 3 months.)	11,596,234		11,013,540
Interest accrued on Deposits	1,815,177		1,545,553
	<b>26,355,650</b>		<b>29,385,905</b>
<b>9 OTHER FINANCIAL ASSETS</b>			
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>March 31, 2021</b>		<b>March 31, 2020</b>
Balance with Statutory/ Government Authorities	70,695,646		66,961,401
Trade advances	12,406,864		8,798,009
Less : Provision for doubtful	(337,500)		-337,500
Advance recoverable in cash or kind or for value to be received	95,326,083		66,251,872
Security Deposits	7,578,000		1,194,000
	<b>185,669,093</b>		<b>142,867,782</b>
<b>10 OTHER CURRENT ASSETS</b>			
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>March 31, 2021</b>		<b>March 31, 2020</b>
Prepaid Expenses	682,682		883,921
Advance Income Tax / Tax Deducted At Source	29,040,998		19,988,880
	<b>29,723,680</b>		<b>20,872,801</b>

**11 EQUITY SHARE CAPITAL**

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
<b>Authorized Share Capital</b>				
320,00,000 Equity shares, Rs. 10- par value (31 March 2020: 320,00,000 equity shares Rs. 10- each) (1 April 2019: 320,00,000 equity shares Rs. 10- each)		320,000,000		320,000,000
580,00,000 Redeemable Preferential shares, Rs. 10- par value (31 March 2020: 580,00,000 Redeemable Preferential Shares Rs. 10- each) (1 April 2019: 580,00,000 Redeemable Preferential Shares Rs. 10- each)		580,000,000		580,000,000
		<b>900,000,000</b>		<b>900,000,000</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>				
31308111 Equity shares, Rs. 10- par value fully paid up (31 March 2020: 31308111 equity shares Rs. 10- each) (1 April 2019: 31308111 equity shares Rs. 10- each)		313,081,110		313,081,110
45196748 Redeemable Preferential shares, Rs. 10- par value fully paid (31 March 2020: 45196748 Redeemable Preferential Shares Rs. 10- each) (1 April 2019: 45196748 Redeemable Preferential Shares Rs. 10- each)		451,967,480		451,967,480
		<b>765,048,590</b>		<b>765,048,590</b>

Note ( a ) :The reconciliation of the number of equity shares outstanding at the beginning and at the end of reporting period 31-03-2021:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	31,308,111	313,081,110	31,308,111	313,081,110
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>31,308,111</b>	<b>313,081,110</b>	<b>31,308,111</b>	<b>313,081,110</b>

Note ( b ) :The reconciliation of the number of redeemable preference shares outstanding at the beginning and at the end of reporting period 31-03-2021:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	45,196,748	451,967,480	45,196,748	451,967,480
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>45,196,748</b>	<b>451,967,480</b>	<b>45,196,748</b>	<b>451,967,480</b>

**Note : Terms/rights attached to equity shares**

The Company has issued two class of shares referred to as equity shares and Redeemable Preference Shares. The Equity Shares are having a par value of Rs.10 per share whereas par value for each Redeemable Preference Shares is Rs.10/- .Every holder of Equity Share is entitled to one vote per share in respect of all matters submitted to vote in the shareholders meeting. Redeemable Preference Shares are entitled to one vote per share, in respect of every resolutions placed before the Company which directly affect the rights attached to the shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts, in proportion of their shareholdings. The Redeemable Preference Shares shall become due for redemption after 10 years from the date of issue at a 100 % premium of the issue price. Further Redeemable Preference shares are entitled to cumulative preference dividend of 1% per annum in relation to the paid up capital.

**Note : The details of shareholders holding more than 5% shares in the company :**

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% held	No. of shares held	% held
<b>( A ) Equity Shares</b>				
Archit Securities Private Limited	4,035,223	12.89%	4,035,223	12.89%
DBG Leasing & Housing Limited	3,832,472	12.24%	3,832,472	12.24%
Pradeep Kumar Rathi	7,504,988	23.97%	7,504,988	23.97%
<b>( B ) Redeemable Preferential Shares</b>				
DBG Leasing And Housing Limited	10,346,528	22.89%	10,346,528	22.89%
Archit Securities Private Limited	23,116,220	51.15%	23,116,220	51.15%
Char Investment and Trading Limited	6,454,000	14.28%	6,454,000	14.28%
Lenzing Poly Packs Limited	2,440,000	5.40%	2,440,000	5.40%



**RATHI STEEL AND POWER LIMITED**

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(Rupees )						
		AS AT 31.03.2021		AS AT 31.03.2020		AS AT 31.03.2019
<b>NOTE - 12 OTHER EQUITY</b>						
<b>(i) Reserve &amp; Surplus</b>						
<b>(a) Revaluation Reserve</b>		1,90,25,530.00		1,90,25,530.00		1,90,25,530.00
<b>(b) Capital Reserve</b>		5,21,438.00		5,21,438.00		5,21,438.00
<b>(c) Securities Premium Account</b>						
As Per Last Balance Sheet	1,080,922,699		1,080,922,699		1,080,922,699	
Add: Received during the year	-		-		-	
Balance		1,080,922,699		1,080,922,699		1,080,922,699
<b>(d) General Reserve</b>						
As Per Last Balance Sheet		174,934,316		174,934,316		174,934,316
<b>(e) Retained Earning</b>						
As Per Last Balance Sheet	-5,980,814,469		-5,724,544,569		-4,891,310,934	
(Add)/ Less: Loss for the current year	-3,573,894		-256,269,900		-833,233,635	
<b>Total ( e )</b>	-	-5,984,388,363	-	-5,980,814,469	-	-5,724,544,569
Closing Balance		-4,708,984,380		-4,705,410,486		-4,449,140,586

**13 BORROWINGS**

Particulars	As at		As at
	March 31, 2021		March 31, 2020
<b>Secured</b>			
<b>From Bank / ARC</b>			
Term Loans	2,161,358,606		2,161,358,606
Working Capital Term Loans	1,697,622,627		1,697,622,627
Funded Interest Term Loans	781,417,248		781,417,248
<b>From Others</b>			
Finance / Lease Obligations	42,085		42,085
	<b>4,640,440,566</b>		<b>4,640,440,566</b>

**Notes**

1. Term Loans, Working Capital Term Loans and Funded Interest Term Loans from Banks are secured by :
  - a First Pari- Passu charge on Fixed Assets of the company
  - b Second Pari-Passu charge on Current Assets of the company,
  - c Personal guarantee of Shri Pradeep Rathi and Shri Udit Rathi,
  - d Pledge of Promoter's Equity Shareholdings i.e 51.47%.
  - e First pari-passu mortgage and charge on the immovable properties of the Company situated at Ghaziabad, U P and Sambalpur, Odisha
  - f First pari-passu mortgage and charge on the immovable property in the name of Sh Pardeep Kumar Rathi situated at 112-A, Sector 21, Gurgaon, Haryana
  - g First Charge over Escrow/Trust and Retention Account
  - h Pledge of 2840000 Remeemable Preference Shares held by Sh Pradeep Kumar Rathi and Sh Udit Rathi
2. Vehicle/Equipment Loans are secured by the hypothecation of specific assets purchased under such arrangements.
3. The Company has defaulted in repayment of dues to financial institutions, banks or debenture holders during the year and since previous years.

**14 PROVISIONS**

Particulars	As at		As at
	March 31, 2021		March 31, 2020
Provision for Employee Benefits			
-Gratuity	19,226,203		18,573,818
	<b>19,226,203</b>		<b>18,573,818</b>

**15 OTHER LONG TERM LIABILITIES**

Particulars	As at		As at
	March 31, 2021		March 31, 2020
Unsecured Loans	21,125,000		21,125,000
Sundry Creditors for Capital Goods	6,296,481		16,705,276
Other Term Liabilities	19,210,018		19,280,018
Trade Deposits from Dealers	1,157,485		1,157,485
	<b>47,788,984</b>		<b>58,267,779</b>

<b>16 BORROWINGS</b>			
Particulars	As at		As at
	March 31, 2021		March 31, 2020
<b>Secured From Bank</b>			
Working Capital Facilities (Including L/c Bills Crystallised)	1,764,645,623		1,764,645,623
BG Invoked	12,587,410		12,587,410
	<b>1,777,233,033</b>		<b>1,777,233,033</b>
<b>17 TRADE PAYABLES</b>			
Particulars	As at		As at
	March 31, 2021		March 31, 2020
Trade Payables	298,291,839		354,943,403
	<b>298,291,839</b>		<b>354,943,403</b>
<b>18 OTHER CURRENT LIABILITIES</b>			
Particulars	As at		As at
	March 31, 2021		March 31, 2020
Statutory Dues Payable	202,559,359		142,965,720
Advances From Customers	48,830,817		40,443,613
Other Payable	337,646,513		328,418,819
Current Maturities Of Finance/ Lease Obligations	-		-
	<b>589,036,689</b>		<b>511,828,152</b>
<b>19 PROVISIONS</b>			
Particulars	As at		As at
	March 31, 2021		March 31, 2020
Provisions for Employee Benefits			
- For Bonus	2,863,959		2,863,959
- For Leave encashment	492,358		492,358
Wealth Tax Payable	-		-
	<b>3,356,317</b>		<b>3,356,317</b>

<b>20 REVENUE FROM OPERATIONS</b>		<b>(Amount in Rupees)</b>	
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>	
Sale of Products	3,858,973,483	343,484,574	
		-	
<b><u>Other Operating Revenue</u></b>			
Others Operating Revenue	33,197,132	31,861,747	
	-	-	
	<b>3,892,170,615</b>	<b>375,346,321</b>	
<b>21 OTHER INCOME</b>			
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>	
Interest Income	2,250,125	3,492,517	
Net gain on sale of Fixed Assets	-	-	
Dividend income from equity	-	-	
Job Charges Received	380,794,897	621,144,016	
Provision no longer required, written back	-	-	
License Fees Received	61,000,000	-	
Sundry Balance Written Back (Net)	-	81,880	
Insurance Claims Received	936,001	-	
Bad Debts Recovered	37,516,960	-	
	<b>482,497,983</b>	<b>624,718,413</b>	
<b>22 COST OF MATERIALS CONSUMED</b>			
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>	
Inventory at the beginning of the year	57,749,915	18,085,190	
Add: Purchases during the year	3,690,928,106	626,161,266	
	<b>3,748,678,021</b>	<b>644,246,456</b>	
Less: Inventory at the end of the year	88,511,992	57,749,915	
	<b>3,660,166,029</b>	<b>586,496,541</b>	
<b>23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>			
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>	
<b><u>Inventories at the end of the year</u></b>			
Finished Goods	238,150	2,359,802	
Work In Progress	-	-	
	<b>238,150</b>	<b>2,359,802</b>	
<b><u>Inventories at the beginning of the year</u></b>			
Finished Goods	2,359,802	90,329,719	
Work In Progress	-	-	
	<b>2,359,802</b>	<b>90,329,719</b>	
Differential Excise duty or Increase/(decrease) in Stock	-	-	
Increase/(decrease) in Stock spoiled /damaged stock written off	-	-	
Increase/(decrease) in Stock	<b>2,121,652</b>	<b>87,969,917</b>	

**RATHI STEEL AND POWER LIMITED**

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

<b>24 EMPLOYEE BENEFIT EXPENSES</b>		
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
Salaries, Wages and Bonus	48,921,785	62,026,088
Contribution to Provident and other fund	3,137,862	3,179,722
Staff Welfare Expenses	125,271	110,972
	<b>52,184,918</b>	<b>65,316,782</b>
<b>25 FINANCE COST</b>		
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
Interest on Loans /Financial Charges	-	-
Other Borrowing Costs	-	-
Bank Charges & Processing fess	72,290,879	21,509,118
Interest to Others	-	-
	<b>72,290,879</b>	<b>21,509,118</b>
<b>26 OTHER EXPENSES</b>		
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
<b>A. Manufacturing Expenses</b>		
Consumption of Stores & Spares	121,446,994	146,644,331
Power & Fuel	262,643,004	207,316,808
Conversion Charges Paid	-	-
Repair & Maintenance		
Plant & Machinery	5,052,416	2,606,879
Building	-	229,020
Others	2,801,269	1,650,277
<b>B. Selling Expenses</b>		
Freight Outward	8,452,055	31,188,100
Advertisement and Sales & Promotion Expenses	102,910	43,020
Testing Charges	986,803	690,073
<b>C. Administrative Expenses</b>		
Directors Salary	161,181	368,292
Guest House Maint.Expenses	-	-
Insurance Charges	1,595,614	1,496,458
Legal & Professional Charges	4,436,850	3,262,446
Miscellaneous Expenses	7,060,856	3,320,337
Vehicle Running & Maintenance	185,945	348,804
Postage, Telegram & Telephone	344,987	444,779
Printing & Stationery	294,450	536,265
Rates,Taxes & fee	5,107,183	168,620
Rent	123,643	1,329,600
Security Charges	361,000	1,170,500
Travelling & Conveyance Expenses	5,012,453	6,814,279
Auditors' Remuneration	400,000	400,000
	<b>426,569,613</b>	<b>410,028,888</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2021**

(Rs. in Lacs)

PARTICULARS	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation	(35.74)	(2,562.70)
Adjustments for :		
Depreciation	1,649.09	850.13
Insurance Claim Received	(9.36)	-
Interest/Financial Charges Paid	721.00	-
Bad Debts Recovered	(375.17)	-
Misc. Balance written back	-	(0.82)
Interest income	(22.50)	(34.93)
<b>Operating profit before working capital changes:</b>	<b>1,927.32</b>	<b>(1,748.32)</b>
Adjustments for:		
Increase in Trade receivables	(631.66)	402.47
(Increase)/Decrease in inventories	(235.67)	439.78
(Increase)/Decrease in Loans & Advances and other assets	(584.81)	(600.83)
Increase in Current Liabilities and Other Long Term Liabilities	107.31	1,794.96
Extra Ordinary Items / Bad Debts	-	-
Cash Generated from Operation	582.49	288.06
Less: Income Tax paid (net)	-	-
<b>Net cash from operating activities:</b>	<b>582.49</b>	<b>288.06</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(397.15)	(265.81)
Change in Capital Work in Progress	-	-
Dividend income	-	-
Assets discarded/Scraped	98.32	-
Misc. Balance written back	-	-
Insurance Claim	9.36	-
Bad Debts Recovered	375.17	-
Interest income	22.50	34.93
<b>Net cash used in investing activities :</b>	<b>108.20</b>	<b>(230.88)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Capital	-	-
Receipt of Long Term Borrowings	(0.00)	(0.00)
Payment of Long Term Borrowing	-	-
Increase/(Decrease) in Short Term Borrowing	-	0.01
Increase/(Decrease) in Unsecured loans	-	-
Interest/Financial Charges Paid (including borrowing costs capitalised)	(721.00)	-
<b>Net cash used in Financing activities :</b>	<b>(721.00)</b>	<b>0.01</b>
Net increase/(Decrease) in cash and cash equivalents	(30.30)	57.19
Opening cash and cash equivalents	293.86	236.66
Closing cash and cash equivalents	263.56	293.86

**As per our Report of even date**  
**For H. G. & CO.**  
**Chartered Accountants**

Sd/-  
**Abhishek Verma**  
Director

Sd/-  
**P N Varshney**  
Managing Director

Sd/-  
**HIMANSHU GARG**  
(Partner)  
M. No. 403482  
UDIN: 21403482AAAAU5010

Sd/-  
**Shobhita Singh**  
Company Secretary

Sd/-  
**Rakesh Kumar**  
CFO

PLACE : NEW DELHI  
DATED : 12.08.2021

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

## 1. COMPANY INFORMATION

Rathi Steel And Power Limited (formerly Rathi Udyog Limited) (the Company) is a public limited company incorporated in 1971 and engaged in the business of Steel and Steel related products.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation of Financial Statements:

The financial statements of the company have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under the companies (Accounting Standards) Rules 2015 and Companies (Accounting Standards) Rules 2016, the provisions of Companies Act, 2013, and guidelines issued by the securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR) Amount.

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 of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### b) Use of Estimates:

The preparation of the financial statements is in conformity with Ind AS requires Management to make estimates, judgments and assumptions. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### c) Inventories:

Inventories are valued as per AS-2 (Valuation of Inventories) issued by the ICAI at cost (net of Taxes credit) or net realisable value, whichever is lower. Cost determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and includes, where applicable appropriate overheads. Inventory of Coal have been segregated according to usability at the time of physical verification and are stated at Cost or market price whichever is less.

### d) PROPERTY, PLANT AND EQUIPMENT

#### Tangible Fixed assets and depreciation accounting:

Tangible Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation /amortization /impairment. The cost of fixed assets includes freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowings cost directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Interest on loans and other financial charges in respect of qualifying assets and expenditure incurred on startup and commissioning of the project and or substantial expansion, including the expenditure incurred on Trial Runs up to the date of commencement of commercial production are capitalized.

Leasehold land has been revalued as on 31<sup>st</sup> March, 1992.

### e) Depreciation

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as per Straight Line Method (SLM). Depreciation on additions/deductions has been calculated on day-to-day basis. Depreciation has been provided on Orissa unit assets for 10 months as operation re-started from June 2020. Plant & Machinery commissioned / installed during 1972-73 to 1998-99 at Ghaziabad unit has been depreciated 95% as at the end of this year and remaining as residual value of 5% also has been charged to scrap account, thus the Plant & Machinery of the said period stands fully depreciated at the end of year.

#### **f) Revenue Recognition**

Sales comprises of sales of goods and services but net of sales returns and taxes.  
Interest income is accounted for on accrual basis.  
Dividend income is accounted for on receipt of payment.  
Job Charges / Conversion charges received are recognised at net of taxes.  
License Fees Received on confirmation from third party ARC.

#### **g) Investments**

Trade Investments are the investments meant to enhance the company's interest. Investments are classified as current or non-current based on the management's intention at the time of investment. Long-term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such a decline is permanent in nature.

#### **h) Impairment of Assets**

At each Balance Sheet date, the company reviews the carrying amounts of assets to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable amount is estimated, at the higher of realizable value and value in use, as considered appropriate. If the estimated recoverable amount is less than the carrying amount, an impairment loss is recognized in the statement of Profit and Loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the assets belongs. As per assessment conducted by the company as at March 31, 2021, there were no indications that the fixed assets have suffered an impairment loss.

#### **i) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged revenue.

#### **j) Current Tax and Deferred Tax:**

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

In accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, the deferred tax liability for timing differences between book profits and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of Balance Sheet date. Deferred Tax Assets are recognized with regard to all deductible timing difference to the extent that it is probable that taxable profit will be available against which deductible timing difference can be utilized. When the company carries forward accumulated losses and unabsorbed depreciation, deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized.

#### **k) Trade Receivables**

Trade receivables represents amount billed to customers as credit sales and are net off any amount billed but for which revenues are reversed under the different accounting standard and impairment for trade receivables which is estimated for amount not expected to be collected in full.

#### **l) Retirement benefits**

Actual liability for gratuity is provided in respect of eligible employees. Other employees' benefits are accounted for as per Company's policy.

#### **m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates. Contingent Assets are not recognized in the financial statements.

**n)** The amount of Stores consumed during the financial year includes the value of stores issued for repair and maintenance.



## **NOTES ON ACCOUNTS:**

### **1. COMMITMENTS:**

Estimated amount of Contracts remaining to be executed on capital account-Rs.NIL (Rs.NIL)

### **2. CONTINGENT LIABILITIES:**

#### **A. No provision has been made for:**

- a. Outstanding effective Bank Guarantees and Counter Guarantees given by the Company Rs.40,17,112/- (Rs.40,17,112/-).
- b. Outstanding Letter of Credit Rs. -NIL-(Rs.NIL)
- c. VAT/Sales Tax liability for various years in respect of which either the Company or the department has filed appeals with higher authority amounting to Rs.63,01,85,388/-.Most of the demands have been stayed by concerned authorities and the Company is Confident to get relief and chances of any liability is very remote.
- d. Excise/Service tax cases pending with various statutory authorities being disputed principal amount Rs.7,98,99,193/- (Rs.7,98,99,193/-).The Company is Confident to get relief and chances of any liability is very remote.
- e. Civil/Recovery suits and Labour cases pending against the Company not acknowledged as debt –Rs.16,02,55,612/- (Rs.14,87,67,911/-).
- f. As per Gas Sales Agreement between GAIL and Company, demand in relation to annual take on pay deficiency as raised by GAIL amounts to Rs. 179.36 Crores till March 2021. Company has disputed the same on numerous occasions and is in dialogue with concerned authorities to resolve the same. The Company does not foresee any liability on this front.
- g. WESCO utility, Orissa has raised a demand of Rs.1.24 Crores towards electricity bills charges for the period up to October 2014 which has been disputed by the Company. Office of the Ombudsman-II,OERC vide its order dated 11.04.2016 has directed the WESCO to revise its demand which is still awaited.

#### **B. Income Tax and Sales Tax Assessments:**

- a. (i) While completing the block assessment, assessing officer has made additions of Rs. 1,40,00,000/ in AY 2011-12 and accordingly reduced the carry forward losses to that extent. Though no demand has been raised on account of such adjustment.  
(ii) Addition of Rs.5,65,23,941/ was also made by AO in AY 2017-18 of Cash credits including cash deposited during demonetization period and has raised demand of Rs.5,78,26,377/-. However, the Company has disputed these orders and filed Appeals before the appellate authorities. The company is quite confident to get the additions dismissed.
- b. Additional liability, if any, in respect of pending assessments / appeals of Income Tax, would be provided for on completion of assessments / disposal of appeals.
- c. Additional demand, if any, in respect of pending assessment of Sales Tax/ VAT/Entry Tax would be known only on completion of the assessments.

### **3. Segmental Reporting:**

The business activity of the company falls within one broad segment viz Steel. Hence the disclosure requirement of Accounting Standard-17 of “Segment Reporting” issued by the Institute of Chartered Accounts of India is not given.

### **4. FOREIGN CURRENCY TRANSACTIONS:**

#### **Expenditure in Foreign Currency:**

- a. Raw material purchase (CIF) Rs. 1,38,12,836/- (Rs. NIL/-)
- b. Capital Goods (CIF) – Rs.20,16,018/- (Rs.15,51,657/-).
- c. Stores Purchased(CIF)-Rs.55,88,370/- (Rs.2,12,92,732/-)

#### **Earning in Foreign Currency(FOB):**

Finished goods sale Rs. Nil (Rs. Nil).

#### **Details of Consumption of Imported and Indigenous items**

Rs. in lacs

Particulars	Imported				Indigenous			
	2020-21	%	2019-20	%	2020-21	%	2019-20	%
Materials	138.13	0.38%	NIL	NIL	36463.53	99.62%	5864.97	100 %
Stores and Spares	55.88	4.60%	212.93	14.52%	1158.59	95.40%	1253.51	85.48%

**5. Payment to Auditors:**

- Audit Fee – Rs.4,00,000 (Rs.4,00,000).
- Fee for Limited Review – Rs. NIL (Rs.1,00,000).
- Out of Pocket Expenses-Rs.NIL(Rs.15000).

- Sundry debtors, advances, creditors & other liabilities include inter parties transfers and are subject to confirmation and consequent adjustments. In the opinion of the Board of Directors, the current assets and loans & advances except doubtful in nature would realize at least the amount at which these are stated in the Balance Sheet. For doubtful debts, the Board of Directors is very much hopeful for their recovery. Therefore, no provision has been made.
- Due to financial stress Company could not pay the ROC fee for increase in authorized share capital during the financial year 2014-15, However, Company has submitted due MGT-7 (AR) and AOC-4 (BS) with Registrar of Companies till FY 2019-20.
- Interest/Penalty, if any on delayed payments of statutory dues (Excise, GST, PF/ESI etc.) will be provided for as and when ascertained/determined by the concerned authority.
- Other payables include amount of Rs.6.41 lacs, the party had filed the cases in the court claiming in terms of the MSME Act. Since the case is settled now and dues are cleared as per MOU submitted to court.
- The MSME status of creditors is not known to the Company, e information is not given.
- During the previous years in order to keep the Ghaziabad unit operational, Company had started doing job work in rolling mills and steel melting shop for other parties. However, in the present year, the company has started it's own operations partly at Ghaziabad and further during the year under report, operations at Orissa unit re-started under license/management agreement signed between Asset Reconstruction Company and third party.
- Lenders to the Company have since exited the approved CDR scheme in view of defaults made by the Company in meeting its debt obligations as per restructuring scheme approved by CDR EG hence not considered any obligation as current liability.
- Majority of the lenders (BOB, SBI, Dena Bank, KVB) have since assigned the debt to ARCs namely M/s Assets Care and Restructuring Enterprises Ltd, (ACRE TRUST-78 &55) and Company has approached the ARCs for restructuring of debt for long term revival of the Company in the interest of all its stakeholders.

**14. Earnings Per Share (EPS):**

Earnings per Share (EPS) – the numerators and denominators used to calculate earnings per share: -

Particulars	Year Ended on 31.03.2021	Year Ended on 31.03.2020
Profit/(Loss) attributable to the Equity Shareholders (Rs.)(A)	(3573894)	(256269900)
Profit/(Loss) Cash attributable to the Equity Shareholders (Rs.) (B)	161335507	(171256512)
Weighted average number of Equity Shares Outstanding during the year (C)	31308111	31308111
Nominal Value of Share (Rs.)	10	10
Earnings Per Share (Rs.) (A)/(C )	5.15	(5.47)
Earnings Per Share (Cash) (Rs.) (B)/(C)	5.15	(5.47)

- The company has incurred a net loss of Rs.35,73,894.00 during the year ended on March 31, 2021 and as on that date the company's current liabilities exceed its current assets by Rs.213,23,95,848.00 and company's net worth has been fully eroded. Company is making all efforts to initiate an alternative resolution plans by restructuring the debt as well as to maximise the operating levels/minimize the costs.

Majority lenders since have assigned the debt to ARC namely M/s Assets Care and Restructuring Enterprises Ltd, (ACRE TRUST-78& 55), Company has approached the ARCs for restructuring of debt for long term revival of the company. Considering the above measures these financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, bankers / other lenders and signs of recovery in general economic scenario.

Surety given for others, amount not ascertained as company has not maintained any such records

#### 16. Related Party Disclosure:

In accordance with Accounting Standard (AS-18) on related party disclosure, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship identified, are given below:

a) **Individuals**

- b) Key Managerial Personnel  
Shri P.N. Varshney  
Smt. Shobhita Singh  
Shri Shyam Bageshara  
Shri Rakesh Kumar Verma

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

Particulars	(Rs)	
	Key Managerial Personnel	Individuals
Paid for rendering of services	1434700.00	NIL

17. Surety given for others, amount not ascertained as company has not maintained any such records

18. Previous year figures have been regrouped or recast wherever necessary.

As per our Report of even date  
**For H.G. & Co.**  
**Chartered Accountants**  
Firm Registration Number: 013074C

Sd/-  
**Abhishek Verma**  
Director

Sd/-  
**P N Varshney**  
Managing Director

Sd/-  
**Himanshu Garg**  
Partner  
M. No. 403482  
UDIN: 21403482AAAAAU5010

Sd/-  
**Shobhita Singh**  
Company Secretary

Sd/-  
**Rakesh Kumar**  
CFO

Place: New Delhi  
Dated: 12.08.2021