

# SHRI RATHI STEEL (DAKSHIN) LTD.

CIN-U74899DL1992PLC050960

## NOTICE OF 29<sup>th</sup> ANNUAL GENERAL MEETING

Corporate Office : A-29, Sector-65, Noida-201301  
Tel.: 0120-4744644  
E-mail : career@shrirathigroup.com  
Works : SP-A-1, RIICO Industrial Area, Khushkhara,  
Bhiwadi, Distt-Alwar (Rajasthan)-301 017  
Ph.: 01493-250537, 513560-3  
Fax : 01493-250536  
E-mail : accounts-dakshin@shrirathigroup.com

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting (AGM) of the members of **Shri Rathi Steel (Dakshin) Limited** ("the Company") will be held on Tuesday, the 30<sup>th</sup> November 2021 at the Registered Office of the Company at Flat No. J-1/202, DDA Flats, Kalkaji, New Delhi - 110019 at 11:30 a.m. to transact the following business:

### A. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31 March 2021 together with Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

"RESOLVED THAT the audited financial statements (Standalone and Consolidated) of the Company for the financial year ended 31 March 2021 together with the reports of the Board of Directors and Auditors thereon, be and are hereby considered and adopted".

2. To consider appointment of Mr. Dhruv Rathi (DIN 00072762), who retires by rotation and being eligible, offers himself for re-appointment in place of and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Dhruv Rathi (DIN: 00072762), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.

### B. SPECIAL BUSINESS:

3. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2021-22.

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a "Ordinary Resolution".

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of INR 85000/ (Rupees Eighty Five Thousand)

ISO 9001, 14001-2015



TEMPCORE  
(CEM Belgium)



Anil Rathi

plus GST and out of pocket expenses payable to M/s. M.K. Singhal & Company, Cost Accountants (FRN.:00074) who have been appointed as Cost Auditors of the Company by the Board of Directors in their meeting held on 17/05/2021 to conduct cost audit of the cost records of the Company for the financial year 2021-22 be and is hereby ratified."

**FOR & ON BEHALF OF THE BOARD**  
**SHRI RATHI STEEL (DAKSHIN) LIMITED**

*Anil Rathi*

Anil Rathi **DIRECTOR**

Director

DIN: 00072761

Place: Delhi

Date: 25th November 2021

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**NOTES:**

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED AT THE END OF THE NOTICE.
2. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.
3. Members desiring any information/clarification on the Accounts are requested to write to the Company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.
4. Documents referred to in the Notice and Explanatory Statement, are open for inspection by the member at the registered office of the Company at all working days (Monday to Friday) between 11:30 A.M. and 02:00 p.m. up to the date of Annual General Meeting and will also be available for inspection at the meeting.
5. All correspondence relating to shares may be addressed to the registered office of the company.
6. Members/Proxies are requested to bring their copy of AGM Notice to the Meeting and attendance slip duly signed to avoid inconvenience.
7. Members are requested to notify the company their change of address, if any, to Registered Office of the Company.
8. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special businesses at item no. 3 is enclosed.
9. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by attendance slip, which is enclosed with this notice. Members are requested to sign at the place provided on the attendance slip and hand it over at the registration counter of the venue.

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rath

DIRECTOR

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## EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

### Item No. 3

In accordance with the provisions of section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to appoint a cost auditor to audit the cost records of the Company.

On recommendation of the Audit Committee at its meeting held on 17/05/2021 the Board of Directors in their meeting held on 17/05/2021, approved the appointment of M/s M.K. Singhal & Co.(FRN: 00074 ) as Cost Auditors of the Company for the financial year 2021-22 at a remuneration of INR 85000/- (Rupees Eighty-Five Thousand) plus GST and out of pocket expenses, if any, in connection to the cost audit. The remuneration of the Cost Auditor is required to be ratified subsequently in accordance to the provisions of the Act, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, the Directors recommend the Ordinary Resolution as set out in the Notice for the approval of the Members of the Company.

None of the Directors or the Key Managerial Personnel or their relatives, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice of the Company.

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rath

DIRECTOR

**ATTENDANCE SLIP**

29<sup>th</sup> Annual General Meeting, Tuesday, the 30<sup>th</sup> November 2021 at 11:30 a.m.

Folio No.	
No. of Shares	

Name & Address of Shareholder / Proxy holder

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I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company on Tuesday, the 30<sup>th</sup> November 2021 at 11:30 a.m at Flat No. J-1/202, DDA Flats, Kalkaji, New Delhi - 110019.

Member's / Proxy's Signature

*Note: Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall*

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

DIRECTOR

**PROXY FORM**

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**29<sup>th</sup> Annual General Meeting, Tuesday, the 30<sup>th</sup> November 2021 at 11:30 a.m**

CIN	U74899DL1992PLC050960
Name of the company	<b>Shri Rathi Steel (Dakshin) Limited</b>
Registered office	Flat No J-1/202, DDA Flats, Kalkaji Delhi-110019

Name of the member(s)	
Registered address	
Email Id	
Folio No.	
DP ID	

I/We \_\_\_\_\_ being a Member/Members of Shri Rathi Steel (Dakshin) Limited. hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ as my /our Proxy to attend for me / us and on my / our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on **Tuesday, the 30<sup>th</sup> November 2021 at 11:30 a.m** at Flat No. J-1/202, DDA Flats, Kalkaji, New Delhi - 110019 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Sl.No	Ordinary Business	For ( Approved)	Against(Rejected)
1	To receive, consider and adopt the audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31 March 2021 together with the report of board & auditors thereon.		
2	To appoint a director in place of Mr. Dhruv Rathi (DIN: 00072762), who retires by rotation and being eligible, offers himself for re-appointment		
<b>Special Business</b>			
3.	To ratify the remuneration of Cost Auditors for the financial year 2020-21.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021  
 Signature of Member \_\_\_\_\_  
 Signature of proxy holder \_\_\_\_\_

Affix Re.1/-  
Revenue  
Stamp

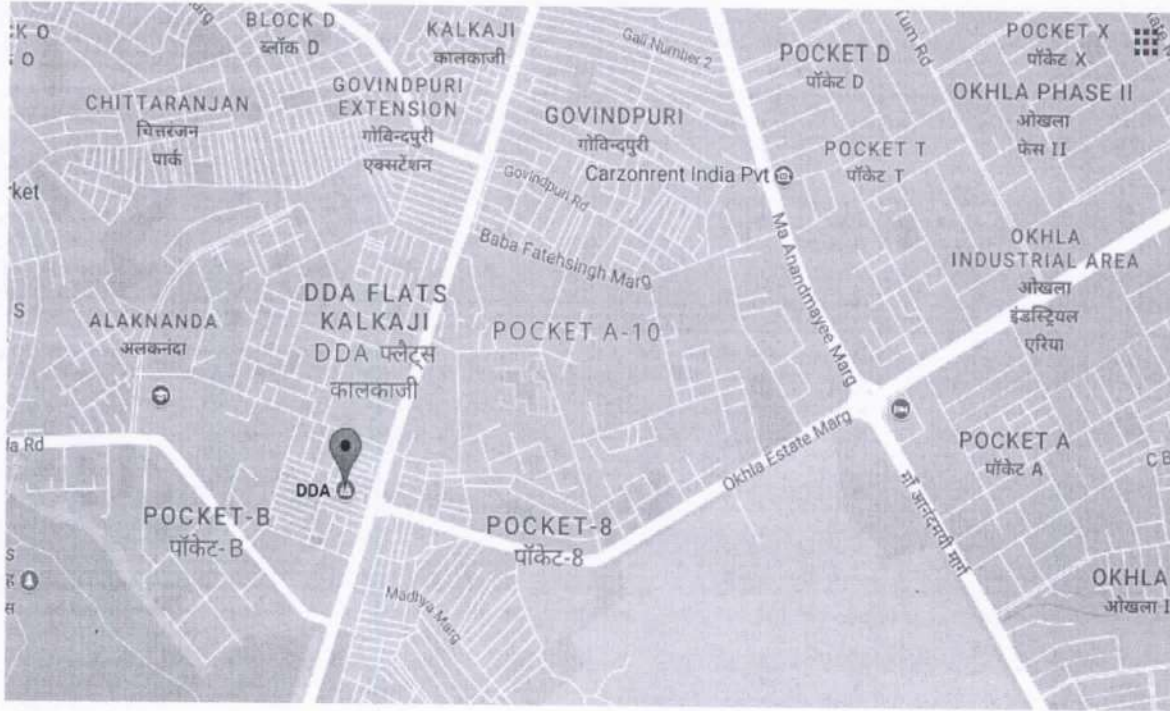
- Note:
- The proxy form should be signed by the member across the stamp.
  - A member intending to appoint a proxy should complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the meeting.
  - \*It is optional to put "X" in the appropriate column against the resolution indicated in the box.

SHRI RATHI STEEL DAKSHIN LTD

Anil Rathi

DIRECTOR

**ROUTE MAP FOR VENUE OF 29<sup>th</sup> ANNUAL GENERAL MEETING**



- **SHRI RATHI STEEL (DAKSHIN) LIMITED**  
(FLAT NO. J-1/202, DDA FLATS, KALKAJI,  
NEW DELHI - 110019)

*Anil Rathi*

DIRECTOR

## DIRECTOR'S REPORT

### TO THE MEMBERS OF SHRI RATHI STEEL (DAKSHIN) LIMITED

The Board of Directors has pleasure in presenting the 29 Annual Report, which *inter alia* includes the Board's Report, on the business and operations of Shri Rathi Steel (Dakshin) Limited ('the Company') along with the summary on the Financial Statement of the Company for the Financial Year ('FY') ended 31 March 2021.

#### 1. BACKGROUND OF THE COMPANY

Shri Rathi Steel (Dakshin) Limited was incorporated as a Private Limited company vide Certificate of Incorporation No U74899DL1992PLC050960 dated 13.11.1992 issued by the Registrar of Companies, NCT of Delhi & Haryana (ROC), in the name of **Baldev Financial Services Private Limited**. Later, the name of the Company was changed to **Shri Rathi Steel (Dakshin) Private Limited** vide a new certificate of incorporation dated 10.05.2006 received from the ROC and the name was further changed to **Shri Rathi Steel (Dakshin) Limited** and fresh certificate of incorporation was duly received dated 30.06.2008 from the ROC.

The Company is presently engaged in the business to set up steel furnaces and continuous casting and rolling mill/plant for producing steel and alloy steel ingots, steel and alloy steels billets and all kinds and sizes of re-rolled sections, i.e. flats, angles, rounds, squares, hexagons, octagons, rails, joints, channels, steel strip, sheets, plates, deformed bars, plain and cold twisted bars, bright bars, shafting and steels structural and other allied activities.

#### 2. FINANCIAL RESULTS

The Company's financial performances for the financial year ('FY') under review along with previous year's figures are given hereunder:

##### Standalone

Particulars	31 March 2021	31 March 2020
<b>Income</b>		
Revenue from operations	3,82,32,19,976	4,20,82,80,020
Other Income	44,30,622	1,65,86,128
<b>Total Revenue</b>	<b>3,82,76,50,598</b>	<b>4,22,48,66,148</b>
<b>Expenses:</b>		
Cost of materials consumed	3,07,89,03,464	3,76,93,19,145
Purchase of Stock-in-Trade	44,60,79,229	1,58,51,805
Changes in inventories of finished goods, Stock in Trade		

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

DIRECTOR

SHRI RATHI STEEL DAKSHIN LTD.

S. J. K.

DIRECTOR



	(6,24,91,776)	1,58,29,664
Employee benefit expense	2,78,90,555	3,22,80,580
Financial costs	2,96,67,731	3,41,86,996
Depreciation and amortization expense	2,71,50,575	2,22,03,157
Other expenses	26,79,16,769	31,92,42,759
<b>Total Expenses</b>	<b>3,81,51,16,547</b>	<b>4,20,89,14,106</b>
Profit before exceptional and extraordinary items and tax	1,25,34,051	1,59,52,042
Exceptional Items		
a) Profit / Loss on Sale of Fixed Assets	7,73,839	(3,21,431)
b) Payment on Long term agreement terminated.	(1,00,33,302)	-
Profit before Tax	<b>32,74,588</b>	<b>1,56,30,611</b>
Tax expense:		
(1) Current Income tax	27,33,700	43,01,304
(2) Deferred tax	(58,97,299)	(3,24,849)
(3) Excess provision written back	2,45,331	(30,26,637)
Profit(Loss) for the period from continuing operations	<b>61,92,856</b>	<b>1,46,80,792</b>
Earning per equity share:		
(1) Basic	2.12	5.01
(2) Diluted	2.12	5.01

### Consolidated

Particulars	31 March 2021	31 March 2020
<b>Income</b>		
Revenue from operations	3,82,32,19,976	4,20,82,80,020
Other Income	44,37,500	1,65,92,758
<b>Total Revenue</b>	<b>382,76,57,476</b>	<b>428,32,88,595</b>
<b>Expenses:</b>		

SHRI RATHI STEEL DAKSHIN LTD. SHRI RATHI STEEL DAKSHIN LTD.

Anil Rath

DIRECTOR

DIRECTOR

Cost of materials consumed	3,07,89,03,464	3,76,93,19,145
Purchase of Stock-in-Trade	44,60,79,229	1,58,51,805
Purchase of Stock-in-Trade on account of consolidation of Foreign Wholly owned Subsidiary	61,46,700	5,60,06,342
Changes in inventories of finished goods, Stock in Trade	(6,24,91,776)	1,58,29,664
Employee benefit expense	2,78,90,555	3,22,80,580
Financial costs	2,96,67,731	3,41,86,996
Depreciation and amortization expense	2,71,50,575	2,22,03,157
Other expenses	26,84,37,189	31,98,51,899
<b>Total Expenses</b>	<b>382,17,83,667</b>	<b>426,59,18,518</b>
Profit before exceptional and extraordinary items and tax	58,73,809	1,73,70,077
Exceptional Items		
a) Profit / Loss on Sale of Fixed Assets	7,73,839	(3,21,431)
b) Payment on Long term agreement terminated.	(1,00,33,302)	-
Profit before Tax	<b>(33,85,654)</b>	<b>1,70,48,646</b>
Tax expense:		
(1) Current Income tax	27,33,700	43,01,304
(2) Deferred tax	(58,97,299)	(3,24,849)
(3) Excess provision written back	2,45,331	(30,26,637)
Profit(Loss) for the period from continuing operations	<b>(4,67,386)</b>	<b>1,60,98,828</b>
Earning per equity share:		
(1) Basic	(0.16)	5.50
(2) Diluted	(0.16)	5.50

SHRI RATHI STEEL DAKSHIN LTD. SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

DIRECTOR

DIRECTOR

### 3. TRANSFER TO GENERAL RESERVES

The Company proposes to transfer an amount of INR 2,500,000 (Rupees Twenty-Five Lakhs Only) to the general reserve. Kindly refer note 3 to the financial statement as at 31<sup>st</sup> March 2021.

### 4. FINANCIAL PERFORMANCE & OPERATION REVIEW

The total revenue from operations during the FY under review is INR 3,82,76,50,598 (Rupees Three Hundred Eighty-Two Crore Seventy-Six Lakh Fifty Thousand Five Hundred Ninety-Eight Only) and after meeting all the expenses, the Company has made a PAT of INR 61,92,856 (Rupees Sixty -One Lakh Ninety -Two Thousand Eight Hundred Fifty-Six Only).

### 5. CORPORATE VISION

- The Directors remain confident that strong demand across various housing segments and tremendous demand from infrastructure sector would keep driving future of the sector, in which your company operates and we shall remain motivated to scale up for growth and minimize cost for higher profits.
- The environmental concerns in NCR region have been escalated in the recent past with judicial interference, temporarily effecting demand of our products, which is likely to be addressed with innovative technologies from the relevant sector.
- The Company aims to create niche identity for itself among industry and is desirous to sell its privately held brands viz. Eurotherm 500, Seven Star (used by the company with its Associate Company and Mera Steel) under various housing projects schemes like Pradhan Mantri Awas Vikas Yojna and other schemes in Infrastructure sector.

### 6. INDUSTRIAL RELATIONS

The Company's focus continues towards propagating proactive and employee centric practices. In order to develop skills and foster togetherness at the workplace, multiple training and engagement programs were rolled out. These training programs covered a wide range of topics, including Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools, Total Productive Maintenance, Dexterity, skill building programs and Technical Training.

Significant emphasis has also been put on creating awareness about health and wellness of employees.

Proactive and employee-centric shop floor practices, a focus on transparent communication of business goals, an effective concern resolution mechanism, and the company belief that employees are the most valuable assets of the Company, are the cornerstone of the Company's employee relations approach. A constant dialogue to create win-win situations, have helped the Company to build trust and harmony. The Industrial Relations scenario continued to be largely positive across all the Manufacturing locations.

### 7. SAFETY, OCCUPATIONAL HEALTH AND ENVIRONMENT

The Safety & Occupational Health of its employees is embedded as part of the organizational core values of the Company and imparts training on Safety, Sustainability & Prevention of Sexual Harassment to all its employees.

### 8. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the financial year under review, there was no change in the nature of business of the Company.

SHRI RATHI STEEL DAKSHIN LTD. SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

DIRECTOR

DIRECTOR

## 9. SHARE CAPITAL

- ❖ There were no changes in the share capital of the Company during the year under review.
- ❖ The authorised capital of the Company is INR 3,00,00,000 /- (Rupees Three Crores Only) divided into 30,00,000 (Thirty Lacs) equity shares of INR 10/- (Rupees Ten Only) each.
- ❖ The subscribed and paid-up capital of the Company is INR 2,92,78,600 (Rupees Two Crores Ninety Two Lakhs Seventy Eight Thousand Six hundred Only) divided into 29,27,860 (Twenty Nine Lacs Twenty Seven Thousand Eight Hundred Sixty) equity shares of INR 10/- (Rupees Ten Only) each.

### a. Buy Back of Securities

The Company has not bought back its securities, during the year under review.

### b. Sweat Equity

The Company has not issued Sweat Equity Shares, during the year under review.

### c. Bonus Shares

No bonus shares were issued, during the year under review.

### d. Employees Stock Option Plan

The Company has not provided Stock Option Scheme to the employees, during the year under review.

### e. Shares with Differential Rights

The Company has not issued any Equity shares with Differential Rights, during the year under review.

## 10. DIVIDEND

The overall performance of the Company has been satisfactory during the financial year under review. The Company sees growth prospects and in order to capitalize on the opportunities the management do not recommend payment of dividend to the members.

## 11. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 ('the Act') do not apply to the company in the financial year under review, as there was no dividend declared and paid during the previous year.

## 12. DEPOSITS FROM PUBLIC

During the year under review the Company has not invited, or accepted any deposits from public, which falls within the meaning of Section 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the accompanying balance sheet.

SHRI RATHI STEEL DARSHIN LTD.

Anil Rathi

DIRECTOR

SHRI RATHI STEEL DARSHIN LTD.

DIRECTOR

### 13. WEBLINK FOR ANNUAL REPORT

Pursuant to Section 92(3) and Section 134(3)(a) of the Act, the Company has placed a copy of the Annual Return as at 31 March 2021 on its website at [www.shrirathigroup.com](http://www.shrirathigroup.com). By virtue of amendment to Section 92(3) of the Act, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

### 14. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### ❖ Board Diversity

The Board consists of appropriate balance of executive and non-executive directors including Independent Directors, Company Secretary & Chief Financial Officer (CFO). As at the date of this report, following Directors & KMPs are there on the board:

Sr. No.	Name of the Director/KMP	Designation
1	Mr. Anil Rathi, Mr. Dhruv Rathi and Mr. Gopal Rathi	Executive Directors
2	Mr. Ajay Kumar Malhotra	Non - Executive Director
3	Mrs. Jyoti Singhal and Mr. Arpit Mittal	Independent Directors

The members of the Board possess wide and varied experience in their respective practice areas. Based on the terms of the appointment, executive director, non-executive and non-independent Directors are subject to retirement by rotation. Mr. Dhruv Rathi who was appointed on 08 August 2003, is liable to retire by rotation in the current term and being eligible seeks re-appointment. The Board recommends his re-appointment.

The Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of Independent Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

Your Company has adopted the Policy for remuneration of the Directors, Key Managerial Personnel and other employees.

The policies copy mentioned above are available on the website of the company and can be accessed at the web link <https://www.shrirathigroup.com/other> and are also duly attached as **Annexure -I** and form part of this Report.

#### ❖ Number of Board Meeting and attendance of Board

The Board of Directors met ten times during the year on the below given dates and the intervening gap between any two board meetings was within the period prescribed by the Act.

SHRI RATHI STEEL DAKSHIN LTD. SHRI RATHI STEEL DAKSHIN LTD.  
Anil Rathi  
DIRECTOR DIRECTOR

Name of Director	Date of board meetings									
	13/04/2020	06/05/2020	12/08/2020	13/10/2020	26/10/2020	25/11/2020	07/12/2020	21/12/2020	28/12/2020	18/02/2021
Mr. Anil Rathi	√	√	√	√	√	√	√	√	√	√
Mr. Gopal Rathi	√	√	√	√	√	√	√	√	√	√
Mr. Dhruv Rathi	√	√	√	√	√	√	√	√	√	√
Mr. Ajay Kumar Malhotra	x	x	√	√	√	√	√	√	√	√
Mrs. Jyoti Singhal <sup>2</sup>	√	√	√	√	√	√	√	√	√	√
Mr. Arpit Mittal	√	√	√	√	√	√	√	√	√	√
<b>Notes:</b> (√) represents present at the meeting (x) signifies absence from the meeting										

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India ('ICSI') on board meetings & general meetings to the extent of their applicability on the Company.

#### ❖ Directors' Appointment and Remuneration Policy

The appointment and remuneration of Directors is governed by the Nomination and Remuneration Policy of your Company, which also contains the criteria for determining qualifications, positive attributes and independence of Directors and other matters provided under Sub-section (3) of Section 178 of the Act is strictly adhered to.

#### ❖ Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

All Independent Directors have affirmed compliance to the code of conduct for independent directors as prescribed in Schedule IV to the Act.

#### ❖ Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year

In the opinion of the board all the Independent Directors fulfill the conditions relating to their status as Independent Director as specified under Section 149 of the Companies Act 2013 and Rule made thereunder.

Your company has undertaken the requisite steps for inclusion of names of Independent Directors in the data bank maintain by the Indian Institute of Corporate Affairs ("IICA"). Accordingly, all Independent Directors of the Company have registered themselves with IICA for the said purpose.

SHRI RATHI STEEL DAKSHIN LTD. SHRI RATHI STEEL DAKSHIN L. D.  
 Anil Rathi  
 DIRECTOR  
 DIRECTOR

Your company yearly evaluates performance of the Board Committees and other individual Directors (including Independent Directors). Board opinion with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year are mentioned in the evaluation report of the respective directors.

#### 15. MEETINGS OF INDEPENDENT DIRECTORS

A meeting of the Independent Directors of the Company was held on 23 February, 2021 at the corporate office of the Company at A-29, Sector -65, Uttar Pradesh Noida -201301 and the same was in conformity with the provisions of Schedule IV to the Act.

#### 16. AUDIT COMMITTEE

❖ Composition of Audit Committee is as under:

S. No.	Name	Position	Category of Directorship
1.	Mr. Arpit Mittal	Chairman	Independent Director
2.	Mrs. Jyoti Singhal	Member	Independent Director
3.	Mr. Anil Rathi	Member	Director

Majority of the members of the Committee are Independent Directors and possess the ability to read and understand accounting and financial statements. All the recommendations of the Audit Committee were accepted by the Board.

❖ Number of Meeting of Audit Committee and Attendance of Members

During the period under review, 08 Audit Committee Meetings were held at the corporate office of the company on the dated given below:

Name of Member	Date of Audit Committee meeting and attendance thereon							
	13-04-2020	12-08-2020	13-10-2020	26-10-2020	25-11-2020	07-12-2020	21-12-2020	18-02-2021
Mr. Arpit Mittal	√	√	√	√	√	√	√	√
Mrs. Jyoti Singhal	√	√	√	√	√	√	√	√
Mr. Anil Rathi	√	√	√	√	√	√	√	√
	<b>Notes:</b> (√) represents present at the meeting. (×) signifies absence from the meeting.							

#### 17. NOMINATION AND REMUNERATION COMMITTEE

❖ Presently, compositions of Nomination and Remuneration Committee (NRC) is as under:

Sl. No.	Name	Position	Category of Directorship
1.	Mrs. Jyoti Singhal	Chairperson	Independent Director
2.	Mr. Arpit Mittal	Member	Independent Director
3.	Mr. Gopal Rathi	Member	Director

SHRI RATHI STEEL  
 Anil Rathi  
 SHRI RATHI STEEL  
 DIRECTOR  
 DIRECTOR

Majority of the members of the NRC are Independent Directors. All the recommendations of the NRC were accepted by the Board.

❖ **Number of meeting of Remuneration Committee and attendance thereon**

During the period under review, 02 NRC Meetings were held at the corporate office of the company on the dates given below:

Name of Directors	Date of Nomination and Remuneration Committee and attendance thereon	
	06-05-2020	07-12-2020
Mr. Arpit Mittal	√	√
Mrs. Jyoti Singhal	√	√
Mr. Gopal Rathi	√	√
<b>Notes:</b> (√) represents present at the meeting. (×) signifies absence from the meeting.		

**18. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES**

❖ **Adoption of Policy**

The Board of Directors of the Company has internally laid down a policy (**Attached as Annexure- "II"**) on prevention of sexual harassment at workplace. A complaint committee has also been formed by the Directors to consider the complaints received, if any.

❖ **Constitution of Internal Complaints Committee**

The Board also constituted an Internal Complainant Committee (hereinafter referred to as "ICC") pursuant to the provisions of section 4 of the Sexual Harassment of Women at Workplace(Prevention, Prohibition And Redressal) Act, 2013, read with rules made there under and the same is comprised of the following members:

S. No.	Name of the members of ICC	Designation
1.	Mrs. Poonam Suneja	Presiding officer
2.	Mrs. Rajni Kotnala	Member
3.	Mr. Ajay Kacher	Member
4.	Advocate Pulkit Srivastava	External Member

❖ **Grievances and redressal of complaint**

Upto the date of this report, the ICC has not received any complaints.

Policy on prevention of sexual harassment at workplace is also available at the web link [https://www.shrirathigroup.com/posh/POSH%20Policy\\_SRSL.pdf](https://www.shrirathigroup.com/posh/POSH%20Policy_SRSL.pdf)

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*Anil Rathi*  
 DIRECTOR DIRECTOR



## 19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company does not have a formal Corporate Social Responsibility policy as it does not qualify for mandatory CSR activities in accordance with the section 135 of the Act.

## 20. AUDITORS

### ❖ Statutory Auditors and Auditors' Report:

M/s R.K Baheti & Co., Chartered Accountants (Firm Registration No. 010528N) was appointed as Statutory Auditors of the company in Annual General Meeting held on 31<sup>st</sup> December 2020, to hold the office for a period of five years, from the conclusion of 28<sup>th</sup> Annual General Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2025.

The aforesaid Auditors have conducted audit for the financial year 2020-21 and submitted their report for consideration and taking note of the same. It may be noted that observations of the auditors are self-explanatory and /or suitably explained in the notes to accounts. None of auditor's observations require further explanation and the said report has been annexed and forms part of financial statement.

### ❖ Secretarial Auditor:

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed FCS Avinash Kaur, Practicing Company Secretary (COP Number: 18255) to conduct the Secretarial Audit of the Company for the financial year 2020-21. The Report of the Secretarial Audit in Form MR-3 for the financial year ended 31 March 2021 is enclosed as Annexure III to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in her report.

### ❖ Cost Auditors:

The Board had appointed M.K. Singhal & Co., Cost Accountants (FRN: 00074), as Cost Auditor for conducting the audit of cost records of the Company for the Financial Year 2020-21. The Board of Directors on the recommendation of the Audit Committee, have re-appointed M/s M.K. Singhal & Co., Cost Accountants (FRN: 00074), as the Cost Auditors of the Company for the Financial Year 2021-22 under section 148 of the Act, 2013. M/s M.K. Singhal & Co. have confirmed that their appointment is within the limits of section 141(3)(g) of the Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company. As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s M.K. Singhal & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

### ❖ Internal Auditors:

M/s. Vikas K Agarwal & Co., Chartered Accountants (Firm Registration No. 027732N) who have signified their eligibility and willingness, have been appointed as Internal Auditors of the Company for the period of

SHRI RATHI STEEL BAKSHI LTD

Anil Rathi

SHRI RATHI STEEL BAKSHI LTD

DIRECTOR

DIRECTOR

5 (Five) years starting from the financial year 2020-2021, subject to its ratification every year in place of M/s Shalin Poddar & Associates (FRN: 020397C) Chartered Accountants.

M/s. Vikas K Agarwal & Co. have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013. The Internal Auditor reports directly to the Audit Committee.

#### ❖ Reporting of Frauds By Auditors

During the year under review, the Statutory Auditors, Cost Auditors, Internal Auditor and Secretarial Auditor have not disclosed any amount of fraud which is reportable to the Central Government under Section 143 (12) of the Act to the Board. Hence, the provision related to disclosure of fraud under section 134(3) (ca) are not applicable to the Company and hence not reported in this report.

### 21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 134(3) (c) and read with Section 134 (5) of the Act with respect to Directors' Responsibility Statement, the board hereby confirms:

- (i) That in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 as at 31<sup>st</sup> March, 2021 and of the profit of the Company for that date;
- (iii) That the Directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2021 on a 'going concern' basis;
- (iv) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (v) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

### 22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 186 of Companies Act, 2013, disclosure on particulars relating to loans, advances, guarantees and investments are provided in note 13 to the financial statements.

### 23. PARTICULARS OF CONTRACTS OR AGREEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the FY 2020-21 were on arms' length basis and in the ordinary course of business. No materially significant related party transactions ('RPTs') made by the Company with its Promoter(s), Director(s) or any other designated person which may have a potential conflict with the interest of the Company. Further, the prescribed details of related party transaction in Form No. AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Annexure- "IV" to this Report.

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Anil Rathi

DIRECTOR

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DIRECTOR

**24. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT**

❖ **Material Changes and Commitment**

There are no such change(s) found or reported during the year under review which has material impact on the company performance whether financial or elsewhere.

❖ **Details of Significant and Material Order**

No significant or material orders have been passed by any regulators or court(s) or tribunals impacting the going concern status and future operational of your company.

**25. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption and foreign exchange earnings and outgo are enumerated below.

**A. Conservation of Energy:**

- i. The steps taken or impact on conservation of energy;
  - Replacement of conventional lighting with LED lighting.
  - Energy efficient on air-conditioning systems
  - Replacement of conventional motors with energy efficient motors
  - Spreading the importance of Energy Conservation among employees
- ii. The steps taken by the company for utilizing alternate sources of energy: NIL
- iii. Total capital invested in 2020-21 on energy conservation equipment is NIL

The Particular relating to conservation of energy is given below in the form of Annexure-"V"

**B. Technology Absorption:**

1. Efforts were made towards technology absorption, adaptation and innovation of coal based gasifier for producer gas has been commissioned to insulate, from your company price fluctuations and fuel scarcity.
2. Benefits derived as a result of the above efforts: Such efforts have led to improved efficiency and cost competitiveness due to optimum use of consumables apart from greener environment.
3. Particulars of the technology imported during the last 3 years. NIL

**Expenditure on research and development:**

- |   |     |
|---|-----|
| 1. Specific areas in which R&D carried out by the company | NIL |
| 2. Benefits derived as a result of the above R&D          | N/A |
| 3. Future plan of action                                  | NIL |
| 4. Expenditure on R&D                                     | NIL |
| a) Capital  |     |
| b) Recurring  |     |
| c) Total  |     |

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DIRECTOR

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d) Total R&D expenditure as % of total turnover

**C. Foreign exchange earnings and outgo:**

The foreign exchange earning in terms of actual inflows and actual outflows were as follows:

Total Foreign Exchange used and earned	(Rs. in Lacs)	
	FY ended 31 <sup>st</sup> March, 2021	FY ended 31 <sup>st</sup> March, 2020
a) Total Foreign Exchange earned	0	0
b) Total Foreign Exchange used	0	15.32

**26. VIGIL MECHANISM**

Pursuant to section 177(9) of the Act, the Board has formed Whistle Blower Policy

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report without fear of victimization, any unethical, victimize, suspected or actual fraud, violation of the Code of Conduct and instances of leak of Unpublished Price Sensitive Information, which are detrimental to the victimization's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The directors in all cases and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee. The said Policy is placed on the Company's website <https://www.shrirathigroup.com/> and is given in the **Annexure- "VI"**

**27. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES ALONGWITH THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES, WHICH ARE INCULDED IN THE CONSOLIDATED FINANCIAL STATEMENT**

Shri Rathi Overseas, F.Z.E., holding license No. 11392, having its registered office at in G1-151C, Ajman Free Zone , Ajman - U.A.E. Is the wholly own subsidiary of the Company. The profit for the CY 2020 was USD 20104

The Company does not have any other subsidiary/associate/joint ventures as at 31 March 2021. Further during the year, there were no companies which have become or ceased to be your Company's subsidiary, joint venture or associate company.

The statement containing salient features of financial statements of wholly owned subsidiary is enclosed in FORM AOC - 1 as **Annexure-"VII"**

**28. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

SHRI RATHI STEEL DAKSHIN LTD  
Anil Rathi

DIRECTOR

SHRI RATHI STEEL DAKSHIN LTD

DIRECTOR

## 29. PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 doesn't apply to the company, as the legal status during the year under review was "Unlisted".

## 30. RISK MANAGEMENT POLICY

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The company manages monitors and reports on the principal risks and uncertainties that can impact its abilities to achieve its strategic objectives. The company's management systems, organizational structures, processes, standards, code of conduct and behaviour together forms a system that governs how the company conducts the business and manages associated risks.

## 31. EFFECT OF COVID-19 PANDEMIC

We are in the middle of the biggest crisis we have seen in our lifetimes, the COVID-19 pandemic. So far, it has created unprecedented socio-economic disruption, fear and the tragic loss of human life. The collapse in economic activity this time is likely at a level unseen in previous recessions. Each time the suffering has been different but each time we have adapted and bounced back. We are hopeful that like all previous crises, the COVID-19 pandemic will also pass and in time, a fresh wave of business energy will flow.

## 32. ACKNOWLEDGEMENT

Your Board of Directors wish to thank and place on record their appreciation for the co-operation and support extended to the Company by Bankers, Suppliers, Customers, Distributors, Employees and other Stakeholders which have been a Constant source of strength to the Company.

The Board of Directors also expresses its sincere gratitude to all the shareholders for their continuous support and trust they have shown in the management. The dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

Your Company is thankful to the Core Functioning team for continuously providing excellent management, technical and marketing support.

For and on behalf of the Board

Shri Rathi Steel (Dakshin) Limited

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

Anil Rathi

DIRECTOR

Director

DIN: 00072761

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

SHRI RATHI STEEL DAKSHIN LTD.

Gopal Rathi

Gopal Rathi

DIRECTOR

Director

DIN: 00072755

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Date: 25 November, 2021

Place: New Delhi

## Annexure-"I"

### NOMINATION AND REMUNERATION POLICY

#### INTRODUCTION:

This policy on nomination and remuneration of directors, Key Managerial Personnel and senior Management has been formulated by the Committee and approved by the Board of Directors.

#### OBJECTIVES AND COMMITTEE:

##### **The Committee Shall:**

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director (executive/non-executive/independent) and recommend to the Board a Policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
2. Formulate criteria for evaluation of Independence of Directors and the Board.
3. Devise a policy on Board diversity.
4. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
5. Recommend the appointment and removal of director, KMP and Senior Management Personnel to the Board.

#### EFFECTIVE DATE:

The following revised policy has been formulated by the Nomination and remuneration Committee and adopted by the Board of Directors at its meeting held on 12<sup>th</sup> February, 2019. This policy shall be operational with immediate effect.

#### DEFINITIONS:

- **"Board"** Board means Board of Directors of the Company.
- **"Director"** Directors means Directors of the Company.
- **"Committee"** Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"** Company Means **Shri Rathi Steel (Dakshin) Limited.**
- **"Independent Director"** As provided under the Companies Act, 2013, 'Independent Director shall mean a non-executive director, other than a nominee director of the Company.
  - a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) Who is or was not a promoter of the Company or its holding, subsidiary or associate company;  
(ii) Who is not related to promoters or directors in the Company, its holding, subsidiary or associate company.

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Anil Rathi

DIRECTOR

SHRI RATHI STEEL DAKSHIN LTD.

DIRECTOR

- c. Apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. Or more of its gross turnover or total income or fifty lacs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. Who, neither himself nor any of his relatives-
- (i) Holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (iii) a Firm of auditors or Company Secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
  - (iv) Any legal or consulting firm that has or had any transaction with the Company, its holding, subsidiary, or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (v) Holds together with his relatives two percent or more of the total voting power of the Company; or
  - (vi) Is a Chief Executive or director, by whatever name called, of any non - profit organization that receives twenty - five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
  - (vii) Is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. Who is not less than 21 years of age.

- "Key Managerial Personnel": - Key Managerial Personnel (KMP) means-
  - (1) The Chief Executive Officer or the Managing director or the Manager;
  - (2) The Company Secretary;
  - (3) The Whole Time Director
  - (4) The Chief Financial Officer; and
  - (5) Such other official as may be prescribed under the applicable statutory provisions/regulations.
- "Senior Management": - The Expression "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rath  
DIRECTOR

SHRI RATHI STEEL DAKSHIN LTD.  
DIRECTOR

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**APPLICABILITY:-**

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Managerial Personnel

**CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

The Board has the power to constitute/reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

- I Mrs. Jyoti Singhal (Non-Executive Independent Woman Director)
- II Mr. Arpit Mittal (Non-Executive Independent Director)
- III Mr. Gopal Rathi (Director)

**GENERAL APPOINTMENT CRITERIA:**

- i The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/her appointment.
- ii. The Company should ensure that the person so appointed as Director/Independent Director/KMP/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
- iii. The Director/Independent Director/KMP Senior Management Personnel Shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.

**ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:**

The Committee shall consider qualifications for Independent Directors as mentioned herein earlier under the head "Definitions" and also their appointment shall be governed under Companies Act, 2013.

**TERM/TENURE:**

The Term/tenure of the Directors shall be governed as per the provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

**REMOVAL:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel, Subject to the provisions and compliances of the said Act, rules and regulations.

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi SHRI RATHI STEEL DAKSHIN LTD.  
DIRECTOR

DIRECTOR



## CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

### 1. EXECUTIVE DIRECTORS:

The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the board from time to time.

### 2. NON EXECUTIVE DIRECTOR

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personnel advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence.
- (f) Inform the Board immediately when they lose their independence.
- (g) Assist the Company in implementing the best corporate governance practices.
- (h) Strive to attend all meetings of the Board of Directors and the Committees.
- (i) Participate constructively and actively in the committees of the Board in which they are Chairpersons or members;
- (j) Strive to attend the general meetings of the Company.
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest.
- (n) Abide by Company's memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

### POLICY ON BOARD DIVERSITY:

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, quality Assurance, Finance, sales and Marketing, Supply Chain, Research and Development, Human Resources etc., or as may be considered appropriate.

The Board shall have at least one Board Member who has accounting or related financial management expertise and at least three members who are financially literate.

### REMUNERATION:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and Composition of remuneration so determined by the committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior

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Anil Rathi  
DIRECTOR

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DIRECTOR

Management required to run the Company Successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long - term performance objectives appropriate to the working of the Company and its goals:

i. DIRECTOR/MANAGING DIRECTOR:

Besides the above criteria, The Remuneration /Compensation /Commission etc. to be paid to Director/Managing Director etc., shall be governed as per provision of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

ii NON EXECUTIVE INDEPENDENT DIRECTORS/ KMPs /SENIOR MANAGEMENT PERSONNEL ETC.

The Remuneration to be paid to Non-Executive Directors/KMPs/Senior Management Personnel shall be Based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

iii DIRECTORS AND OFFICERS INSURANCE:

The Company has not taken any insurance on behalf of its directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability. The Premium paid, on any such insurance taken in future, shall not be treated part of the remuneration payable to such personnel.

For Shri Rathi Steel (Dakshin) Limited  
SHRI RATHI STEEL DAKSHIN LTD.

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

Gopal Rathi

Anil Rathi  
Director

DIRECTOR

Gopal Rathi  
Director

DIRECTOR

DIN: 00072761

DIN: 00072755

R/o. 24, Sadhna Enclave

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Malviya Nagar, New Delhi-110017

Date: 25 November 2021

Place: New Delhi

## Annexure-"II"

### POLICY FOR PREVENTION OF SEXUAL HARASSMENT (POSH)

#### 1. Objective:

1. Company is committed for creating and maintaining a secure work environment where it's employees, can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation caused by acts of sexual harassment within but not limited to the office premises and other locations directly related to the Company's business.
2. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected there with all concerned should take cognizance of the fact that the Company strongly opposes sexual harassment, and that such behavior against women is prohibited by the law as set down in The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under being The Sexual Harassment of Women at Workplace (here in after referred to as "ACT") as well as the terms of employment. Commission of any act of sexual harassment as defined in the Act and in this policy shall result in strict disciplinary action.
3. The Company have zero-tolerance for sexual harassment. We value each and every employee working with us and wish to protect their dignity and self-respect. In doing so, we are determined to promote a working environment in which persons of both genders complement each other as equals in an environment that encourages maximum productivity and to keep the personal dignity.
4. The Company is committed towards giving every employee a just and fair hearing on issues encountered by them at the workplace with special attention to sexual harassment.
5. The Company will take serious disciplinary action against any victimization of the employee who is complaining or the alleged harasser that may result from a complaint.

#### 2. Scope

1. The Company Policy with regard to Prevention, Prohibition and Redressal of Sexual Harassment covers every "employee" across the Company. The Company encourages every employee who believes they are sexually harassed to use the redressal mechanism as provided in this policy.
2. The policy is with respect to Prevention, Prohibition & Redressal of Sexual Harassment which may arise in places not limited to geographical location viz. Company's offices /branches but includes all such places or locations where acts are conducted in context of working relationships or whilst fulfilling professional duties or which may be visited by an employee during the course of employment including transportation provided by the company for undertaking such visit.

#### 3. The Company Policy against sexual harassment includes:

1. Sexual harassment by fellow employees, supervisors, managers as well as agents, contractors, customers, vendors, partners and, visitors including outsource employees.
2. Any place visited by the employee arising out of or during the course of employment including transportation provided by the employer for undertaking such journey.

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Anil Rathi

DIRECTOR

SHRI RATHI STEEL DAKSHIN LTD.

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DIRECTOR

3. Sexual harassment is judged by the impact on the complainant and not the intent of the Respondent. Sexual harassment as addressed in this Policy need not necessarily be from a male to a female employee, it can be vice versa as well as between individuals of same gender.
4. This revised policy comes into force w.e.f. 07/12/2020

#### 4. Definition:

1. **"Aggrieved Person"** means a person in relation to work place whether employed or not, who alleges to have been subject to any act of sexual harassment by the Respondent.
2. **"Company"** means **Shri Rathi Steel (Dakshin) Limited**.
3. **"Employee"** means a person employed at a workplace for any work on regular, temporary, ad-hoc or daily wages basis, either directly or through an agent, including a contractor, with or without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis or otherwise, whether the terms of employment are express or implied and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name;
4. **"Internal Complaints Committee"** means a committee constituted by Company as per this policy.
5. **"Respondent"** means a person against whom the aggrieved person has made a complaint.
6. **"Sexual Harassment"** includes any one or more of the following unwelcome acts or behavior (whether directly or by implication) such as:
  - 1) Physical contact and advances; or
  - 2) A demand or request for sexual favors; or
  - 3) Making sexually colored remarks; or
  - 4) Showing pornography or other offensive or derogatory pictures, cartoons, representations, graphics, pamphlets or sayings; or
  - 5) Any other unwelcome physical, verbal or non - verbal conduct of sexual nature; or following circumstances amongst other circumstances mentioned above may constitute sexual harassment if it occurs or is present in relation or connected with any act or behavior of sexual harassment:
    - a. Implied or explicit promise of preferential treatment in their employment;
    - b. Implied or explicit threat of detrimental treatment in their employment;
    - c. Implied or explicit threat about their present or future employment status;
    - d. Environment; humiliation treatment likely to affect their health or safety.
    - e. Humiliating treatment likely to affect the health and safety of the aggrieved person. In addition to the instances mentioned here in above, any other acts or behavior, which outrages the modesty of a female employee, will be considered as sexual harassment.

7. "Workplace" includes any department, organization, undertaking, establishment, enterprise institution, office or branch unit. Any place visited by the employee arising out of or during the course of employment including transportation provided by the employer for undertaking such journey.

#### 5. Internal Complaints Committee:

1. Every complaint received shall be forwarded to internal complaint committee formed under the policy for redressal. The investigation shall be carried out by Internal Complaints Committee constituted for this purpose.
2. Internal Complaints Committee has been constituted of the following members as nominated by the Company:
3. A woman employee employed at a senior level among the employees shall act as Presiding officer of the committee who have legal knowledge.
4. Not less than 2 members from among employees preferably committed to the cause of women or who have had experience in social work.
5. One member Male or Female to comply all the legal compliance as applicable under this act.
6. The Name of the Members of the Internal Complaints Committee is as per **Annexure A** of this Policy and any change in such composition shall be effected in the policy atleast half the total members of the Committee have to be women. The Presiding Officer and every member shall hold office for such period, not exceeding three years, from the date of their nomination as may be specified by the employer.

#### 6. Complaint Redressal Mechanism

1. Any aggrieved person may make, in writing, a complaint of sexual harassment at workplace to the committee giving details of the sexual harassment meted out to her/him within a period of 3 months from the date of incident and in case of a series of incidents, within a period of 3 months from the date of last incident, which may be extended for a further period of 3 months, if circumstances warrant such extension in the opinion of the Internal Complaints Committee.
  2. The Presiding Officer or any Member of the Internal Complaints Committee can render reasonable assistance to the person for making complaint in writing, in case they are unable to do so.
  3. On receipt of complaint, the Internal Complaint Committee shall decide the place and time for hearing the complaint and shall intimate the date, time and place of hearing to the Complainant and Respondent. The Internal Complaints Committee shall follow principle of Natural Justice while handling such complaints.
    - 1) Where the aggrieved person is unable to make a complaint on account of their physical incapacity, a complaint may be filed by:
      - (a) A relative or friend; or
      - (b) A co-worker; or
      - (c) Any person who has knowledge of the incident, with the written consent of the aggrieved of the incident, with the written consent of the aggrieved.
    - 2) Where the aggrieved person is unable to make a complaint on account of their mental incapacity, a complaint may be filed by
-

- (a) A relative or friend; or
  - (b) A special educator; or
  - (c) A qualified psychiatrist or psychologist; or
  - (d) The guardian or authority under whose care they are receiving treatment or care; or
  - (e) Any person who has knowledge of the incident jointly with any of the above.
- 3) Where the aggrieved person for any other reason is unable to make a complaint, a complaint may be filed by any person who has knowledge of the incident, with their written consent.
- 4) Where the aggrieved person is dead, a complaint may be filed by any person who has knowledge of the incident, with the written consent of their legal heir.
- 5) Internal Complaints Committee on receipt of such written complaint, may, if requireask the aggrieved person to furnish additional information about the alleged harassment.
- 6) The Complainant or person authorized on their behalf as per above provision, shallmake a complaint to the Internal Complaints Committee through following mode:
- a) Copy of complaint along with supporting documents and names and address of witness shall be sent to Internal Complaints Committee at **corporate@shrirathigroup.com**
  - b) On receipt of such complaint, Internal Complaints Committee shall provide a copyalong with supporting documents of such complaints to the respondent within 7 working days.
  - c) Respondent shall file reply within 10 working days of receipt of the complaint along with list of documents, names and addresses of witnesses.
  - d) Internal Complaint Committee shall investigate in detail into the matter of the complaint. The Internal Complaint committee shall have the right to call the person against whom the complaint is made or any other witnesses as when necessary.
  - e) Internal Complaint Committee shall have the right to take the prior approval of board to terminate the enquiry or give ex-parte decision on the complaint, if the respondent or complainant remains absent for 3 consecutive hearings, without sufficient cause.
  - f)The Internal Committee must complete its investigation within a period 90 days.
  - g) The parties shall not be allowed to bring any legal practitioner to represent them in their case at any stage of the proceedings before the Internal Complaints Committee.
  - h) For conducting the enquiry, the quorum of the Internal Complaints Committee shall be of 3 members including the presiding officer.
- 7) The Internal Committee may before initiating an inquiry, and at the aggrieved person's request, attempt to settle the matter through conciliation. However, Internal Complaints Committee shall ensure that:
- a) Monetary settlement will not be made as a basis of conciliation.
  - b) Where a settlement has been arrived, the settlement terms shall be signed by both the parties and shall be provided with a copy of it. Where, a settlement is arrived as mentioned here in above, no further enquiry shall be conducted by the Internal Complaints Committee.
-

- 8) The Internal Complaints Committee may during such investigation may exercise the power of a civil court, vested in it, in respect of:
- a) Summoning and enforcing the attendance of any person and examining him under oath;
  - b) Requiring discovery and production of documents;
  - c) Any other prescribed matter.
- 9) During such enquiry, upon written request by the aggrieved person, the committee may at its discretion recommend:
- a) To transfer the aggrieved person or the respondent to any other workplace;
  - b) Grant leave to the aggrieved person of up to three months which is in addition to leave to which she is otherwise entitled. Provided, the aggrieved person has to tender justified reason for such transfer or leave, such as threat to work in the workplace.

## **7. Action**

1. The Committee shall on completion of the enquiry provide a report of its findings within 10 days from the date of completion of the enquiry and such report shall be made available to the concerned parties.
2. If the allegation against the respondent has not been proved, the Committee may recommend that no action needs to be taken in the matter.
3. If the Internal Complaints Committee arrives at the conclusion that the allegation against the respondent has been proved, it shall recommend to:
  - 1) Take action for sexual harassment as a misconduct.
  - 2) To tender written apology to the complainant, issue warning, withholding of promotions / increments of the Respondent, terminating the Respondent.
  - 3) To deduct from salary / wages of the respondent or issue direction for payment; such sum as it may consider appropriate to be paid to the aggrieved person or to their legal heirs, as it may determine.
  - 4) Such action will be taken within 60 days of the receipt of report.

## **8. Awareness**

1. All the Employees shall have access to this Policy at any given point of time and clarification related to this Policy shall be addressed by the HR team.
  2. A brief shall be given to all existing employees regarding the features of this Policy immediately on formulation of the policy and to new employees in The Company during their initial induction.
  3. The Company shall comply with all other details as set out under Section 19 of the Act to ensure that all employees are provided with the safe working environment at the workplace.
  4. Company shall display the notice showing the name of the Internal Complaints Committee members at its every establishment at a conspicuous place.
-

## 9. False Accusations

1. The complaint of sexual harassment made by any employee shall be taken up with utmost seriousness by Company. However, there shall be zero tolerance for any false accusation.
2. If the Internal Complaint Committee comes to a conclusion that the allegation was made with malicious intent or the aggrieved person or any other person making the complaint on behalf of the aggrieved person produced false or forged or misleading documents to prove his/her case, the Internal Complaint Committee may recommend action to be taken against the person who has made the complaint, including termination of service. In such a case, malicious intent has to be established after an inquiry, before any action is recommended. A mere inability to substantiate a complaint or provide adequate proof would not attract action as provided herein. A similar recommendation for taking action would be recommended against any witness whom the Internal Complaint Committee concludes, that he/she has given false evidence or produced forged or misleading documents.
3. It is to be noted that this statement is not intended to discourage employees from coming forward with any complaints. The Company recognizes and expects that some claims may be difficult to prove or support, or may not in fact be found to raise to the level of seriousness deemed necessary to constitute Sexual Harassment. These types of complaints will not be considered to be false accusations.

## 10. Miscellaneous

1. Company may make any alteration or amendment or rescind any of the clauses of this policy as and when it finds it necessary to do so as long as it complies with the Act. Any such alterations or amendment or rescinding will be intimated to the employee.
2. Nothing contained in these rules shall operate in derogation of any law for the time being in force or to the prejudice of any right of any employee under any other rules or Law.
3. The Internal Complaint Committee shall prepare an annual report with the following details and shall submit the same to the Company to include in its Annual report:
  - 1) Number of complaints of sexual harassment received during the year;
  - 2) Number of complaints disposed off during the year;
  - 3) Number of cases pending for more than 90 days;
  - 4) Number of workshops or awareness program against sexual harassment carried out;
  - 5) Nature of action taken by the employer.

## 11. Conclusion

1. Complaints relating to Sexual Harassment shall be handled and investigations will be conducted under the principles of natural justice, basis of fundamental fairness, in an impartial and confidential manner so as to protect the identity of all viz., the person bringing the charge, potential witnesses, and the person accused of improper behavior. Also, all efforts shall be taken to ensure objectivity and thoroughness throughout the process of investigation.
  2. The identity and address of the aggrieved person, respondent and witnesses mustnot be published or disclosed to the public or media.
  3. The decision of Company shall be final and binding on all. However, the same is without prejudice to any recourse that Company or the individual concerned may have against the respondent and it shall
-



not limit or restrict the rights of the Complainant and/or Company to pursue, nor shall they be precluded from pursuing, such further and other legal actions as may be available.

All powers to be executed and action to be conducted by the committee only to take the prior approval of board of directors of the company.

Annexure A

Composition of Internal Complaints Committee

S. No.	Name and Department	Designation	Qualification
1.	Mrs Poonam Suneja, EA to Director	Presiding office	MBA
2.	Mrs. Rajni Kotnala, EA to Director	Member	MBA,HR
3.	Mr. Ajay Kacher, Compliance department	Member	CS
4.	Pulkit Srivastava, External Members	Member	Law

For Shri Rathi Steel (Dakshin) Limited SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

Gopal Rathi

Anil Rathi  
Director  
DIN: 00072761  
R/o. 24, Sadhna Enclave  
Malviya Nagar, New Delhi-110017

Gopal Rathi  
Director  
DIN: 00072755  
R/o. 24, Sadhna Enclave  
Malviya Nagar, New Delhi-110017

Date: 25 November, 2021  
Place: New Delhi

**Avinash Kaur & Co.**  
Company Secretary

906, 9th Floor, New Delhi House Building  
Barakhamba Road, New Delhi-110001

Tel : +91 11 41504766  
M : +91 9899199120  
E : csavinashkaur@gmail.com

Certificate No.: AK-12/MR3-SRDSI/21-22  
UDIN: F011430C001205361

Form No. MR-3

**SECRETARIAL AUDIT REPORT**  
for the financial year ended 31 March 2021

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

To  
The Members,  
**Shri Rathi Steel (Dakshin) Limited**  
CIN: U74899DL1992PLC050960  
Regd. Office: Flat No J-1/202, DDA Flats,  
Kalkaji New Delhi -110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shri Rathi Steel (Dakshin) Limited (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company including 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 31 March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021, according to the provisions of:

1. The Companies Act, 2013(the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder. (Not applicable for the year under review)
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Applicable only to the extent of Overseas Direct Investment)

5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as specified below: (Not applicable for the year under review)
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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 (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
6. Other industry specific laws applicable to the Company, as identified and confirmed by the Management in terms of ICSI Auditing Standard (CSAS-4):
- 1. The Factories Act, 1948;
  - 2. The Contract Labour (Regulation and Abolition) Act, 1970 read with the Contract Labour (Regulation and Abolition) Central Rules, 1971;
  - 3. The Minimum Wages Act, 1948 read with the Minimum Wages Central Rules, 1950; &
  - 4. The Payment of Wages Act, 1936.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors ('SS-1') and General Meetings ('SS-2') issued by the Institute of Company Secretaries of India ('ICSI').

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

**We further report that:**

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, subject to the observations as marked above.
- 2. Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the requirement(s) of the Act 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.

3. As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were carried out with requisite majority.
4. Based on the information provided and the representation made by the Company and also on the review of the representations taken on record by the Board of Directors of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events or actions having a major bearing on Company' affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Avinash Kaur & Co.  
Company Secretary

  
Avinash Kaur  
Proprietor



Membership No.: F11430  
C.P. No.: 18255

Date: 18 October 2021  
Place: New Delhi

This report is to be read with Annexure A which forms an integral part of this report.

Encl.: As above

**Annexure- A**

To,  
**The Members**  
Shri Rathi Steel (Dakshin) Limited  
CIN: U74899DL1992PLC050960  
Regd. Office: Flat No J-1/202, DDA Flats,  
Kalkaji New Delhi -110019

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process 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. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Avinash Kaur & Co.  
Company Secretary

  
Avinash Kaur  
Proprietor

Membership No.: F11430  
C.P. No.: 18255



Date: 18 October 2021  
Place: New Delhi

## FORM-AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis:**

1. Name(s) of related party and nature of relationship	2. Nature of Contracts/arrangements/transactions	3. Duration of the contracts/arrangements/transactions	4. Salient terms of the contracts/arrangements/transactions including the value, if any	5. Justification for entering into such contracts/arrangements/transactions	6. Date of approval by the Board	7. Amount paid as advances if any	8. Date on which the special resolution was passed in general meeting
Not applicable since all the transactions have been entered at arm's length with related parties							

**Details of material contracts or arrangement or transactions at arm's length basis:**

1. Name of related party and nature of relationship	2. Nature of Contracts/arrangement/transactions	3. Duration of the contracts/arrangement/transactions	4. Salient terms of Contracts/arrangements/transactions including the value, if any	5. Justification for entering into such contracts/arrangements/transactions	6. Date of approval of board /Audit Committee Meeting, if any	7. Amount paid in advance, if any
Shri Rathi Steel Limited, Enterprise over which key managerial personal and relative of such personal is able to exercise significant influence	Sale, purchase, supply, trading of goods and material and Commission on Service	12 Month	As Per the mutual agreement decided between the parties	As the Shri Rathi Steel Limited is the Group Company and same line of manufacturing /production	13/04/2020	88,86,52,271
Shweta Rathi, Director's Relative	Related party's appointment to any office or place of profit in the company	Until Termination	As per the HR Policy	As per Business need	13/04/2020	17,25,000

SHRI RATHI STEEL DAKSHIN LTD.

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi

DIRECTOR

DIRECTOR

Urmil Rathi, Director's relative	Related party's appointment to any office or place of profit in the company and Leasing of Property	Until Termination and Lease of 11 months	As per the HR Policy and Rent Agreement	As per Business Needs	13/04/2020	17,85,000/-
VAP Electronics LLP	leasing of property	11 months	As per the Agreement	As per Business Needs	13/04/2020	70,800/-
Anil Rathi	leasing of property	11 months	As per rent Agreement	As per Business Needs	13/04/2020	5,40,000/-

For and on behalf of the Board

Shri Rathi Steel (Dakshin) Limited

SHRI RATHI STEEL DAKSHIN LTD.

Anil Rathi  
DIRECTOR

Anil Rathi  
Director  
DIN: 00072761  
R/o. 24, Sadhna Enclave  
Malviya Nagar, New Delhi-110017

Gopal Rathi  
DIRECTOR

Gopal Rathi  
Director  
DIN: 00072755  
R/o. 24, Sadhna Enclave  
Malviya Nagar, New Delhi-110017

Date: 25 November, 2021

Place: New Delhi

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTOR) RULES, 1988.

Form-A

Form for disclosure of particulars with respect to conservation of Energy: 2020-21

CONSERVATION OF ENERGY

Power and fuel consumption	2020-21	2019-20
<b>a) Electricity Purchase</b>		
Purchased unit (Including delivered quantity through open access) (units)	10072147	12846537
Total Amount (INR)	90523361	110462019
Rate / Unit (INR)	8.99	8.60
<b>b) Electricity Own Generation</b>		
<b>i) Through Diesel Generator</b>		
Diesel generator units	17560	13072
Unit per ltr. Of diesel oil, cost/unit	3.447 21.139	Rs. 3.845 Rs. 16.876
<b>ii) Through Steam Turbine/Generator</b>		
Units per ltr. Of fuel oil/gas	NIL	NIL
Cost/Units	NIL	NIL
<b>c) Coal (specify quality and where used)</b>		
Quantity (tones)	4,969	8,495
Total Cost	48,442,686	67,731,631
Average rate	9749	7973
<b>d) Furnace Oil (Used as an alternate fuel only)</b>		
Quantity (MT)	NIL	NIL
Total Cost (INR)	NIL	NIL
Average rate (Per KL) (INR)	NIL	NIL
<b>e) Others/Internal Generation(RLNG)</b>		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL

2. Consumption per unit of Production

Particulars	2020-21	2019-20
Production (M.T.)	84508	115094
Electricity (Units)	119.46	113.64
Furnace Oil (Kgs) (Used as an alternate fuel, only)	NIL	NIL
Others RLNG (MMBTU)	NIL	NIL
Coal (Kgs)	5.88	7.38



**SHRI RATHI STEEL (DAKSHIN) LIMITED**

Corporate Off.: A-29, Sector-65, Noida 201301 (INDIA)

Ph: +91 120 4744644

Regd. Office: J-1/202, DDA Flats, Kalkaji, New Delhi -110019

Works: SP-A-1, RIICO Industrial Area, Khushkhara, Bhiwadi,

Distt. Alwar, Rajasthan | Ph.: +91-1493-298226,29

GSTIN : D8AAACB1192M1ZL | CIN : U74899DL1992PLC050960

E: career@shrirathigroup.com | www.shrirathigroup.com

**RATHI®**  
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**SHRI RATHI STEEL (DAKSHIN)**  
**LIMITED**

**WHISTLE BLOWING POLICY**

E

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EUROTHERM®  
TMT SARIA COLOUR COATED SHEETS

## CONTENTS

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### CLAUSE

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2. What is whistleblowing?.....
3. How to raise a concern.....
4. Confidentiality .....
5. External disclosures .....
6. Protection and support for whistleblowers.....
7. Contacts .....

**1. ABOUT THIS POLICY**

- 1.1 We are committed to conducting our business with honesty and integrity and we expect all staff to maintain high standards. Any suspected wrongdoing should be reported as soon as possible.
- 1.2 This policy covers all employees, officers, consultants, contractors, workers and agency workers.
- 1.3 This policy does not form part of any employee's contract of employment and we may amend it at any time.

**2. WHAT IS WHISTLEBLOWING?**

Whistleblowing is the reporting of suspected wrongdoing or dangers in relation to our activities. This includes bribery, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment and any breach of legal or professional obligations. It also includes the following matters specific to this workplace.

**3. HOW TO RAISE A CONCERN?**

- 3.1 We hope that in many cases you will be able to raise any concerns with your manager. However, where you prefer not to raise it with your manager for any reason, you should contact the Whistle blowing Officer Mr. Gopal Rathi or Mr. Anil Rathi. Contact details are at the end of this policy.
- 3.2 We will arrange a meeting with you as soon as possible to discuss your concern. You may bring a colleague or union representative to any meetings under this policy. Your companion must respect the confidentiality of your disclosure and any subsequent investigation.

**4. CONFIDENTIALITY**

We hope that staff will feel able to voice whistleblowing concerns openly under this policy. Completely anonymous disclosures are difficult to investigate. If you want to raise your concern confidentially, we will make every effort to keep your identity secret and only reveal it where necessary to those involved in investigating your concern.

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of Shri Rathi Steel (Dakshin) Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Shri Rathi Steel (Dakshin) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss, the Cash Flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

### **Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

### **Key audit matters**

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's



Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the audit of the 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 27 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, hence there is no question of delay arise on this account.

**For R. K. BAHETI & CO.**  
Chartered Accountants  
FRN: 010528N

*Ajay Baheti*

**(Ajay Baheti)**  
Partner  
Membership No: 088545  
UDIN- 21088545AAAAFT5669



Place: Noida  
Date: 21<sup>st</sup> September, 2021 .



**The Annexure A referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of the Our Report of even date to the members of Shri Rathi Steel (Dakshin) Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2021.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- II. In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on physical verification of inventory as compared to book records.
- III. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- V. The Company has not accepted any deposits from the public.
- VI. As per information & explanation given by the management, the company pursuant to the rules made by Central Government has maintained cost records under sub-section (1) of section 148 of the Act. We have not however made a detailed examination of records with a view to determine whether they are accurate or complete.
- VII. a. According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess to the extent applicable and



any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2021 for a period of more than six months from the date they became payable except the following litigations as detailed below:

Name of the Statute	Period to which amount relates	Forum where the dispute is pending	Amount Involved	Matter Involved
Sales Tax	2008-09	CSTI Tribunal	13,15,67,817	Rejection of Stock Transfer. Department filed appeal in CSTI tribunal
Sales Tax	2009-10	CSTI Tribunal	6,37,14,063	Rejection of Stock Transfer. Department filed appeal in CSTI tribunal
Sales Tax	2009-10	Rajasthan Tax Board	77,180	Stock Transfer issue. Department filed appeal in Rajasthan Tax Board
Income Tax	AY 2009-10	High Court	21,340,320	Department Filed appeal after ITAT rejected addition on account of share capital received
Income Tax	2013-14	ITAT	16,60,080	Clandestine removal of goods
Income Tax	2017-18	CIT(A)	86,76,995	Cash Deposit during demonetization



Income Tax	AY 2012-13	ITAT	5,11,590	Clandestine removal of goods
TDS Demand under Income Tax Act	Various Years		1,28,590	As displayed online

An Amount of INR 29,67,175 has been deposited against above matter.

b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty and excise duty, value added tax or cess which have not been deposited on account of any pending disputes.

- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has neither taken any loan from financial institution nor has issued debentures.
- IX. In our opinion and according to the information and explanations given to us, the Company has not raised money by way of further public offer (including debt instruments) during the year and the term loans taken by the Company have been applied for the purpose for which they were raised.
- X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xiii) of the Order is not applicable.



- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the orders is not applicable.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

**For R. K. BAHETI & CO.**  
Chartered Accountants  
FRN: 010528N

*Aj Baheti*

**(Ajay Baheti)**  
Partner  
Membership No: 088545  
UDIN-21088545AAAAFT5669



Place: Noida  
Date: 21st September, 2021

## **Annexure B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **Shri Rathi Steel (Dakshin) Limited ('the company')** as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants Of India. Those Standards and 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 were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial



reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion on the Company's internal financial controls with reference to financial statements.

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the



Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. K. BAHETI & CO.**  
Chartered Accountants  
FRN: 010528N

*A. Baheti*



**(Ajay Baheti)**  
Partner  
Membership No: 088545  
UDIN--21088545AAAAFT5669

Place: Noida  
Date: 21<sup>st</sup> September 2021

**SHRI RATHI STEEL (DAKSHIN) LIMITED**

CIN :-U74899DL1992PLC050960

**BALANCE SHEET AS AT 31.03.2021**

(Amount in Rs.)

Particulars	Note No	Amount As At	
		31.03.2021	31.03.2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	29,278,600	29,278,600
(b) Reserves and Surplus	3	319,108,863	312,916,007
<b>Sub-Total- Shareholder's Fund</b>		<b>348,387,463</b>	<b>342,194,607</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	268,127,286	169,498,984
(b) Deferred tax liabilities (Net)	5	11,785,423	17,682,722
(c) Long-term Provision	6	1,203,207	3,257,387
<b>Sub-Total Non Current Liabilities</b>		<b>281,115,916</b>	<b>190,439,093</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	295,967,182	216,943,220
(b) Trade payables	8	188,857,100	233,210,622
(c) Other current liabilities	9	72,979,913	37,999,622
(d) Short-term provisions	10	2,843,032	6,906,705
<b>Sub-Total Current Liabilities</b>		<b>560,647,227</b>	<b>495,060,169</b>
<b>Total- Equity And Liabilities</b>		<b>1,190,150,606</b>	<b>1,027,693,869</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
Tangible assets		182,547,476	141,939,814
Capital work in progress		54,756,983	99,333,519
(b) Non-current investments	12	3,079,990	3,079,990
(c) Long term loans and advances	13	17,192,736	29,134,356
(d) Other non-current assets	14	3,004,645	8,991,258
<b>Sub -Total Non Current Assets</b>		<b>260,581,830</b>	<b>282,478,937</b>
<b>(2) Current assets</b>			
(a) Inventories	15	265,470,214	161,305,128
(b) Trade receivables	16	500,854,511	453,842,354
(c) Cash and cash equivalents	17	11,487,010	11,118,875
(d) Other current assets	18	151,757,041	118,948,575
<b>Sub -Total Current Assets</b>		<b>929,568,776</b>	<b>745,214,932</b>
<b>Total Assets</b>		<b>1,190,150,606</b>	<b>1,027,693,869</b>

Significant Accounting Policies

1

Notes bearing no. 1 to 42 form an integral part of the Balance Sheet and should be read in conjunction therewith.

As per our report of even date attached

For R.K. Baheti & Company  
Chartered Accountants  
(Firm Reg. No. 010528N)

For Shri Rathi Steel (Dakshin) Ltd

For Shri Rathi Steel (Dakshin) Ltd

*A. Baheti*

*Anil Rathi*  
Director

*S. Gopal Rathi*  
Director

(CA. Ajay Baheti)  
Partner  
Membership No. 088545  
UDIN - 21088545AAAAFT5669  
Place : Noida  
Date : 21/09/2021



(ANIL RATHI)  
DIRECTOR  
DIN: 00072761

(GOPAL RATHI)  
Whole Time Director  
DIN: 00072755



**SHRI RATHI STEEL (DAKSHIN) LIMITED**  
CIN :-U74899DL1992PLC050960

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2021**

(Amount in Rs.)

Particulars	Note No	Amount for Year ending on	
		31.03.2021	31.03.2020
I. Revenue from operations	19	3,823,219,976	4,208,280,020
II. Other Income	20	4,430,622	16,586,128
<b>III. Total Revenue (I +II)</b>		<b>3,827,650,598</b>	<b>4,224,866,148</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	21	3,078,903,464	3,769,319,145
Purchase of Stock-in-Trade		446,079,229	15,851,805
Changes in inventories of finished goods, Stock in Trade	22	(62,491,776)	15,829,664
Employee benefit expense	23	27,890,555	32,280,580
Financial costs	24	29,667,731	34,186,996
Depreciation and amortization expense	25	27,150,575	22,203,157
Other expenses	26	267,916,769	319,242,759
<b>Total Expenses (IV)</b>		<b>3,815,116,547</b>	<b>4,208,914,106</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	12,534,051	15,952,042
VI. Exceptional Items			
a) Profit / Loss on Sale of Fixed Assets		773,839	(321,431)
b) Payment on Long term agreement terminated.		(10,033,302)	-
VII. Profit before Tax	(V - VI)	3,274,588	15,630,611
VIII. Tax expense:			
(1) Current Income tax		2,733,700	4,301,304
(2) Deferred tax		(5,897,299)	(324,849)
(3) Excess provision written back		245,331	(3,026,637)
IX. Profit(Loss) for the period from continuing operations	(VII-VIII)	6,192,856	14,680,792
X. Earning per equity share:	38		
(1) Basic		2.12	5.01
(2) Diluted		2.12	5.01

**Significant Accounting Policies**

As per our report of even date attached

For R.K. Baheti & Company  
Chartered Accountants  
(Firm Reg. No. 010528N)

(CA. Ajay Baheti)  
Partner

Membership No. 088545  
UDIN - 21088545AAAAFT5669  
Place : Noida  
Date : 21/09/2021



For Shri Rathi Steel (Dakshin) Ltd.

Anil Rathi  
Director

(ANIL RATHI)  
DIRECTOR  
DIN:00072761

For Shri Rathi Steel (Dakshin) Ltd

Gopal Rathi  
Director

(GOPAL RATHI)  
Whole Time Director  
DIN: 00072755

**Shri Rathi Steel (Dakshin) Limited**

CIN:-U74899DL1992PLC050960

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

**Note 1 Significant Accounting Policies**

**a) BASIS OF ACCOUNTING**

- I. The financial statements have been prepared in accordance with Indian General Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the companies act 2013("Act") read with Rule 7 of the Companies (Accounts) rules,2014 and the provision of the Act(to the extend notified)
- II. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in the accounting policy hitherto in use

**b) Use of estimates**

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

**c) FIXED ASSETS**

**Tangible assets**

- I. The fixed assets are accounted for at cost of acquisition inclusive of freight, duties, taxes, erection, and interest during construction period, preoperative expenses and other incidentals related to acquisition and exclusive of Taxes paid and recoverable on purchase of capital goods.
- II. Cost of fixed Assets acquired from outside India is converted into Indian rupees at the exchange rates prevailing on the date of disbursements.
- III. Expenses incurred relating to expansion of project prior to commercial production has been debited under the head capital work in progress / Plant under Installation.

**Intangible Asset**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization /depletion and impairment loss, if any. This comprises of purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.



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**d) Depreciation/Amortization**

- a) Depreciation is provided on a written down value method over the useful life of assets, which is as stated in schedule II of companies act 2013. The details of estimated life for each category of assets are as under.

S.No.	Particulars	Years
1.	Building	30
2.	Dev. Of Rented Building	60
3.	Computer & Peripherals	03
4.	Electric Installation	10
5.	Furniture & Fixtures	10
6.	Office Equipment	05
7.	Plant & Machinery used in Manufacturing of Steel Bars	20

- b) On the assets acquired / put to use during the year, depreciation is calculated on pro-rata basis from the date of acquisition / installation of the assets.
- c) On assets sold / discarded during the year, depreciation is provided up to the date of sale or discarding.
- d) Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Long Term Loans and Advances.
- e) Gains or losses arising from de-recognition of Fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, and unexpected failure leading to impairment or complete discard. Alternately, the equipment may continue to provide useful service well beyond the useful life assumed

**e) Impairment**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**f) INVESTMENTS**



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Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### g) REVENUE RECOGNITION

- I. Sale of goods is recognized at the point of dispatch of finished goods to customers, that is on transfer of risk and rewards of ownership to the buyer and when no significant uncertainty exists regarding the amount of consideration that will be derived. Interest is accounted on accrual basis.
- II. Interest is accounted on accrual basis
- III. Export sales (supplies to SEZ developers & units located in the SEZ area) are accounted on the basis of the date of bill of exports.
- IV. Dividend income is recognized on the basis of dividend declared by investee companies and the right to receive is established and there is a reasonable certainty of its collection.
- V. Insurance Income is recognized on acceptance basis or when there is reasonable certainty that the ultimate collection will be made.
- VI. Income in respect of other claims and commissions are measured at fair value and recognized when there is reasonable certainty that the ultimate collection will be made

#### h) INVENTORIES

- I. Stocks of raw materials are valued at cost by adopting Weighted Average method.
- II. Stocks of Stores, spares and oil & fuel are valued at cost by adopting FIFO method.
- III. Stocks of finished goods are valued at lower of cost or net realizable value. Cost includes raw material cost and appropriate share of manufacturing expenses and is exclusive of GST payable thereon.
- IV. Stock of Miss Roll & Scrap is valued at net realizable value.

#### i) PROVISION FOR CURRENT AND DEFERRED TAX:

**Current Tax:** Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.



S. T. K.

**Deferred Tax:** Deferred tax is recognized in accordance with the Accounting Standard 22 "accounting for Taxes on Income" as issued by the Institute of Chartered Accountants of India, the deferred tax liability for timing difference between book profits and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as at date of Balance Sheet. Deferred Tax assets arising from temporary timing differences are recognized to the extent there is virtual certainty that the assets can be realized in future.

**Minimum Alternate tax (Mat):** Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

#### j) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

Contingent Assets usually arise from unplanned or other unexpected events that give rise to the possibility of any inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

#### k) RETIREMENT BENEFITS:

##### i. Short Term Employee Benefits:

All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. Benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.



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## II. Post-Employment Benefits:

- I. **Defined Contribution Plans:** The State governed provident fund scheme, employee's state insurance scheme, employees pension scheme and the company's approved superannuation scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.
- II. **Defined Benefit Plans:** Defined benefit plans of the company comprise employee's gratuity fund schemes managed by a Trust/Life Insurance Corporation Gratuity and other retirement benefits are accounted on accrual basis. The Gratuity liabilities, in respect of employees of company are covered through a policy taken by trust from Life Insurance Corporation of India. The premium in respect of such policy paid to the trust is treated as revenue expenditure.

Provision for gratuity is calculated on the basis of actuarial valuation carried out at reporting date and is charged to statement of Profit and Loss. The actuarial valuation is computed using the projected unit credit method

Leave Encashment is recognized as an expense in the statement of Profit and Loss account as and when they accrue. The Company determines the liability using the projected unit credit method with actuarial valuations carried out as at Balance Sheet date.

### l) Foreign Exchange Transaction

Transaction in foreign currency is recorded in Indian rupees using the rates of exchange prevailing on the dates of transactions. At each balance sheet date, recorded monetary balances are reported in Indian rupees at rates of exchange prevailing at the balance sheet date. All realized and unrealized exchange adjustment, gain and losses are dealt with in the profit and loss account.

### m) Goods & Service Tax (GST)

GST has been accounted on the basis of supply of goods and / or services.

### n) Input Tax Credit (ITC)

ITC available on purchase of raw material, other eligible inputs and capital goods is adjusted against SGST/CGST/IGST payable on clearance of goods and services.

### o) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares



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outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Borrowing Cost**

Borrowing cost, if any, includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset, assets, upto the date of commencement of production from such asset. All other borrowing costs are expensed in the period they occur.

**q) Cash Flow Statement**

Cash flow Statement are prepared in accordance with the "indirect Method" as explained in the accounting standard (AS)3 – Cash Flow Statement as prescribed under section 211(3C) of the Companies Act 2013.

**r) Segment Reporting**

Company operates in single operating segment.



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**SHRI RATHI STEEL (DAKSHIN) LIMITED**  
Notes on Financial Statements As At 31.03.2021

Note No.	Particulars	(Amount in Rs.)	
		Amount As At	
		31.03.2021	31.03.2020
2	<b>EQUITY AND LIABILITIES -</b>		
	<i>Shareholder's Funds</i>		
	<i>Share Capital</i>		
	<b><u>AUTHORIZED</u></b>		
	30,00,000(Previous year 30,00,000) Equity Shares of Rs. 10/- each	30,000,000	30,000,000
		<b>30,000,000</b>	<b>30,000,000</b>
	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
	29,27,860 (Previous Year 29,27,860) Equity Shares of Rs 10/- each	29,278,600	29,278,600
		<b>29,278,600</b>	<b>29,278,600</b>

Note

(A) Reconciliation of Equity Share Capital (In Number)	No. of Shares	Amount	No. of Shares	Amount
Shares Outstanding at the beginning of the year (Nos.)	2,927,860	29,278,600	2,927,860	29,278,600
Add: Shares issued during the year (Nos.)		-		-
Less: Shares bought back during the year (Nos.)		-		-
Shares Outstanding at the end of the year (Nos.)		<b>29,278,600</b>		<b>29,278,600</b>
<b>(B) Equity Shares:</b>				

The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.

(C) List of shareholders holding more than 5% of the Equity Share Capital of the Company (Nos.)

Name of the Shareholders	% age	No. of Shares of Rs. 10/- each	% age	No. of Shares of Rs. 10/- each
Urmil Rathi	9.65	282,500	9.65	282,500
Asimit Finvest (P) Ltd.	81.54	2,386,960	81.54	2,386,960
	<b>91.19</b>	<b>2,669,460</b>	<b>91.19</b>	<b>2,669,460</b>

3 Reserve & Surplus

<b>General Reserve</b>				
Beginning of the Year		27,500,000		25,000,000
Addition During the Year		2,500,000		2,500,000
Closing Balance	(A)	<b>30,000,000</b>		<b>27,500,000</b>
<b>Share Premium Account</b>				
Beginning of the Year		101,406,400		101,406,400
Addition During the Year		-		-
Closing Balance	(B)	<b>101,406,400</b>		<b>101,406,400</b>
<b>Reserve for Contingent Liability</b>				
Beginning of the Year		15,000,000		12,000,000
Addition During the Year		3,000,000		3,000,000
Closing Balance	(C)	<b>18,000,000</b>		<b>15,000,000</b>



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(Amount in Rs.)

Note No.	Particulars	Amount As At	
		31.03.2021	31.03.2020
	<b>Surplus in Statement of Profit &amp; Loss</b>		
	Beginning of the Year	169,009,607	159,828,814
	Addition During the Year	6,192,856	14,680,792
	(D)	<u>175,202,463</u>	<u>174,509,607</u>
	<b>Deductions :</b>		
	Transfer to General reserve	2,500,000	2,500,000
	Transfer To Reserve For Contingent Liabilities	3,000,000	3,000,000
	(E)	<u>5,500,000</u>	<u>5,500,000</u>
	(A+B+C+D-E)	<u>319,108,863</u>	<u>312,916,007</u>
<b>4</b>	<b>Long-Term Borrowings</b>		
	<b>Secured</b>		
(a)	<b>Term Loans</b>		
	- From Banks	118,322,032	34,396,419
(b)	<b>Car Loans</b>		
	From Banks	1,066,523	529,345
	From Others	-	27,492
	<b>Total (A)</b>	<u>119,388,555</u>	<u>34,953,256</u>
	<b>Less: Current Maturities of Long Term Borrowings</b>		
	<b>Term Loans</b>		
	- From Banks	18,834,924	11,465,472
	<b>Car Loans</b>		
	From Banks	274,153	346,003
	From Others	-	27,492
	<b>Total (B)</b>	<u>19,109,077</u>	<u>11,838,967</u>
	<b>TOTAL (C) (A-B)</b>	<u>100,279,478</u>	<u>23,114,290</u>
	<b>Unsecured</b>		
	From Directors	51,179,686	40,679,686
	From Others (Intercompany Deposits)	116,668,122	105,705,008
	<b>Total (D)</b>	<u>167,847,808</u>	<u>146,384,694</u>
	<b>Grand Total (C+D)</b>	<u>268,127,286</u>	<u>169,498,984</u>

(a.1) The company have availed Term loan:-

Particulars	HDFC BANK	HDFC BANK	HDFC BANK
<b>Term Loan repayment Terms</b>			
<b>Term Loan From</b>	HDFC BANK	HDFC BANK	HDFC BANK
<b>Purpose of the Loan</b>	Loan for CAPEX, taken over from Kotak	Loan for CAPEX in the Company	Emergency Credit Line under Covid19 for Working Capital
<b>Sanctioned Amount (In Lakh)</b>	439	500	490
<b>Loan Account No</b>	003LN06191510001	572LN06201880001	003LN65210690001
<b>No of instalment</b>	52	66	48
<b>Furquency</b>	Monthly	Monthly	Monthly
<b>Repayment Starting From</b>	Jun-19	Feb-21	Apr-22
Rate of Interest ranges for above term loan from 7.10% to 8.80%			

All these Term loan from HDFC Bank Ltd. (HDFC) have been secured by first charge of all assets present & future of the company. These loan are further secured by Equitable Mortgage of land & building owned by M/s VAP Electronics LLP, •Equitable mortgage of land & building owned by M/s Indigo Advertising Pvt.Ltd. • Corporate guarantees by M/s Indigo Advertising Pvt. Ltd., . and M/s VAP Electronics LLP • Personal Guarantees from three Directors of the Company.

The Company has availed the first moratorium tranche announced by Reserve Bank of India and had adjusted the current and non current balance of term loan based on revised repayment schedule agreed with Banks. Further, the Company had also availed the second Moratorium as allowed by the RBI and Working Capital Bankers.

(b) Car loans are secured against hypothecation of vehicles purchase thereunder.Repayment of monthly installments till the tenure of loan concerned.

<b>5</b>	<b>Deferred Tax Liability</b>		
	Beginning of the Year	17,682,722	18,007,571
	For current year	(5,897,299)	(324,849)
		<u>11,785,423</u>	<u>17,682,722</u>



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Note No.	Particulars	(Amount in Rs.)	
		31.03.2021	31.03.2020
6	<b>Long Term Provision -</b>		
	Provision for Gratuity	986,189	2,570,827
	Provision for Leave Encashment	217,018	686,560
		<u>1,203,207</u>	<u>3,257,387</u>
7	<b>Short Term Borrowings</b>		
	- From Bank		
	Cash Credit	295,967,182	216,943,220
		<u>295,967,182</u>	<u>216,943,220</u>

Working Capital Facilities from HDFC Bank Ltd. (HDFC) is secured by first charge on the current assets including stock of raw-Materials, stock-in-process, finished goods, book Debts & receivables and collaterally secured by second charge on block assets of the unit situated at Khushkhera, Bhiwadi. It is further secured by • Equitable Mortgage of land & building owned by M/s VAP Electronics LLP, •Equitable mortgage of land & building owned by M/s Indigo Advertising Pvt.Ltd. • Corporate guarantees by M/s Indigo Advertising Pvt. Ltd, and M/s VAP Electronics LLP • Personal Guarantees from three Directors of the Company.

The Company had availed both moratorium tranche announced by Reserve Bank of India and allowed by working capital bankers. During the year, the Company had issued cheques of Rs.10,30,56,780/- which are outstanding over and above Working capital facility limit as sanctioned by the HDFC Bank as on 31st March 2020. The Company has issued these cheques in anticipation of projected realization from Debtors. However, due to Covid-19 pandemic country wide lockdown was declared by Government of India on March 23, 2020 and resultantly the Company operations in all the units of the Company stood suspended in compliance with the lockdown instructions issued by the Central and State Governments. However, these cheques were cleared subsequently out of realizations.

8	<b>Trade Payable</b>		
	Outstanding dues of micro and small enterprises	11,805	564,715
	Outstanding dues of creditors other than micro and small enterprises	188,845,295	232,645,907
		<u>188,857,100</u>	<u>233,210,622</u>
9	<b>Other Current Liabilities</b>		
	Statutory Dues	3,616,212	2,115,486
	Advance From Customers	43,789,274	14,816,239
	Other Liabilities	6,465,350	9,228,930
	Current Maturities of Long Term Borrowings	19,109,077	11,838,967
		<u>72,979,913</u>	<u>37,999,622</u>
10	<b>Short Term Provisions</b>		
	Provision For Leave Encashment	24,897	470,551
	Provision For Gratuity	84,435	2,134,850
	Provision for Income Tax	2,733,700	4,301,304
		<u>2,843,032</u>	<u>6,906,705</u>



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## SHRI RATHI STEEL (DAKSHIN) LIMITED

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 1.04.2020	Additions During the Year	Sales/ Adjustment	As At 31.03.2021	As At 1.04.2020	Adjustment For the Year	Total As At 31.03.2021	W.D.V. As At 31.03.2021	W.D.V. As At 31.03.20	
<b>Tangible Assets</b>										
Building	54,832,408	275,474	-	55,107,882	31,963,794	-	34,138,224	20,969,658	22,868,614	
Temporary Structure	3,273,617	-	-	3,273,617	2,821,618	-	2,852,142	421,475	451,999	
Computer & Peripherals	1,909,746	35,593	-	1,945,339	1,699,111	-	1,785,457	159,882	210,635	
Electric Installation	26,872,623	-	-	26,872,623	25,355,252	-	25,408,769	1,463,854	1,517,371	
Furniture & Fixture	1,906,410	2,300	-	1,908,710	1,708,623	-	1,737,630	171,080	197,787	
Lease Land Plot SPA-1	25,955,947	-	-	25,955,947	-	-	-	25,955,947	25,955,947	
Office Equipment	3,524,518	222,089	-	3,746,607	3,133,935	-	3,277,840	468,767	390,583	
Plant & Machinery Rolls	74,176,833	2,065,671	-	76,242,504	29,002,811	-	38,304,100	37,938,404	45,174,022	
Plant & Machinery	211,859,845	64,515,630	-	276,375,475	181,661,736	-	193,965,138	82,410,337	30,198,109	
Plant & Machinery (Gasfire)	60,457,174	-	-	60,457,174	46,905,178	-	49,628,339	10,828,835	13,551,996	
Vehicles	16,014,938	951,641	-	17,966,579	14,592,187	-	15,543,871	1,759,237	1,422,751	
<b>TOTAL</b>	<b>480,784,059</b>	<b>68,068,398</b>	<b>6,203,222</b>	<b>542,649,235</b>	<b>338,844,245</b>	<b>5,893,061</b>	<b>360,101,759</b>	<b>182,547,476</b>	<b>141,939,814</b>	
<b>Intangible Assets</b>										
Computer Software	5,560,765	-	-	5,560,765	5,560,765	-	5,560,765	-	-	
<b>TOTAL FIXED ASSETS</b>	<b>486,344,824</b>	<b>68,068,398</b>	<b>6,203,222</b>	<b>548,210,000</b>	<b>344,405,010</b>	<b>5,893,061</b>	<b>365,662,524</b>	<b>182,547,476</b>	<b>141,939,814</b>	
C.W.I.P.	99,333,519	(44,576,536)	-	54,756,983	-	-	-	54,756,983	99,333,519	
<b>TOTAL</b>	<b>585,678,343</b>	<b>23,491,862</b>	<b>6,203,222</b>	<b>602,966,983</b>	<b>344,405,010</b>	<b>5,893,061</b>	<b>365,662,524</b>	<b>237,304,459</b>	<b>241,273,333</b>	
Previous Year	493,896,183	91,782,160	-	585,678,343	322,201,853	-	344,405,010	241,273,333	171,694,330	



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**SHRI RATHI STEEL (DAKSHIN) LIMITED**  
**Notes on Financial Statements As At 31.03.2021**

(Amount in Rs.)

Note No.	Particulars	Amount As At	
		31.03.2021	31.03.2020
<b>12 Non Current Investment</b>			
	Investment in Wholly Owned Subsidiary A/c	3,079,990	3,079,990
	Unquoted Share- Face Value 1,00,000 AED	<u>3,079,990</u>	<u>3,079,990</u>
<b>13 Long Term Loans and Advances</b>			
	<b>(Unsecured , considered good unless otherwise stated)</b>		
	<i>Advance to Suppliers for Capital Equipments</i>	8,210,337	18,483,234
	<b>Security Deposit</b>		
	With Government Department	8,927,159	10,595,882
	Other Deposit	55,240	55,240
		<u>17,192,736</u>	<u>29,134,356</u>
<b>14 Other Non Current Assets</b>			
	Employee Benefits	3,004,645	3,646,635
	Deffered Revenue Exp.	-	5,344,623
		<u>3,004,645</u>	<u>8,991,258</u>
<b>15 Inventories</b>			
	(As taken, valued and certified by the Management)		
	Raw Material	94,556,286	51,485,459
	Finished Goods	143,444,181	80,952,405
	Stores & Spares	18,756,130	19,719,044
	Other Scrap	5,209,600	6,653,835
	Coal	3,504,017	2,494,385
		<u>265,470,214</u>	<u>161,305,128</u>
<b>16 Trade Recievabales</b>			
	<b>(a) Outstanding for period exceeding six months</b>		
	Unsecured, Considered Good	144,741,187	203,416,085
	Less: Provision for Doubtful Debt	880,000	880,000
		<u>143,861,187</u>	<u>202,536,085</u>
	<b>(b) Others</b>		
	Unsecured, Considered Good	356,993,324	251,306,269
		<u>500,854,511</u>	<u>453,842,354</u>
<b>17 Cash &amp; Cash Equivalent</b>			
	Cash in hand	3,229,837	2,139,868
	<b>With Scheduled Banks :</b>		
	In Current Accounts	134,416	82,724
	In Fixed Deposit Accounts ( Pledged as Margin Money to Banks)	8,122,757	8,896,283
		<u>11,487,010</u>	<u>11,118,875</u>
<b>18 Other Current Assets</b>			
	<b>(Unsecured , considered goods unless otherwise stated)</b>		
	a) Advances recoverable in cash or in kind or value to be received	7,573,315	6,753,645
	b) Balance with Government Authorities	22,219,037	16,464,263
	c) Prepaid Expenses	590,339	613,700
	d) Deferred Revenue Expenditure	5,344,623	12,646,033
	E) Advance To Suppliers	116,029,727	82,470,934
		<u>151,757,041</u>	<u>118,948,575</u>



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**SHRI RATHI STEEL (DAKSHIN) LIMITED**  
Notes on Financial Statements As At 31.03.2021

(Amount in Rs.)

Note No.	Particulars	Amount for Year ending on	
		31.03.2021	31.03.2020
<b>19</b>	<b>Revenue from Operations</b>		
	Sales	3,391,628,554	4,191,086,524
	Sale of traded goods	431,591,422	17,193,496
	<b>Total (A+B)</b>	<u><u>3,823,219,976</u></u>	<u><u>4,208,280,020</u></u>
<b>20</b>	<b>Other Income</b>		
	Interest Received	1,436,687	1,683,942
	Miscellaneous Receipts	3,120,613	1,910,904
	Insurance Received On Sales	2,041,566	2,626,359
	Interest on Income Tax Refund	853,077	-
	Foreign Currency Fluctuation	(3,021,321)	9,402,477
	Freight Outward (Net of Recovery from Customer)	-	962,446
	<b>Total</b>	<u><u>4,430,622</u></u>	<u><u>16,586,128</u></u>
<b>21</b>	<b>Cost of Material Consumed</b>		
	Raw Material ( With Processing Charges)	3,078,903,464	3,769,319,145
	<b>Total</b>	<u><u>3,078,903,464</u></u>	<u><u>3,769,319,145</u></u>
	Raw Material consumed		
	Opening Stock	51,485,459	39,391,405
	Add : Purchases ( including processing charges & Freight )	3,121,974,291	3,781,413,199
	<b>Total</b>	<u><u>3,173,459,750</u></u>	<u><u>3,820,804,604</u></u>
	Less : Closing Stock	94,556,286	51,485,459
	Raw Material consumed	<u><u>3,078,903,464</u></u>	<u><u>3,769,319,145</u></u>
<b>22</b>	<b>Change in Inventories</b>		
	<b>Finished goods</b>		
	Closing Stock	143,444,181	80,952,405
	Opening Stock	80,952,405	96,782,069
	Changes in inventories of finished goods and Stock-in-Trade	<u><u>62,491,776</u></u>	<u><u>(15,829,664)</u></u>
<b>23</b>	<b>Employment Benefit Expenses</b>		
	Salary, Wages, Bonus, Gratuity & Leave Encashment	22,234,046	24,118,902
	Director Remuneration	4,342,908	5,473,942
	Contribution to Provident Fund and Other Funds	1,159,797	1,622,429
	Workmen & Staff Welfare	153,804	1,065,307
	<b>Total</b>	<u><u>27,890,555</u></u>	<u><u>32,280,580</u></u>
<b>24</b>	<b>Interest &amp; Finance Charges</b>		
	Interest on Cash Credit Facility	16,128,234	18,574,424
	Interest on Term loan	3,944,256	2,053,208
	Interest on Car loan	79,318	79,464
	Interest on Unsecured Loan	4,046,337	3,592,517
	Other Borrowing Cost	2,745,000	4,423,924
	Bank Charges/Bills Discounting Charges	2,724,586	5,463,458
	<b>Total</b>	<u><u>29,667,731</u></u>	<u><u>34,186,996</u></u>
<b>25</b>	<b>Depreciation &amp; Amortised Cost</b>		
	Depreciation	27,150,575	22,203,157
	<b>Total</b>	<u><u>27,150,575</u></u>	<u><u>22,203,157</u></u>



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(Amount in Rs.)

Note No.	Particulars	Amount for Year ending on	
		31.03.2021	31.03.2020
<b>26</b>	<b>Other Expenses</b>		
	Power Expenses	91,494,917	109,663,261
	Stores & Spares	19,421,731	26,457,129
	Fuel Expenses	48,442,686	67,331,140
	Insurance	1,169,764	1,000,366
	Fees & Subscription	671,636	690,046
	<b>Travelling Expenses</b>		
	Other	168,857	2,858,025
	Director	152,383	292,242
	<b>Repair &amp; Maintenance</b>		
	-Machinery	4,069,986	2,703,880
	-Vehicle	1,258,074	2,125,821
	-Building & Others	1,153,915	1,721,582
	Miscellaneous Expenses	23,404,516	24,508,181
	Bad Debts written off	4,111,850	-
	Legal & Professional Expenses	6,780,555	7,867,204
	Postage, Telegram & Telephone Exp.	149,296	218,786
	Rent	920,731	931,650
	Rates & Taxes	640,218	207,761
	Freight Outward (Net of Recovery from Customer)	218,290	-
	Donations	360,000	396,000
	Advertisement & Business Promotion	14,293,225	12,971,383
	Commission	2,437,958	1,465,325
	Deff. Revenue Exp. Written Off	12,646,033	12,646,033
	Printing & Stationary	346,414	405,483
	Prior Period Adjustment	76,217	285,388
	Other Manufacturing Exp.	33,050,429	41,155,176
	Provision for Doubtful Debt	-	880,000
	Shortage	77,088	17,272
	<b>Payment To Auditors</b>		
	-Audit Fees	400,000	296,500
	-Tax Audit Fees	-	75,000
	-Remuneration in Other Capacity	-	72,125
	<b>Total</b>	<b>267,916,769</b>	<b>319,242,759</b>



*[Handwritten signature]*

## NOTES TO THE ACCOUNTS

## 27 Contingent Liabilities

A	Particulars	2020-21	2019-20
B	Demands raised and disputed towards Excise Duty	-	2,453,544
C	Demands raised and disputed towards Sales Tax / VAT (Cases worth Demand of Rs 19,53,59,060, filed by Revenue Deptt. after the case is dismissed by Hon'ble High Court once)	195,359,060	195,359,060
D	Demand Raised In Income Tax (Cases worth Demand of Rs 2,13,40,320, filed by Revenue Deptt. after Hin'ble ITAT decided in Company's favor)	32,188,985	32,188,985
	<b>TOTAL *</b>	<b>227,548,045</b>	<b>230,001,589</b>
	Amount paid against Cases above, shown as Security Deposit	2,967,175	4,778,881

\* The company has created a reserve of Rs. 30,00,000/- to meet any liabilities which may be arising out of legal proceedings. (Cumulative Balance Rs.1.80 Crores (Previous Year Rs.1.50 Crores).

28. Stores consumption includes material issued for repairs & maintenance of Building and Plant & machinery.

29. The Deferred Tax adjustment for the year ended 31.03.2021 as per Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India as detailed below :-



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Particular	2020-21	2019-20
Deferred Tax Liabilities on account of Depreciation, Deffered Revenue Exp. And Gratuity Plan Assets	48,810,680	60,306,926
Deferred Tax Assets on account of Gratuity, Bonus & leave encashment	-1,983,665	-7,339,271
<b>Net Position</b>	<b>46,827,015</b>	<b>52,967,655</b>
<b>Tax Rate</b>	<b>25.1680%</b>	<b>33.3840%</b>
<b>Deferred Tax Assets / Liabilities</b>	<b>11,785,423</b>	<b>17,682,722</b>

The movement for the relevant period in the company's deferred tax position are as follows:

Particular	2020-21	2019-20
At the beginning of the period	17,682,722	18,007,571
Change to P&L Account for the period	-5,897,299	-324,849
At the end of the period	11,785,423	17,682,722
<b>Deferred Tax Assets/ Liabilities</b>	<b>11,785,423</b>	<b>17,682,722</b>

### 30. Employee benefits

#### a) Defined benefit plans: Gratuity

- I. Provision towards gratuity is based upon actuarial valuation done by an independent actuary using Projected Unit Credit method and it covers all regular employees. Gain and losses on changes in actuarial assumptions are accounted for in the profit and loss account.
- II. The charge on account of provision for gratuity has been included in 'Salaries, Wages, Allowances and other Benefits.
- III. Actuarial valuation of gratuity has been done with the following assumptions.

Particulars	2020-21	2019-20
<b>Principal actuarial assumptions :</b>		
Discount Rate	6.45%	6.55%
Salary growth Rate (P.A)	7.50%	7.50%
Expected rate of return on plan assets (P.A)	6.45%	7.44%
Average remaining working life (Years)	26.19%	23.23%



*S. J. K.*



**Change in the present value of obligation**

Particulars	2020-21	2019-20
Present value of obligation as at beginning	4,705,677	4,262,661
Interest Cost	308,004	322,516
Past Service Cost	-	-
Current Service Cost	222,108	765,303
Benefits Paid	-862,393	-199,962
Actuarial (Gain)/Loss on the Obligation	-3,302,772	-444,841
Present value of obligation as at the end	1,070,624	4,705,677

**Changes in the Fair Value of Plan Assets:**

Particulars	2020-21	2019-20
Fair Value of Plan Assets as at the Beginning	3,643,190	3,586,430
Acquisition Adjustment	-	-
Expected Return on Plan Assets	270,861	271,351
Employer's Contribution	27,809	-
Employee's Contribution	-	-
Benefit Paid	-862,393	-199,962
Actuarial Gain / (Loss) on the Plan Assets	-74,822	-14,629
Fair Value of Plan Assets as at the End	3,004,645	3,643,190

**Amount For The Current Period**

Particulars	2020-21	2019-20
Actuarial (Gain) / Loss for the period - Present Value of Obligation	-3,302,772	-444,841
% of Opening Present Value of Obligation	70.20%	10.40%
Actuarial Gain / (Loss) for the period - Fair Value of Plan Assets	-74,822	-14,629
% of Opening Fair Value of Plan Assets	-2.10%	-0.40%
<b>Total Actuarial (Gain) / Loss for the period</b>	<b>-3,227,950</b>	<b>-430,212</b>
Actuarial (Gain) / Loss recognised in the period	-3,227,950	-430,212
Unrecognised Actuarial (Gain) / Loss in the period	-	-
<b>Experience Adjustment on Present Value of Obligation - Loss / (Gain)</b>	<b>-3,310,259</b>	<b>-672,599</b>
<b>Experience Adjustment on Fair Value of Plan Assets - (Loss) / Gain</b>	<b>-74,822</b>	<b>-14,629</b>



S. J. K.

**Movement in the Liability recognized in the Balance Sheet**

Particulars	2020-21	2019-20
Present Value of Obligation as at the beginning	4,705,677	4,262,661
Expenses Recognized in statement of Profit and Loss	-2,966,970	387,985
Unrecognized Past Service Cost	1,715	3,445
Benefits Paid	-862,393	-199,962
Actual Return on Plan Assets	196,039	256,722
Acquisition Adjustment	-3,445	-5,174
Present Value of Obligation as at the end	1,070,623	4,705,677

**Expenses recognized in the Profit and Loss Account**

Particulars	2020-21	2019-20
Current Service Cost	222,108	765,303
Past Service Cost	1,729	1,729
Interest Cost	308,004	322,516
Expected Return on Plan Assets	-270,861	-271,351
Net Actuarial (Gain)/ Loss recognized in the period	-3,227,950	-430,212
Expenses Recognized in statement of Profit and Loss	-2,966,970	387,985

**b) Defined benefit plans: Leave Encashment**

- i. Provision towards Leave Encashment is based upon actuarial valuation done by an independent actuary using Projected Unit Credit method and it covers all regular employees. Gain and losses on changes in actuarial assumptions are accounted for in the profit and loss account.
- ii. The charge on account of provision for Leave Encashment has been included in Salaries, Wages, Allowances and other Benefits.
- iii. Actuarial valuation of Leave Encashment has been done with the following assumptions.  
(Amount in Rs.)



*S. T. K.*

Particulars	2020-21	2019-20
<b>Principal actuarial assumptions :</b>		
Discount Rate	6.45%	6.55%
Rate of increase in compensation levels	-	-
Expected Rate of return on plan Assets (P.A)	-	-
Average remaining working life (years)	26.19	23.23

**Change in the present value of obligation**

Particulars	2020-21	2019-20
<b>Present value of obligation as at beginning</b>	<b>1157111</b>	<b>1141984</b>
Interest Cost	75,737	86,403
Past Service Cost	-	-
Current Service Cost	83838	186072
Benefits Paid	-586583	-155048
Actuarial (Gain)/Loss on the Obligation	-488188	-102300
<b>Present value of obligation as at the end</b>	<b>241,915</b>	<b>1,157,111</b>

**Changes in the Fair Value of Plan Assets:**

Particulars	2020-21	2019-20
<b>Fair Value of Plan Assets as at the Beginning</b>	-	-
Acquisition Adjustment	-	-
Expected Return on Plan Assets	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefit Paid	-	-
Actuarial Gain / (Loss) on the Plan Assets	-	-
<b>Fair Value of Plan Assets as at the End</b>	-	-



*S. T. K.*

**Amount For The Current Period**

Particulars	2020-21	2019-20
Actuarial (Gain) / Loss for the period - Present Value of Obligation	-488,188	-102,300
% of Opening Present Value of Obligation	-42.20%	-9.00%
Actuarial Gain / (Loss) for the period - Fair Value of Plan Assets		
% of Opening Fair Value of Plan Assets		
<b>Total Actuarial (Gain) / Loss for the period</b>	<b>-488,188</b>	<b>-102,300</b>
Actuarial (Gain) / Loss recognised in the period	-488,188	-102,300
Unrecognised Actuarial (Gain) / Loss in the period		
<b>Experience Adjustment on Present Value of Obligation - Loss / (Gain)</b>	<b>-489,936</b>	<b>-163,678</b>
<b>Experience Adjustment on Fair Value of Plan Assets - (Loss) / Gain</b>		

**Movement in the Liability recognized in the Balance Sheet**

Particulars	2020-21	2019-20
<b>Present Value of Obligation as at the beginning</b>	<b>1,157,111</b>	<b>1,141,984</b>
Expenses Recognized in statement of Profit and Loss	-328,613	170,175
Benefits Paid	-586,583	-155,048
Actual Return on Plan Assets	-	-
Acquisition Adjustment	-	-
<b>Present Value of Obligation as at the end</b>	<b>241,915</b>	<b>1,157,111</b>
<b>Expenses recognized in the Profit and Loss Account</b>		
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Current Service Cost	83,838	186,072
Past Service Cost		
Interest Cost	75,737	86,403
Expected Return on Plan Assets		
Net Actuarial (Gain)/ Loss recognized in the period	-488,188	-102,300
<b>Expenses Recognized in statement of Profit and Loss</b>	<b>-328,613</b>	<b>170,175</b>

31. The company had launched a brand building campaign in earlier year and incurred expenditure of Rs NIL/- thereon. The benefits of the same are estimated over a period of 3 years,



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in the form of higher sales, although it is not in line with AS- 26 issued by the ICAI. Consequently Profit for the year in the Statement of Profit & Loss are understated by Rs. 1,26,46,033/-, Reserve & Surplus and Miscellaneous expenditure, to the extent not written off or adjusted, are overstated by Rs. 53,44,623/- (Previous Year Rs. 1,79,90,656/-)

32. Salaries and wages include employer's contribution to Provident Fund and relevant expenses: Rs.7,51,002 /- (previous year Rs. 13,12,303 /-) and Rs. 3,26,630/- towards ESIC (previous year 3,10,126/-)

33. The Trade Receivables, Other Current and Non-current assets and Trade Payables are subject to confirmations. However, in the opinion of the Board of Directors the Current Assets, i.e. Inventories, Trade Receivables, other current assets would realize at least the value at which they are stated in the balance sheet.

34. Miscellaneous Receipts (as reflected in Note no. 20) includes an amount of INR 416,308 towards write back of amount outstanding in sundry debtors and sundry creditors accounts. This is after netting off of INR (credit balance of short/excess Account) being the credit balances written back and INR (debit balance of short /excess Account) being debit balances written off.

**35. Other Information:**

	CURRENT YEAR VALUE	PREVIOUS YEAR VALUE	%
<b>(A) Value of Goods consumed:</b>			
INDIGENOUS	3,078,903,464	3,769,319,145	100
<b>(B) Value of Stores consumed:</b>			
INDIGENOUS	19,421,731	26,457,129	100
<b>(C) CIF Value of Imports:</b>			
	--	--	-
<b>(D) Value of Goods purchased:</b>			
M.S.BAR / TMT	446,079,229	15,840,245	-
Steel Structures & Other	-	11,560	-
<b>(E) Expenditure in Foreign Currency on account of:</b>			
(a) Travelling Expenses	-	1,532,327	-
(b) Other Expenses	--	--	-
<b>(F) Earnings in Foreign Currency</b>			
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36. Pursuant to Notification No. G S R 129(E) dated 22nd February, 1999 issued by Ministry of Law & Justice and Company Affairs and The Micro, Small & Medium Enterprises Development Act, 2006, the name(s) of the small scale industrial undertaking(s) to whom the Company owe a



*S. N. K.*

sum exceeding Rs. 1.00 Lac which is outstanding for more than 30 days as on 31.03.2021 have been furnished to the extent of available information received from the suppliers regarding their status as SSI unit. However, no specific claims have been received for interest from suppliers with reference to the "Interest on Delayed Payments Small Scale Ancillary Industrial Undertakings Act, 1993".

37. As per Accounting Standard 18 (AS-18) " **Related Party Disclosure** " issued by Institute of Chartered Accountants of India, the disclosure of transactions with related party and description of relationship as defined in AS-18 are given below:

Particulars	Name of Related Parties
Subsidiary	Shri Rathi Overseas FZE
Associates	M/s. Shri Rathi Steel Limited M/s. Vap Electronics LLP M/s. Radha Madhav Exim Ltd. (Under Voluntary Liquidation) M/s. Indigo Advertising Pvt. Ltd. M/s. Aakarshan Exports Pvt. Ltd. M/s Ashtmurti Exim Pvt. Ltd. M/s Comero Leasing & Financials (P) Ltd.
Key Management Personnel	Mr. Anil Rathi, Director Mr. Dhruv Rathi, Director Mr. Gopal Rathi, Whole-Time Director Mr. A.K. Malhotra, Director Mr. Arpit Mittal (Independent Director) Ms. Jyoti Singhal (Independent Director)
Relatives of Key Management Personnel	Mrs. Shweta Rathi (Wife of Director), Mrs. Urmil Rathi (Wife of Director), Mrs. Anchal Rathi (Wife of Director)
Holding Company	Asimit Finvest Pvt. Ltd.



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Detail of transactions with related parties FY 2020-21

S.No	Name of Related Parties	Relationship	Nature of transactions	Debit Transactions	Credit Transactions	Balance as on 31.03.2021	Balance as on 31.03.2020
1	Shri Rathi Steel Limited	Enterprises over which key managerial personnel and relative of such personnel is able to exercise significant influence	Trading	888,652,271	888,652,271	-	-
2	Vap Electronics LLP	Enterprises with one or more common Partners as Directors in our company	Others	4,888,318	17,398,165	13,228,146 (Cr)	718299 (Cr)
			Rent Exp.	70,800	70,800	-	-
3	Anil Rathi	Director	Rent	540,000	540,000	-	-
			Unsecured loan	15,519,184	19,184	42,687 (Cr)	1,55,42,687 (Cr)
			Managerial Remuneration	2,061,800	2,070,000	8200 (Cr)	148200 (Cr)
		H.U.F	Unsecured loan	-	-	-	-
4	Dhruv Rathi	Director	Unsecured loan	5,500,000	-	17,186,000 (Cr)	2,26,86,000 (Cr)
5	Gopal Rathi	Director	Managerial Remuneration	459,800	460,000	200 (Cr)	37200 (Cr)
			Unsecured loan	-	31,500,000	33,950,999 (Cr)	24,50,999 (Cr)
		H.U.F	Unsecured loan	46,261,598	46,261,598	-	-
6	Mrs Urmil Rathi	Relative of Directors	Managerial Remuneration	1,716,800	1,725,000	8,200(Cr)	118200 (Cr)
			Rent	60,000	60,000	-	-
			Unsecured loan	-	-	-	-
7	Mrs Shewta Rathi	Relative of Directors	Managerial Remuneration	1,716,800	1,725,000	8,200 (Cr)	118200 (Cr)
8	Indigo Advt. Pvt. Ltd.	Common Key Management Personnel	Unsecured Loan	3,984,630	8,701,864	4,717,234 (Cr)	-
9	Aakarshan Export Pvt Ltd.	Enterprises with one or more common director as in our company	Unsecured Loan	-	1,144,973	2,642,665 (Cr)	14,97,692 (Cr)
10	Mrs Anchal Rathi	Relative of director	Unsecured Loan	150,000	150,000	-	-
11	Mr A.K.Malhotra	Director	Managerial Remuneration	490,933	553,133	62, 200 (cr)	44200 (Cr)



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12	Asimit Finvest Pvt Ltd	Holding Company	Unsecured Loan	1,972,040	5,575,255	10,68,08,223 (Cr)	-
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**38. Earning Per Share:** The numerators and denominators used to calculate Basic and Diluted Earning per Share:

Particulars	31.03.2021	31.03.2020
(A) Profit/(Loss) for the period attributable to equity shareholders, (In Rupees)	6,192,856	14,680,792
(B) Equity Shares outstanding during the year on weighted average method.	2,927,860	2,927,860
Basic EPS (In Rupees)	2.12	5.01
Diluted EPS (A/B) (In Rupees)	2.12	5.01

**39. Additional Information**

Particulars	Sales Value		Inventory Value	
	Current Year	Previous Year	Closing	Opening
<b>Manufactured Goods</b>				
M.S.Bars * Contract Manufacturing	3,254,328,487	4,076,849,153	133,460,887	75,248,145
Miss Roll/ Ingot	95,624,035	70,372,875	7,672,848	4,660,740
Scrap	29,109,403	38,516,239	2,279,644	813,439
Other	12,566,629	5,348,257		
<b>Total</b>	<b>3,391,628,554</b>	<b>4,191,086,524</b>	<b>143,413,379</b>	<b>80,722,324</b>
<b>Traded Goods</b>				
M.S.Bars / TMT	431,387,147	15,966,011	--	--
Steel & Structures , Wire	204,275	1,227,485	30,802	230,081
<b>Total</b>	<b>431,591,422</b>	<b>17,193,496</b>	<b>30,802</b>	<b>230,081</b>

**40.** The business activity of the Company falls within a single business segment viz 'M.S. Bars and allied products' and basically sale of the products are within the country. Hence the disclosure requirement of Accounting Standard 17 of 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not considered applicable.



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#### 41. Covid-19 effect

World Health Organization (WHO) declared outbreak of Corona virus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and resultantly the Company operations in all the units of the Company stood suspended in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, etc. during the lock-down period which was extended till May 17, 2020, although the company has started its activities from 26<sup>th</sup> April, 2020 with the permission of Local Authorities, to the extent possible. Moreover, in April 21 also, Social restrictions were imposed across India to control and mitigate Covid-19 Spread- second wave among people, which had major impact on Economic activities. The Company continues to assess its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

42. Previous year figures have been regrouped / rearranged wherever considered necessary.

As per our report of even date attached.  
For RK Baheti & Co.  
Chartered Accountants  
Firm Registration No. : 010528N



(CA. AJAY BAHETI)  
Partner  
Membership No. 088545  
UDIN: 21088545AAAAFT5669  
Place: Noida  
Date: 21/09/2021

For Shri Rathi Steel (Dakshin) Ltd.

A handwritten signature in blue ink that reads "Anil Rathi" with the word "Director" written in purple ink below it.

(ANIL RATHI)  
Director  
DIN: 00072761

For Shri Rathi Steel (Dakshin) Ltd.

A handwritten signature in blue ink that reads "Gopal Rathi" with the word "Director" written in purple ink below it.

(GOPAL RATHI)  
Whole Time Director  
DIN: 00072755

**SHRI RATHI STEEL (DAKSHIN) LIMITED**  
CIN :-U74899DL1992PLC050960  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021**

Amount in Rs.

Particulars	2020-21	2019-20
<b>(A) Cash Flow from Operating Activities</b>		
Profit after tax	6,192,856	14,680,792
Adjustment for :		
Depreciation	27,150,575	22,203,157
Deferred Expenses to the extent not written off	12,646,033	12,646,033
(Profit) / Loss on sale of Assets	(773,839)	321,431
Provision for Income	2,733,700	4,301,304
Provision for Deferred Tax	(5,897,299)	(324,849)
Interest Recd.	(1,436,687)	(1,683,942)
Excess provision written back	245,331	(3,026,637)
Interest Paid	29,667,731	34,186,996
	64,335,545	68,623,493
Operating Profit before working capital change	70,528,401	83,304,285
Adjustment for / Change in :		
Trade and other receivables	(47,012,157)	38,449,828
Inventories	(104,165,086)	368,657
Loans and Advances	(33,083,404)	(11,896,592)
Deferred Revenue Expenditure incurred	-	(16,033,869)
Trade and other Payables	(21,193,591)	22,058,295
	(205,454,238)	32,946,319
Cash generated in operation	(134,925,837)	116,250,604
Direct Taxes Paid	782,274	(4,829,247)
<b>Net Cash from operating activities (A)</b>	<b>(134,143,563)</b>	<b>111,421,357</b>
<b>(B) Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	(23,491,862)	(91,782,160)
Sale of Fixed Assets	1,084,000	(321,431)
Interest Received	1,664,916	1,581,376
	(20,742,946)	(90,522,215)
<b>Net Cash from Investing activities (B)</b>	<b>(20,742,946)</b>	<b>(90,522,215)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	89,532,015	-
Re - Payments of Long Term Borrowings	(5,606,402)	(4,824,489)
Increase / (Decrease ) in Unsecured Loans	21,463,114	(2,926,728)
Increase / (Decrease ) in Auto Loans	509,686	(461,537)
Increase / (Decrease ) in Short Term Borrowings	79,023,962	21,686,915
Dividend Paid including Dividend Tax	-	-
Interest Paid	(29,667,731)	(34,186,996)
	155,254,644	(20,712,835)
<b>Net Cash from Financing activities (C)</b>	<b>155,254,644</b>	<b>(20,712,835)</b>
<b>Net increase / decrease in cash &amp; cash equivalent A+B+C</b>	<b>368,134</b>	<b>186,307</b>
Add : Opening Balance of Cash & equivalent	11,118,875	10,932,568
<b>Closing Balance of Cash &amp; equivalent</b>	<b>11,487,010</b>	<b>11,118,875</b>

For Shri Rathi Steel (Dakshin) Ltd. For Shri Rathi Steel (Dakshin) Ltd.

*Anil Rathi*

Director

*Gopal Rathi*

Director

We have checked the above Cash Flow Statement with books of accounts and certify that it is correct.

For R.K. Baheti & Company  
Chartered Accountants

(Firm Reg. No. 010528N)



*Aj Baheti*  
(CA. Ajay Baheti)

Partner

Membership No. 088545

UDIN - 21088545AAAAFT5669

Place : Noida

Date : 21/09/2021

(ANIL RATHI)

DIRECTOR

DIN:00072761

(GOPAL RATHI)

Whole Time

Director

DIN: 00072755