

SHRI RATHI STEEL 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: Plot 'E' & C-133 to 152, Phase III, Masuri Gulawati Road

UPSIDC Industrial Area, P.O.: Udayrampur Nagla, Distt. Hapur-201015

Ph :+91-9821199351,52

GSTIN : 09AAACS4554L1Z0 | CIN : U65993DL1992PLC046954

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NOTICE OF 29th ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting (AGM) of the members of Shri Rathi Steel Limited ("the Company") will be held on Saturday, the 30 October, 2021 at the Registered Office of the Company at Flat No. J-1/202, DDA Flats, Kalkaji, New Delhi - 110019 at 10.00 a.m. to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31 March 2021 together with the 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 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 read, 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) plus GST and out of pocket expenses payable to M/s. M.K. Singhal & Co., Cost Accountants (FRN.:00074) who have been appointed as Cost Auditors of the Company by the Board of Directors in their meeting held on 17th May, 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 Limited

Anil Rathi

Anil Rathi

Director

DIRECTOR

DIN: 00072761

Add: 24, Sadhna Enclave,

New Delhi - 110017

Place: Delhi

Date: 06th September, 2021

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 11:00 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 LTD.
Anil Rath
DIRECTOR

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 17th May, 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 85,000/- (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.

Anil Rathi

DIRECTOR

ATTENDANCE SLIP

29th Annual General Meeting, Saturday, 30th October, 2021 at 10:00 a.m.

Folio No.	
No. of Shares	

Name & Address of Shareholder / Proxy holder

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the 29th Annual General Meeting of the Company on Saturday, 30th October, 2021 at 10:00 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 LTD.

Anil Rath
DIRECTOR

Form No. MGT-11

PROXY FORM

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

29th Annual General Meeting, Saturday, 30th October, 2021 at 10:00 a.m.

CIN	U65993DL1992PLC046954
Name of the company	SHRI RATHI STEEL LIMITED
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 Limited. hereby appoint Mr./Ms.
_____ of _____

_____ as my /our Proxy to attend for me / us and on my / our behalf at the 29th Annual General Meeting of the Company to be held on 29th Annual General Meeting, Saturday, 30th October, 2021 at 10:00 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 for the 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		

Special Business			
3.	To ratify the remuneration of Cost Auditors for the financial year 2020-21.		

Signed this _____ day of _____ 2021

Signature of Member _____

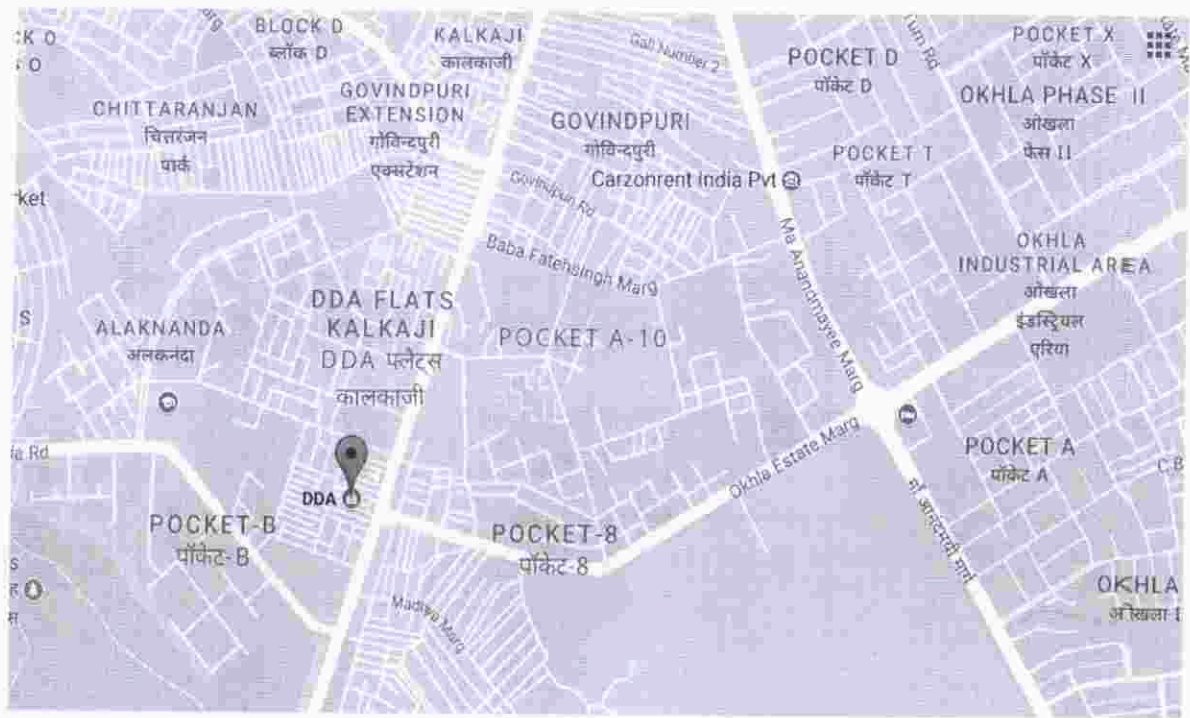
Signature of proxy holder _____

Affix Re.1/-
Revenue
Stamp

Note:

1. The proxy form should be signed by the member across the stamp.
2. 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.
3. *It is optional to put "X" in the appropriate column against the resolution indicated in the box.

ROUTE MAP FOR VENUE OF 29th ANNUAL GENERAL MEETING



SHRI RATHI STEEL LIMITED

(FLAT NO. J-1/202, DDA FLATS, KALKAJI, NEW DELHI - 110019)

Anil Rathi
DIRECTOR

SHRI RATHI STEEL LIMITED

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BOARD OF DIRECTOR'S REPORT

TO THE MEMBERS OF SHRI RATHI STEEL LIMITED

The Board of Directors have pleasure in presenting the 29th Annual Report, which inter alia includes the Board's Report on the business and operations of Shri Rathi Steel 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 Limited was incorporated as a public limited Company in the name & style of Static Holding Limited on 01st January 1992. Later, in the year 2002, the registered name of the Company was changed to Shri Rathi Steel Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, NCT of Delhi & Haryana dated 09th January 2002.

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:

Particulars	Amount in INR	
	FY 2020-21	FY 2019-20
Income		
Revenue from operations	4,08,47,38,925	3,93,11,58,384
Other Income	3,48,97,966	4,60,18,271
Total Revenue (I)	4,11,96,36,891	3,97,71,76,655
Expenses		

Cost of material consumed	3,43,35,71,275	3,44,23,80,658
Purchase of stock in trade	25,50,76,117	19,02,50,982
Change in Inventories of finished goods, and stock in Trade	14,81,424	(6,26,51,105)
Employee benefit expense	5,07,05,215	5,56,93,253
Financial costs	4,24,99,155	4,68,00,991

Other expenses	28,65,17,262	25,99,60,246
Total Expenses (II)	4,06,98,50,448	3,93,24,35,024
Earnings /(loss) before depreciation and amortization expenses	4,97,86,443	4,47,41,631
Depreciation and amortization expense	2,90,13,181	2,75,15,940
Profit before exceptional and extra - ordinary items and tax	2,07,73,262	1,72,25,691
Exceptional Items loss on sale of fixed assets	(24,44,914)	(60,24,169)
Profit Before Tax (PBT)	1,83,28,348	1,12,01,522
Current tax	95,28,000	40,10,847
Deferred tax	(35,30,228)	(46,35,058)
Earlier year tax	-	-
Excess provision written back	1,68,777	(19,26,935)
Profit After Tax (PAT)	1,21,61,799	1,37,52,668
EPS (Basic)	1.16	1.46
EPS (Diluted)	1.16	1.46

3. TRANSFER TO GENERAL RESERVES

The Company proposes to transfer an amount of INR 25,00,000 (Rupees Twenty-Five Lakhs Only) to the general reserve. Kindly refer note 3 to the financial statement as at 31st March 2021.

4. FINANCIAL PERFORMANCE & OPERATION REVIEW

The total revenue from operations during the FY under review is INR 4,08,47,38,925 (Rupees Four Hundred and Eight Crores, Forty-Seven Lakhs, Thirty-Eight Thousand, Nine Hundred Twenty-Five Only) and after meeting all the expenses, the Company has made a PAT of INR 1,21,61,799 (Rupees One Crore, Twenty- One Lakhs, Sixty-One Thousand, Seven Hundred Ninety-Nine 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.

SHRI RATHI STEEL LTD.

Anil Rathi

DIRECTOR

SHRI RATHI STEEL LTD.

S. T. R.

DIRECTOR

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.

9. SHARE CAPITAL

- ❖ There were changes in the share capital of the Company during the year under review.
- ❖ The Authorized Share Capital of the Company has been increased from INR 9,75,00,000/- (Rupees Nine Crore Seventy-Five Lakhs) divided into 97,50,000 (Ninety-Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10/- each to INR 11,75,00,000/- (Rupees Eleven Crore Seventy-Five Lakhs only) divided into 1,17,50,000 (One Crore Seventeen Lakhs Fifty Thousand) Equity Shares of Rs 10/- each by creation of additional 20,00,000 (Twenty Lakhs) Equity Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company
- ❖ The subscribed and paid-up capital of the Company has been increased from INR 9,45,00,000 (Rupees Nine Crores Forty Five Lakhs Only) divided into 94,50,000 (Ninety Four Lakhs Fifty Thousand) equity shares of INR 10/- (Rupees Ten Only) each to INR 10,46,69,500 (Rupees Ten Crore, Forty- Six Lakhs Sixty-Nine Thousand and Five Hundred) divided into 1,04,66,950 (One Crore Four Lakhs Sixty Six Thousand Nine Hundred and Fifty)Equity Shares of Rs 10/- each by allotment of 10,16,950 (Ten Lakhs Sixteen Thousand Nine Hundred and Fifty) Equity Shares of face value Rs. 10/- (Rupees ten)

SHRI RATHI STEEL LTD. SHRI RATHI STEEL LTD.
Anil Rathu S
DIRECTOR DIRECTOR

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.

13. WEBLINK OF ANNUAL RETURN

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 <https://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.

SHRI RATHI STEEL LTD.

S T A
DIRECTOR

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. Verendra Kumar Tyagi	Non - Executive Director
3	Mrs. Jyoti Singhal and Mr. Arpit Mittal	Independent Directors
4	Mr. Ajay Kacher	Company Secretary
5	Mr. Pankaj Kumar Gupta	Chief Financial Officer (CFO)

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.

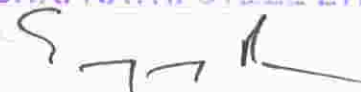
A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of Independent Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation 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.

Name of the Directors	Date of board meetings										
	13/04/2020	06/05/2020	09/07/2020	08/10/2020	25/11/2020	07/12/2020	21/12/2020	07/01/2021	28/01/2021	20/02/2021	23/02/2021
Mr. Anil Rathi	√	√	√	√	√	√	√	√	√	√	√
Mr. Gopal Rathi	√	√	√	√	√	√	√	√	√	√	√
Mr. Dhruv Rathi	√	√	√	√	√	√	√	√	√	√	√
Mr. Verendra Kumar Tyagi	×	×	×	√	√	√	√	√	√	√	√
Mrs. Jyoti Singhal	√	√	√	√	√	√	√	√	√	√	√

SHRI RATHI STEEL LTD. SHRI RATHI STEEL LTD.

Anil Rathi



DIRECTOR

DIRECTOR

Mr. Arpit Mittal	√	√	√	√	√	√	√	√	√	√	√	
		Notes: (√) represents present at the meeting (*) signifies absence from the meeting										

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 11 times during the year on the below given dates and the intervening gap between two board meetings was within the period prescribed by the Act.

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.

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.

SHRI RATHI STEEL LTD. SHRI RATHI STEEL LTD.

Anil Rathi



DIRECTOR

DIRECTOR

15. MEETINGS OF INDEPENDENT DIRECTORS

A meeting of the Independent Directors of the Company was held on Tuesday, the 23 day of 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

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

❖ Attendance of Audit Committee' Members

Name of Member	Audit Committee Meeting							
	13-04-2020	09-07-2020	08-10-2020	25-11-2020	07-12-2020	21-12-2020	07-01-2020	20-02-2021
Mr. Arpit Mittal	√	√	√	√	√	√	√	√
Mrs. Jyoti Singhal	√	√	√	√	√	√	√	√
Mr. Anil Rathi	√	√	√	√	√	√	√	√

Notes:

(√) represents present at the meeting.

(×) signifies absence from the meeting.

17. NOMINATION AND REMUNERATION COMMITTEE

❖ Composition 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 LTD. SHRI RATHI STEEL LTD.

Anil Rathi

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 Nomination and Remuneration Committee**

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

❖ **Attendance of Remuneration Committee**

Name of Directors	Nomination and Remuneration Committee	
	06-05-2020	07-12-2020
Mr. Arpit Mittal	√	√
Mrs. Jyoti Singhal	√	√
Mr. Gopal Rathi	√	√
Notes: (√) 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>

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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 by the Board of Director on 21-12-2020 as Statutory Auditors to fill the casual vacancy caused upon the resignation of M/s. A. K. Maheshwari & Associates, Chartered Accountants (Firm Registration No. 500106N), to hold the office for a period of five years, from the conclusion of 28th Annual General Meeting until the conclusion of 32nd 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 draft 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.

SHRI RATHI STEEL LTD. SHRI RATHI STEEL LTD.

Anil Rathi

DIRECTOR

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DIRECTOR

❖ **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 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, Directors hereby confirm:

- (i) That in the preparation of the annual accounts for the year ended 31st 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 31st 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 31st 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 14 to the financial statements.

SHRI RATHI STEEL LTD.

Anil Rathi

DIRECTOR

SHRI RATHI STEEL LTD.

DIRECTOR

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.

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:

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Anil Rath
DIRECTOR
DIRECTOR

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

C. Foreign exchange earnings and outgo:

The foreign exchange earning in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows were as follows:

	(Rs. In Lacs)	
Total Foreign Exchange used and earned	FY ended 31 st March, 2021	FY ended 31 st March, 2020
a) Total Foreign Exchange earned	0	241.91
b) Total Foreign Exchange used	0	242.98

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 INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

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Anil Rath

DIRECTOR

DIRECTOR

The Company does not have any subsidiary, joint venture or associate company. Further during the year also there were no companies which have become or ceased to be your Company's subsidiary, joint venture or associate company.

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.

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. MAINTENANCE OF COST RECORDS

The Company has maintained cost records in terms of the provisions of the section 148(1) of the Act.

31. RISK MANAGEMENT POLICY

The Board of Directors of the Company has taken responsibility of overseeing and reviewing risk management across the Company and to frame, implement and monitor the risk management plan for the Company. 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 also the Risk Management policy provided in the **Annexure- "VII"**

32. 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.

33. 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.

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Anil Rathi S T K
DIRECTOR DIRECTOR

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 Limited

SHRI RATHI STEEL LTD.

Anil Rathi
DIRECTOR

Anil Rathi

Director

DIN: 00072761

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

SHRI RATHI STEEL LTD.

Gopal Rathi
DIRECTOR

Gopal Rathi

Director

DIN: 00072755

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Date: 06 September, 2021

Place: New Delhi

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 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 policy has been formulated by the Nomination and remuneration Committee and adopted by the Board of Directors at its meeting held on 12th 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 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.
 - 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

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Anil Rathi
DIRECTOR

DIRECTOR

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 per cent 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 per cent 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.**

Anil Rath
DIRECTOR

SHRI RATHI STEEL LTD. SHRI RATHI STEEL L.
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 and Woman Director)
- II. Mr. Arpit Mittal (Non-Executive Independent Director)
- III. Mr. Gopal Rath (Executive 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 thereunder, 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 thereunder 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

SHRI RATHI STEEL SHRI RATHI STEEL LTD.
Anil Rath
DIRECTOR DIRECTOR

Management Personnel, Subject to the provisions and compliances of the said Act, rules and regulations.

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:

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Anil Rathin
DIRECTOR

DIRECTOR

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 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 thereunder 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 and on behalf of the Board

Shri Rathi Steel Limited

Anil Rathi
Director

DIN: 00072761

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

SHRI RATHI STEEL LTD.

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DIRECTOR

Gopal Rathi
Director

DIN: 00072755

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Date: 06th September, 2021

Place: New Delhi

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.

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Anil Rathi
DIRECTOR

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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.
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 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;

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DIRECTOR

S. T. T. K.
DIRECTOR

- 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.

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Anil Rath
DIRECTOR

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DIRECTOR

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 require ask the aggrieved person to furnish additional information about the alleged harassment.
 - 6) The Complainant or person authorized on their behalf as per above provision, shall make 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 copy along 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.

SHRI RATHI STEEL LTD.
Anil Rathi
DIRECTOR

SHRI RATHI STEEL LTD.
[Signature]
DIRECTOR

- 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.

Anil Rathi
DIRECTOR

SHRI RATHI STEEL LTD.
SHRI RATHI STEEL LTD.
S. J. K.
DIRECTOR

- 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. Else 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.

SHRI RATHI STEEL SHRI RATHI STEEL LTD.
Anil Rath
DIRECTOR DIRECTOR

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 must not 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.

For and on behalf of the Board

Shri Rathi Steel Limited

SHRI RATHI STEEL LTD.
Anil Rathi

Anil Rathi

Director

DIN: 00072761

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

SHRI RATHI STEEL LTD.

Gopal Rathi
DIRECTOR

Gopal Rathi

Director

DIN: 00072755

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Date: 06th September, 2021

Place: New Delhi

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 and on behalf of the Board

Shri Rathi Steel Limited

SHRI RATHI STEEL LTD.

Anil Rathi
DIRECTOR

Anil Rathi

Director

DIN: 00072761

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

SHRI RATHI STEEL LTD.

Gopal Rathi
DIRECTOR

Gopal Rathi

Director

DIN: 00072755

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Date: 06 September, 2021

Place: New Delhi

Annexure-“III”

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.:

UDIN:

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 Limited
CIN: U65993DL1992PLC046954
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 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; **(Not Applicable for the year under review)**
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.

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

Sd/-
Avinash Kaur
Proprietor
Membership No.: F11430
C.P. No.: 18255

Date: _____
Place: New Delhi

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

Encl.: As above

To,
The Members
Shri Rathi Steel Limited
CIN: U65993DL1992PLC046954
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

Sd/-
Avinash Kaur
Proprietor
Membership No.: F11430
C.P. No.: 18255

Date: -
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
There were no contracts or arrangements or transactions entered into during the year ended 31 March 2021, which were not at arm's length basis.							

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/ arrangements / transactions	3. Duration of the contracts/ arrangements/ 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 (in INR)
Shri Rathi Steel (Dakshin) 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 Months	As Per the mutual agreement decided between the parties	As the Shri Rathi Steel (Dakshin) Limited is the Group Company and same line of manufacturing /production	13/04/2020	86,55,48,310
Anchal Rathi, Relative of Director	appointment to any office or place of profit in the company	Until vacated	As per the HR Policy		13/04/2020	17,85,000

SHRI RATHI STEEL LTD.

Anchal Rathi
DIRECTOR

SHRI RATHI STEEL LTD.

S. T. DIRECTOR

Urmil Rathi, Relative of Director	Leasing of property	11 months	As per rent agreement	As more work places required	13/04/2020	60,000
VAP Electronics LLP, Enterprise with one or more common partner/director	Leasing of property	11 months	As per rent agreement	As more work places required	13/04/2020	59,35,348
Anil Rathi, Director in the company	Leasing of Property	11 months	As per rent agreement	As more work places required	13/04/2020	5,40,000
	Consultancy Service	Until terminated	As per consultancy agreement	For efficient decision making	13/04/2020	10,00,000
Gopal Rathi, Director in the Company	Consultancy Service	Until terminated	As per consultancy agreement	For efficient decision making	13/04/2020	19,78,495
Shweta Rathi, Relative of director	Consultancy Service	Until terminated	As per consultancy agreement	For efficient decision making	13/04/2020	9,63,862

For and on behalf of the Board

Shri Rathi Steel Limited

Anil Rathi
DIRECTOR

Anil Rathi

Director

DIN: 00072761

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

SHRI RATHI STEEL LTD.

Gopal Rathi
DIRECTOR

Gopal Rathi

Director

DIN: 00072755

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Date: 06th September, 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

(In Rs.)

Power and fuel consumption Electricity	2020-21	2019-20
Purchased unit (Including delivered quantity through open access) (units)	10338900	12001480
Total Amount (INR)	81533541	93998530
Rate / Unit (INR)	7.89	7.83
b) Own generation		
Through Diesel generator units	6728	10686
Unit per ltr. Of diesel oil cost/unit	2.45 Rs. 26.743	2.69 Rs.24.556
i) Through steam turbine/generator		
Units per ltr. Of fuel oil/gas	NIL	NIL
Cost/Units	NIL	NIL
c) Coal (specify quality and where used)		
Quantity (tones)	5534	6652
Total Cost	56339531	57558880
Average rate	10181	8653
d) Furnace Oil (Used as an alternate fuel only)		
Quantity (MT)	NIL	NIL
Total Cost (INR)	NIL	NIL
Average rate (Per KL) (INR)	NIL	NIL
e) Others/internal generation(RLNG)		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Average Rate	NIL	NIL

SHRI RATHI STEEL LTD.

SHRI RATHI STEEL LTD.

Anil Rathi
DIRECTORS
7
DIRECTOR

2. Consumption per unit of Production

Particulars	Current Year	Previous Year
Production (M.T.)	92392	102594
Electricity (Units)	111.90	118.13
Furnace Oil (Kgs) (Used as an alternate fuel, only)	NIL	NIL
Others RLNG (MMBTU)	NIL	NIL
Coal (Kgs)	5.99	6.48

For and on behalf of the Board

Shri Rathi Steel Limited

Anil Rathi

DIRECTOR

Anil Rathi

Director

DIN: 00072761

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

SHRI RATHI STEEL LTD.

Gopal Rathi

Director

Director

DIN: 00072755

R/o. 24, Sadhna Enclave

Malviya Nagar, New Delhi-110017

Date: 06 September, 2021

Place: New Delhi

WHISTLE BLOWING POLICY

About this policy

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.

This policy covers all employees, officers, consultants, contractors, workers and agency workers.

This policy does not form part of any employee's contract of employment and we may amend it at any time.

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.

How to raise a CONCERN?

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.

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.

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.

External disclosures

The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. We strongly encourage you to seek advice before

SHRI RATHI STEEL LTD.

Anil Rathi
DIRECTOR

SHRI RATHI STEEL LTD.


DIRECTOR

reporting a concern to anyone external. Public Concern at Work operates a confidential helpline. Their contact details are at the end of this policy.

Protection and support for whistleblowers

We aim to encourage openness and will support whistleblowers who raise genuine concerns under this policy, even if they turn out to be mistaken.

Whistle blowers must not suffer any detrimental treatment as a result of raising a genuine concern. If you believe that you have suffered any such treatment, you should inform to Mr. Gopal Rathi, Director of the Company immediately.

You must not threaten or retaliate against whistle blowers in any way. If you are involved in such conduct you may be subject to disciplinary action. In some cases the whistleblower could have a right to sue you personally for compensation in an employment tribunal.

However, if we conclude that a whistle blower has made false allegations maliciously or with a view to personal gain, the whistle blower may be subject to disciplinary action.

Contacts:

Whistleblowing Officer	Gopal Rathi 0120-4744644 gopalrathi@shrirathigroup.com
Managing Director	Anil Rathi 0120-4744644 anilrathi@shrirathigroup.com

For and on behalf of the Board

Shri Rathi Steel Limited

Anil Rathi
DIRECTOR

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

SHRI RATHI STEEL LTD.

Gopal Rathi
DIRECTOR

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

Date: 06th September, 2021

Place: New Delhi

RISK MANAGEMENT POLICY

Background

Section 134(3) of the Companies Act, 2013 requires a statement to be included in the report of the board of directors ("Board") of Shri Rathi Steel Limited ("SRSL" or the "Company"), indicating development and implementation of a risk management policy for the Company, including identification therein of elements of risk, if any, which, in the opinion of the Board, may threaten the existence of the Company.

Objective and Purpose: In line with the Company's objective towards increasing stakeholder value, a risk management policy has been framed, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

Policy

Our risk management approach is composed primarily of three components:

- Risk Governance: The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures. The Risk Management Committee provides oversight and reviews the risk management policy from time to time.
- Risk Identification: External and internal risk factors that must be managed are identified in the context of business objectives.
- Risk Assessment and Control: This comprises as follows:
 - Risk assessment and reporting
 - Risk control
 - Capability development

On a periodic basis risk, external and internal risk factors are assessed by responsible managers across the organization. The risks are identified and formally reported through mechanisms such as operation reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management. Examples of certain of these identified risks are as follows:

- Broad market trends and other factors beyond the Company's control significantly reducing demand for its services and harming its business, financial condition and results of operations
- Failure in implementing current and future strategic plans
- Significant and rapid technological change
- Damage to reputation
- products losing market appeal and the Company not being able to expand into new product lines or attracting new types of investors

Anil Rathi
DIRECTOR

DIRECTOR

- Risk management methods and insurance policies not being effective or adequate
- Changes in government policies
- Security risks and cyber-attacks
- Insufficient systems capacity and system failures

Risk Management:

The Board of Directors of the company has taken responsibility of overseeing and reviewing risk management across the Company.

Key responsibilities and references to manage risk are as follows:

- review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- review of operational risks;
- review of financial and reporting risks;
- review of compliance risks;
- review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- review the extent to which management has established effective enterprise risk management at the Company;
- inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;
- review the Company's portfolio of risk and consider it against its risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- review periodically key risk indicators and management response thereto.

For and on behalf of the Board

Shri Rathi Steel Limited

SHRI RATHI STEEL 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: 06th September, 2021
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To The Members of Shri Rathi Steel Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Shri Rathi Steel Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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.

Emphasis of Matter

We draw your attention to Note no. 33 of the financial statements. As per the note, the company had launched a brand building campaign during FY 2018-19 and FY 2019-20. The benefits of the same were estimated over a period of 3 years, in the form of higher sales, and accordingly, one third of the expenses were charged to Profit & Loss in the year of incurrence and balance deferred to be written off over the next two years, although it was not in line with AS- 26 issued by the ICAI. However, in view of prevailing Pandemic Economic effects, it is thought prudent to write off the entire expenses carried forward from earlier years. Since, there is no carry forwards out of the same, hence, Profit for the year in the Statement of Profit & Loss are understated by Rs. 88,88,187/- due to earlier year expenses charged to statement of profit and loss in this year (Previous year overstated by Rs 24,93,006/-), Reserve & Surplus and Miscellaneous expenditure, to the extent not written off or adjusted, are overstated by Rs. Nil /- (Previous Year Rs.88,88,187/-)

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. 29 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

A. Baheti

(Ajay Baheti)
Partner
Membership No: 088545
UDIN- 21088545AAAAFG5029



Place: New Delhi
Date: 6th 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 Limited on the accounts of the company for the year ended 31st 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 31st 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
Excise/ Service Tax	2010-11	Allahabad High Court	78,95,382	Department filed appeal against CESTAT order, for CENVAT on Export Duty on SEZ supplier
Sales Tax	2010-11	Allahabad High Court	10,00,000	RITC, Entry tax, enhancement of sale and purchase
			1,10,40,000	
			21,02,340	
			16,87,122	
			4,85,60,561	
Sales Tax	2008-09	Allahabad High Court	99,66,711	RITC revision
Sales Tax	2016-17	UP Tribunal	20,97,654	Sale enhancement
GST	2020-21	Appellate Authority SGST Ghaziabad	3,01,831	Expired E way bill
Income Tax	2009-10	Allahabad High Court	3,00,74,160	Income Tax

An Amount of INR 63,65,944 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(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with 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 made following



preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

Name	Number of Shares	Base Price	Premium	Total Price	Total Value
Asimit Finvest (P) Ltd.	10,16,950	10	49	59	6,00,00,050

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-21088545AAAAFG5029

Place: New Delhi
Date: 6th 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 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



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--21088545AAAAFG5029

Place: New Delhi

Date: 6th September 2021

SHRI RATHI STEEL LIMITED
CIN :U65993DL1992PLC046954
BALANCE SHEET AS AT 31.03.2021

Particulars	Note No	(AMOUNT IN Rs.)	
		AMOUNT AS AT 31.03.2021	31.03.2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	10,46,69,500	9,45,00,000
(b) Reserves and Surplus	3	32,30,58,479	26,10,66,130
Sub - Total - Shareholder's Fund		42,77,27,979	35,55,66,130
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	25,51,68,381	21,93,25,855
(b) Deferred tax liabilities (Net)	5	48,94,022	84,24,250
(c) Other Long term liabilities	6	34,65,000	39,40,000
(d) Long term provisions	7	59,93,183	68,30,835
Sub - Total - Non - Current Liabilities		26,95,20,586	23,85,20,940
(3) Current Liabilities			
(a) Short-term borrowings	8	14,74,82,976	41,76,02,726
(b) Trade payables	9	15,69,50,390	24,22,06,389
(c) Other current liabilities	10	8,60,65,338	5,96,27,896
(d) Short-term provisions	11	1,02,33,101	48,03,158
Sub - Total - Current Liabilities		40,07,31,805	72,42,40,169
TOTAL - EQUITY AND LIABILITIES		1,09,79,80,370	1,31,83,27,239
II.Assets			
(1) Non-current assets			
(a) Fixed assets	12		
Tangible assets		14,14,91,565	15,28,22,231
Capital work in progress		10,73,95,160	11,77,37,041
(b) Non-current investments	13	-	52,63,342
(c) Long term loans and advances	14	1,54,82,866	3,02,59,814
(d) Other non-current assets	15	58,28,748	83,80,562
Sub - Total - Non - Current Assets		27,01,98,339	31,44,62,990
(2) Current assets			
(a) Inventories	16	21,08,01,942	22,21,21,502
(c) Trade receivables	17	47,76,01,012	63,55,04,502
(d) Cash and cash equivalents	18	1,71,38,280	2,27,78,099
(e) Other current assets	19	12,22,40,797	12,34,60,146
Sub - Total - Current Assets		82,77,82,031	1,00,38,64,249
TOTAL ASSETS		1,09,79,80,370	1,31,83,27,239

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Significant Accounting Policies
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)

A. Baheti
(CA. Ajay Baheti)
Partner
Membership No. 088545
UDIN-21088545AAAAFG5029
Place: NOIDA
Date: 06/09/21



Akma
(AJAY KACHER)
COMPANY SECRETARY

Anil Rathi

(ANIL RATHI)
DIRECTOR
DIN: 00072761

(GOPAL RATHI)
DIRECTOR
DIN: 00072755



Pankaj Kumar Gupta
(PANKAJ KUMAR GUPTA)
CHIEF FINANCIAL OFFICER

Amit Kumar
(AMIT KUMAR)
AGM ACCOUNTS

SHRI RATHI STEEL LIMITED
CIN :U65993DL1992PLC046954
PROFIT AND LOSS FOR THE PERIOD ENDED ON 31.03.2021 (AMOUNT IN Rs.)

Particulars	Note No	AMOUNT FOR YEAR ENDED ON	
		31.03.2021	31.03.2020
Income:			
I. Revenue from operations	20	4,08,47,38,925	3,93,11,58,384
II. Other Income	21	3,48,97,966	4,60,18,271
III. Total Revenue (I +II)		4,11,96,36,891	3,97,71,76,655
Expenses:			
I. Cost of materials consumed	22	3,43,35,71,275	3,44,23,80,658
II. Purchase of Stock-in-Trade		25,50,76,117	19,02,50,982
III. Changes in inventories of finished goods, and Stock-in-Trade	23	14,81,424	(6,26,51,105)
IV. Employee benefit expense	24	5,07,05,215	5,56,93,253
V. Financial costs	25	4,24,99,155	4,68,00,991
VI. Depreciation and amortization expense	26	2,90,13,181	2,75,15,940
VII. Other expenses	27	28,65,17,262	25,99,60,245
IV. Total Expenses		4,09,88,63,629	3,95,99,50,964
V. Profit before exceptional and extraordinary items and tax	(III - IV)	2,07,73,262	1,72,25,691
VI. Exceptional Items - Loss on sale of Fixed Assets	28	(24,44,914)	(60,24,169)
VII. Profit before extraordinary items and tax (V - VI)		1,83,28,348	1,12,01,522
VIII. Tax expense:			
(1) Current tax		95,28,000	40,10,847
(2) Deferred tax		(35,30,228)	(46,35,058)
(3) Excess provision written back		1,68,777	(19,26,935)
IX. Profit/(Loss) for the period from continuing operations	(VII-VIII)	1,21,61,799	1,37,52,668
X. Earning per equity share:			
(1) Basic		1.16	1.46
(2) Diluted		1.22	1.46

Significant Accounting Policies

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)

(CA. Ajay Baheti)
Partner

Membership No. 088545
UDIN-21088545AAAAFG5029

Place: NOIDA

Date: 06/04/2021



(AJAY KACHER)
COMPANY SECRETARY

Anil Rathi

(ANIL RATHI)
DIRECTOR
DIN:00072761

(GOPAL RATHI)
DIRECTOR
DIN: 00072755

(PANKAJ KUMAR GUPTA)
CHIEF FINANCIAL OFFICER

(AMIT KUMAR)
AGM ACCOUNTS

Shri Rathi Steel Limited

CIN :U65993DL1992PLC046954

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 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

- a) 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 GST recoverable on purchase of capital goods.
- b) Cost of fixed Assets acquired from outside India is converted into Indian rupees at the exchange rates prevailing on the date of disbursements.
- c) 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 Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization /depletion and impairment loss, if any. The cost comprises 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.

D. Depreciation/Amortization

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



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(i)	Building	30 years
(ii)	Dev. of Rented Building	60 years
(iii)	Computer & Peripherals	03 years
(iv)	Electric installation	10 years
(v)	Furniture & Fixtures	10 Years
(vi)	Office equipment	05 years
(vii)	Plant & Machinery used in manufacturing of steel	20 years.

- 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

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

- (a) 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.
- (b) Interest is accounted on accrual basis.
- (c) Export sales (supplies to SEZ developers & units located in the SEZ area) are accounted on the basis of date of bill of exports.
- (e) 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.
- (f) Insurance Income is recognized on acceptance basis or when there is reasonable certainty that the ultimate collection will be made.
- (g) 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

- (a) Stocks of raw materials, stores, spares and oil and lubricants are valued at lower of cost (on FIFO basis) and net realizable value.
- (b) 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 SGST/CGST/IGST payable thereon.
- (c) 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.

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.



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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:

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:

a. 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.

b. Post-Employment Benefits:



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- 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 to the Profit and Loss 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. Earnings 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 numbers 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 outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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SHRI RATHI STEEL LIMITED
Notes on Financial Statements for the Period Ended on 31.03.2021

(AMOUNT IN Rs.)

Note No.	Particulars	AMOUNT AS AT	
		31.03.2021	31.03.2020
2	Share Capital		
	AUTHORIZED CAPITAL		
	11750,000 (Previous Year 9750,000) Equity Shares of Rs. 10/- each.	11,75,00,000	9,75,00,000
		11,75,00,000	9,75,00,000
	ISSUED, SUBSCRIBED & PAID UP		
	104,66,950 equity shares of Rs. 10/- each (Previous Year 94,50,000 Equity Shares of Rs 10/- each fully paid up)	10,46,69,500	9,45,00,000
		10,46,69,500	9,45,00,000

(A)	Reconciliation of Equity Share Capital (In Number)	No. of Shares		Amount	
		No. of Shares	Amount	No. of Shares	Amount
	Shares Outstanding at the beginning of the year (Nos.)	94,50,000	9,45,00,000	94,50,000	9,45,00,000
	Add: Shares issued during the year	10,16,950	1,01,69,500		
	Less: Shares bought back during the year (Nos.)				
	Shares Outstanding at the end of the year (Nos.)	1,04,66,950	10,46,69,500	94,50,000	9,45,00,000

(B) **Equity Shares:**

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 shareholder 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, proportionate to their individual shareholding in the paid up equity capital of the company.

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

Name of the Shareholders	No. of equity shares of		No. of equity shares of	
	% age	Rs.10/- Each	% age	Rs.10/- Each
Shri Gopal Rathi	10.58	11,07,225	11.72	11,07,225
Shri Dhruv Rathi	10.44	10,93,225	11.57	10,93,225
Smt. Urmil Rathi	11.44	11,97,750	12.67	11,97,750
M/s Asimit Finvest (P) Limited	57.01	59,66,950	52.38	49,50,000
M/s Indigo Advertising Pvt Ltd	4.82	5,04,800	5.34	5,04,800
Other share holders less than 5% each	5.70	5,97,000	6.32	5,97,000
Total	100	1,04,66,950	100	94,50,000

3 Reserve & Surplus

General Reserve		
Beginning of the Year	2,95,00,000	2,70,00,000
Transferred from the Profit & Loss Account	25,00,000	25,00,000
Closing Balance	(A) 3,20,00,000	2,95,00,000
Reserve for contingent liability		
Beginning of the Year	1,50,00,000	1,20,00,000
Additions during the Year	30,00,000	30,00,000
Closing Balance	(B) 1,80,00,000	1,50,00,000
Share Premium Account		
Beginning of the Year	6,05,00,000	6,05,00,000
Additions during the Year	4,98,30,550	-
Closing Balance	(C) 11,03,30,550	6,05,00,000
Surplus in Statement of Profit & Loss		
Beginning of the Year	15,60,66,130	14,78,13,462
Surplus as per Statement of Profit & Loss	1,21,61,799	1,37,52,668
Deductions :		
Transfer to General reserve	25,00,000	25,00,000
Transfer to Contingent reserve	30,00,000	30,00,000
	(D) 16,27,27,929	15,60,66,130
(A+B+C+D)	32,30,58,479	26,10,66,130



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4	Long-Term Borrowings		
	Secured		
(a)	Term Loans		
	From Banks	14,24,21,461	3,25,00,007
(b)	Car Loans		
	From Banks	80,33,476	1,02,85,013
	From Others	3,54,523	4,91,324
	(A)	15,08,09,460	4,32,76,344
	Less: Current Maturities of Long Term Borrowings		
	Term Loans		
	- From Banks	2,76,83,331	99,99,996
	Car Loans		
	From Banks	17,74,656	32,11,015
	From others	1,19,631	1,33,393
	Total	(B) 2,95,77,618	1,33,44,404
	C= (A-B)	12,12,31,842	2,99,31,940
	Unsecured		
	From Others (Intercorporate Company)	6,03,94,445	12,11,89,698
	From Directors	7,35,42,094	6,82,04,217
	Total	(D) 13,39,36,539	18,93,93,915
	Grand Total	(C+D) 25,51,68,381	21,93,25,855

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

Particulars	SBI	SBI	SBI	Yes Bank
Term Loan repayment Terms				
Term Loan From	SBI	SBI	SBI	Yes Bank
Purpose of the Loan	To Fund Our Capital Expenditures	Adhoc Credit under Covid19 for Working Capital	Emergency Credit Line under Covid19 for Working	To Fund Our Capital Expenditures
Sanctioned Amount (In Lakh)	500	320	693	285
Loan Account No	37778063291	39265204936	39968898380	0161A40210600001
No of instalment	60	18	36	18
Furquency	Monthly	Monthly	Monthly	Quarterly
EMI Starting From	Jul-18	Oct-20	Feb-22	Dec-21

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

(b.1) Car loan is secured by hypothecation of Vehicles mortgaged thereunder. All car loans are repaid as per respective payment schedule

5 **Deferred Tax Liability**

Beginning of the Year	84,24,250	1,30,59,308
For current year	(35,30,228)	(46,35,058)
	48,94,022	84,24,250

6 **Other Long Term Liabilities**

Security received from Customer	34,65,000	39,40,000
	34,65,000	39,40,000

7 **Other Long Term Provision**

Provision for Gratuity	50,01,503	56,35,673
Provision for Earned Leave Liability	9,91,680	11,95,162
	59,93,183	68,30,835

CURRENT LIABILITIES

8 **Short Term Borrowings**

- From Bank		
Cash Credit/Book Overdrawals	14,74,82,976	41,71,06,414
Tempory Overdraft/ Book Overdraft	-	4,96,312
	14,74,82,976	41,76,02,726

Working Capital Facilities of Rs.32 Crores from State Bank of India are repayable on demand and secured by hypothecation of entire inventory and book debts of the company and second charge on all past, present & future immovable fixed assets of the Company on pari passu basis. These are further secured by collateral security in the shape of commercial land and building and corporate guarantee of M/s Aakarshan Exports (P) Ltd and by personal guarantee of three Directors of the Company.

Working Capital Facilities of Rs.11 Crores from Yes bank are repayable on demand and secured by hypothecation of entire inventory and book debts of the company and second charge on all past, present & future immovable fixed assets of the Company on pari passu basis. These are further secured by collateral security in the shape of commercial land and building and corporate guarantee of M/s Aakarshan Exports (P) Ltd and by personal guarantee of three Directors of the Company.



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9 **Trade Payable**

Outstanding dues of micro and small enterprises
Outstanding dues of creditors other than micro and small enterprises

2,58,740	22,125
15,66,93,650	24,21,84,265
<u>15,69,50,390</u>	<u>24,22,06,390</u>

10 **Other Current Liabilities**

Statutory Dues
Advance From Customers
Other Liabilities
Current Maturities of Long Term Borrowings

46,78,586	33,10,682
3,73,74,616	2,86,26,935
1,44,34,518	1,43,45,875
2,95,77,618	1,33,44,404
<u>8,60,65,338</u>	<u>5,96,27,896</u>

11 **Short Term Provisions**

Provision for Income Tax
Provision for Gratuity
Provision for Earned Leave Liability

95,28,000	40,10,847
5,20,188	5,77,377
1,84,913	2,14,934
<u>1,02,33,101</u>	<u>48,03,158</u>



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Notes on Financial Statements for the Period Ended 31st March 2021

(Amount in Rs.)

Note No -12 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 1.04.2020	Addition During the year	Sales/ Adjust- ment*	As At 31.03.2021	As At 1.04.2020	Adjustment *	For the year	As At 31.03.2021	As At 31.03.2021	As At 31.03.2020
Tangible Assets										
BUILDING	3,29,23,234	-	-	3,29,23,234	2,40,79,534		827674	2,49,07,208	80,16,026	88,43,700
DEV. OF RENTED BUILDING	30,14,808	-	-	30,14,808	13,08,723		82886	13,91,609	16,23,199	17,06,085
COMPUTER & PERIPHERALS	35,28,659	59,497	-	35,88,156	31,28,365		193275	33,21,640	2,66,516	4,00,294
ELECTRIC INSTALLATION	2,22,21,395	1,01,920	-	2,23,23,315	2,08,59,796		159592	2,10,19,388	13,03,927	13,61,599
FIRE FIGHTING EQUIPMENT	92,904	-	-	92,904	82,245		1101	83,346	9,558	10,659
FURNITURE & FIXTURES	54,31,517	1,02,270	-	55,33,787	49,97,310		70834	50,68,144	4,65,643	4,34,207
LEASE LAND PLOT E	1,54,23,941	-	-	1,54,23,941	-			-	1,54,23,941	1,54,23,941
LEASE LAND PLOT C133TO152	74,08,466	-	-	74,08,466	-			-	74,08,466	74,08,466
OFFICE EQUIPMENT	66,44,436	1,94,676	-	68,39,112	56,99,113		350847	60,49,960	7,89,152	9,45,323
PLANT & MACHINERY	35,51,44,142	22248533.0	-	36,47,18,537	25,47,82,109		23523459	27,03,24,769	9,43,93,768	10,03,62,033
PLANT & MACHINERY (TMT)	5,09,17,353	-	-	5,09,17,353	4,83,99,196		2162	4,84,01,358	25,15,995	25,18,157
TUBE WELL	3,41,260	-	-	3,41,260	3,24,198		0	3,24,198	17,062	17,062
VEHICAL	2,84,43,491	-	-	2,52,11,094	1,62,79,935		3637580	1,70,16,160	81,94,934	1,21,63,556
WEIGHBRIDGE	35,53,534	-	-	35,53,534	23,26,384		163771	24,90,155	10,63,379	12,27,150
TOTAL	53,50,89,140	2,27,06,896.0		54,18,89,501	38,22,66,909		2,90,13,181	40,03,97,936	14,14,91,565	15,28,22,231
Intangible Assets										
COMPUTER SOFTWARE	1,38,52,120	-	-	1,38,52,120	1,38,52,120			1,38,52,120	-	-
TOTAL	54,89,41,260	2,27,06,896		55,57,41,621	39,61,19,029		2,90,13,181	41,42,50,056	14,14,91,565	15,28,22,231
C.W.I.P	11,77,37,041	81,12,267	-	10,73,95,160	-			-	10,73,95,160	11,77,37,041
TOTAL	66,66,78,301	3,08,19,163		66,31,36,781	39,61,19,029		2,90,13,181	41,42,50,056	24,88,86,725	27,05,59,272
Previous Year	59,76,28,389	9,74,81,422		66,66,78,301	38,73,41,893		2,75,15,940	39,61,19,029	21,05,59,272	21,02,86,496

* Including Impairment ascertained.



SHRI RATHI STEEL LIMITED
Notes on Financial Statements for the Period Ended on 31.03.2021

(AMOUNT IN Rs.)

Note No.	Particulars	AMOUNT AS AT	
		31.03.2021	31.03.2020
13	Non Current Investment In Equity instruments- unquoted 2,38,917 Unquoted Equity Shares of Radha Madav Exim Pvt. Ltd of Rs.10/- each (2,38,917 Unquoted Equity Shares in Previous year)	52,63,342	52,63,342
	Less: Amount received out of distribution on ongoing voluntary liquidation in process	40,76,670	-
	Less: Provision towards Diminution in Value of Investments	11,86,672	-
		-	52,63,342
14	Long Term Loans and Advances (Unsecured, considered good unless otherwise stated) Advance to Suppliers for Capital Equipments	1,10,56,785	1,49,51,443
	Security Deposit With Government Department	36,26,081	1,35,08,371
	Other Deposit	8,00,000	18,00,000
		1,54,82,866	3,02,59,814
15	Other Non Current Assets Employee Benefits	58,28,748	55,35,264
	Deferred Revenue Exp.(to the extent not w/off)	-	28,45,298
		58,28,748	83,80,562
16	Inventories (As taken, valued and certified by the Management)		
	Raw Material	4,77,05,393	5,81,53,231
	Finished Goods	13,38,92,930	13,59,96,176
	Traded Goods	-	6,92,550
	Stores & Spares	2,16,55,699	2,07,70,943
	Coal	27,74,837	20,68,237
	Other Scraps	47,73,083	44,40,365
		21,08,01,942	22,21,21,502
17	Trade Recievables Outstanding for a period exceeding six months		
	Unsecured, Considered Good	19,80,77,500	22,39,55,691
	Less:Provision for Doubtful Debts	20,32,000	20,32,000
		19,60,45,500	22,19,23,691
	Others Unsecured, Considered Good	28,15,55,512	41,35,80,811
		47,76,01,012	63,55,04,502
18	Cash & Cash Equivalent Cash in hand	73,54,419	22,21,690
	With Scheduled Banks : In Current Accounts	21,852	3,904
	In Fixed Deposit Accounts (Pledged as Margin Money at bank)	97,62,009	2,05,52,505
		1,71,38,280	2,27,78,099
19	Other Current Assets (Unsecured, considered good unless otherwise stated)		
	Advances recoverable in cash or in kind or value to be received	9,16,54,701	8,83,71,077
	Balance with Government Authorities	2,81,74,584	2,75,90,380
	Interest receivable	24,11,512	14,55,800
	Deferred Revenue Exp.(to the extent not w/off)	-	60,42,889
		12,22,40,797	12,34,60,146




SHRI RATHI STEEL LIMITED

Notes Forming Part of statement of Profit & Loss for the Period ended on 31.03.2021
(AMOUNT IN Rs.)

Note No.	Particulars	AMOUNT FOR YEAR ENDED ON	
		31.03.2021	31.03.2020
20	Revenue from Operations		
	Revenue from Operations		
	Sale of Products/Deemed Export	3,84,42,35,570	3,73,39,82,556
	Sale of traded goods	24,05,03,355	17,29,84,508
	Sale of traded goods (Export)	-	2,41,91,320
		4,08,47,38,925	3,93,11,58,384
21	Other Income		
	Recoveries on sale	20,18,201	23,31,171
	Interest Received	58,10,341	17,53,071
	Dividend Income	48,61,582	5,97,293
	Foreign Currency Fluctuation	(40,38,678)	1,17,11,147
	Misc. Income	42,46,520	44,80,282
	Consultancy Service Rendered	2,20,00,000	2,40,00,000
	Profit on Buyback of Investments	-	11,45,307
		3,48,97,966	4,60,18,271
22	Cost of Material Consumed		
	Raw Material (With Processing Charges)	3,43,35,71,275	3,44,23,80,658
		3,43,35,71,275	3,44,23,80,658
	Raw Material consumed		
	Opening Stock	5,81,53,231	8,45,03,385
	Add : Purchases (including processing charges)	3,42,31,23,437	3,41,60,30,504
		3,48,12,76,668	3,50,05,33,889
	Less : Closing Stock	4,77,05,393	5,81,53,231
	Raw Material consumed	3,43,35,71,275	3,44,23,80,658
23	Change in Inventories		
	Closing Stock		
	Finished goods	13,11,20,848	13,19,21,685
	Traded goods	-	6,92,550
	Other scrap	56,66,799	56,54,836
		13,67,87,647	13,82,69,071
	Opening Stock		
	Finished goods	13,19,21,685	6,65,35,020
	Traded goods	6,92,550	13,96,813
	Other scrap	56,54,836	76,86,133
		13,82,69,071	7,56,17,966
		(14,81,424)	6,26,51,105
24	Employment Benefit Expenses		
	Salary, Wages, Bonus, Gratuity & Leave Encashment	4,39,17,554	5,11,69,338
	Director remuneration	46,55,589	21,79,704
	Contribution to Provident Fund and Other Funds	11,37,718	14,31,986
	Contribution to ESIC	3,70,454	3,13,374
	Workmen & Staff Welfare	6,23,900	5,98,851
		5,07,05,215	5,56,93,253



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25 Interest & Finance Charges		
Interest on Working capital Facility	2,88,97,181	2,80,97,805
Interest on Term loan	37,39,192	-
Interest on Car loan	8,34,609	6,22,090
Interest on Unsecured loan	27,17,664	36,26,815
Other Borrowing Cost	56,82,768	1,19,80,963
Bank Charges	6,27,741	24,73,318
	<u>4,24,99,155</u>	<u>4,68,00,991</u>
26 Depreciation & Amortised Cost		
Depreciation	2,90,13,181	2,75,15,940
Total	<u>2,90,13,181</u>	<u>2,75,15,940</u>
27 Other Expenses		
Power & Fuel	8,23,54,195	9,51,05,017
Stores & Spares	2,37,49,839	2,27,24,755
Furnance Oil & Coal Consumed	5,63,39,531	5,75,58,880
Other manufacturing expenses	3,31,38,822	2,86,89,935
Insurance	12,06,915	10,87,402
Travelling Expenses	9,74,884	65,79,777
Fees & subscription	6,94,193	8,38,327
Repair & Maintenance		
-Machinery	83,95,358	28,68,409
-Vehicle	23,71,275	26,69,654
-Building & Others	12,44,775	19,27,078
Miscellaneous Expenses	32,58,766	27,39,000
Bad Debts written off	36,21,251	-
Legal & Professional Expenses	1,48,76,263	78,29,755
Telephone & Communication Expenses	5,98,544	9,92,727
Rent	43,35,900	51,52,678
Rates & Taxes	16,39,406	8,72,379
Donations	4,35,692	4,11,000
Advertisement & Business Promotion	70,16,231	26,49,135
Printing & stationary	7,09,184	10,54,254
Deferred Revenue Expenditure written off	88,88,187	60,42,890
Rebate & discount	53,37,987	39,12,034
Commission	1,77,49,593	36,15,789
Keyman Insurance Charges	9,93,198	18,86,500
Provision for Doubtful Debts	-	20,32,000
Prior Period Adjustment	5,34,334	2,07,870
Provision for Fall in value of Investment	11,86,672	-
Impairment of Plant & Machinery	11,61,182	-
Advances Paid/ Balances Written off	31,89,486	-
PAYMENT TO AUDITORS		
-Audit Fees	4,00,000	3,00,000
-Tax Audit Fees	-	75,000
-Remuneration in other Capacity	27,100	44,500
-Out of pocket Expenses	-	10,000
-Cost Audit Fees	88,500	83,500
	<u>28,65,17,263</u>	<u>25,99,60,246</u>
28 Exceptional Items		
Profit on Sale of Fixed Asset	(23,56,424)	78,627
Diminution in value due to discarding Fixed Assets	(88,490)	(61,02,796)
	<u>(24,44,914)</u>	<u>(60,24,169)</u>




OTHER NOTES ON ACCOUNTS

Note No. 29. Contingent Liabilities:

S.No	Particulars	Current Year	Previous Year
1	Demands raised and disputed towards Excise/Service Tax (Includes cases worth Rs 7895382/- which have been appealed by Revenue Deptt. after the case is decided in favour of the Company by Lower Judicial Forums.)	78,95,382	1,36,25,998
2	Demands raised and disputed towards Sales Tax/VAT (Includes cases worth Rs 76454388/- which have been appealed by Revenue Deptt. after the case is decided in favour of the Company by Lower Judicial Forums.)	7,64,54,388	7,64,54,388
3	Demands raised and disputed towards GST	3,01,834	-
4	Claim against the Company, not acknowledged as Debt	12,87,541	12,87,541
5	Demands raised and disputed towards Income Tax (Includes cases worth Rs 30074160/- which have been appealed by Revenue Deptt. after the case is decided in favour of the Company by Lower Judicial Forums.)	3,00,74,160	3,00,74,160
	Total	11,60,13,305	12,14,42,087
	Amount deposited/Bank guarantee furnished	(63,65,944)	-62,57,511
		10,96,47,361	11,51,84,576

*The Company has created a reserve of Rs.30,00,000/- as contingency reserve towards future liabilities which may arise out of contingent liabilities above.

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

31. 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, is detailed below :-

Particular	2020-21	2019-20
Deferred Tax Liabilities on account of depreciation, deferred revenue expenditure and plan assets Gratuity, bonus and brand building campaign	2,51,20,563	4,39,14,120
Deferred Tax Assets on account of Gratuity, leave and Bonus	(56,76,695)	(1,04,44,710)
Net Position	1,94,43,868	3,34,69,410
Tax Rate	25.17%	33.38%
Deferred Tax (Assets) / Liabilities	48,94,022	84,24,250




The movement for the relevant period in the company's deferred tax position is as follow:-

Particular	2020-21	2019-20
At the beginning of the period	84,24,250	1,30,59,308
Charged to P&L Account for the period	35,30,228	46,35,058
At the end of period	48,94,022	84,24,250
Deferred Tax (Assets) / Liabilities	48,94,022	84,24,250

32. Employee benefits

a) Defined benefit plans: Gratuity

- 1) Provision towards gratuity is based upon actuarial valuation done by an independent actuary using projected unit credit method and its covers all regular employees. Gain and losses on changes in actuarial assumptions are accounted for in the profit and loss account. Company has done the Actuarial valuation of Gratuity as per Accounting Standard -15 from FY 2015-16 onwards
- 2) The charge on account of provision for gratuity has been included in 'salaries, wages, allowances and other benefits.
- 3) Actuarial valuation of gratuity has been done with the following assumptions.

Particulars	2020-21	2019-20
Principal actuarial assumptions :		
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)	21.78	22.17

Change in the present value of obligation

Particulars	2020-21	2019-20
Present value of obligation as at the beginning	62,13,050	66,62,837
Interest Cost	4,06,667	4,97,437
Past Service Cost	-	-
Current Service Cost	9,23,141	10,57,596
Benefit paid	(6,82,980)	(12,28,634)
Actuarial (Gain)/Loss on obligations	(13,38,187)	(7,76,186)
Present value of obligation as at the end	55,21,691	62,13,050

Changes in the Fair value of plan assets

Particular	2020-21	2019-20
Fair value of plan assets as at the beginning	55,35,264	63,96,420
Acquisition Adjustment	-	-
Expected return on plan Assets	4,11,531	5,12,805
Employer's Contribution	8,00,205	-
Employee's Contribution	-	-
Benefit Paid	(6,82,980)	(12,28,634)
Actuarial Gain / (Loss) on the plan Assets	(2,35,272)	(1,45,327)
Fair Value of Plan Assets as at the end	58,28,748	55,35,264



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Amount for the Current period		
Particular	2020-21	2019-20
Actuarial (Gain)/ loss for the period- Present value of obligation	(13,38,187)	(7,76,186)
% of opening present value of obligation	-21.50%	-11.60%
Actuarial (Gain)/ loss for the period- Fair value of Plan Assets	(2,35,272)	(1,45,327)
% of opening Fair value of Plan Assets	-4.30%	-2.30%
Total Actuarial (Gain)/Loss for the period	(11,02,915)	(6,30,859)
Actuarial(Gain)/ loss recognised in the period	(11,02,915)	(6,30,859)
Unrecognised Actuarial Gain / (Loss) in the period		
Experience Adjustment on present value of obligation-loss/(Gain)	(13,74,074)	(11,49,052)
Experience Adjustment on Fair value of Plan Assets-loss/(Gain)	(2,35,272)	(1,45,327)

Movement in the liability recognized in the balance Sheet		
Particular	2020-21	2019-20
Present value of obligation as at the beginning	62,13,050	66,62,837
Expenses Recognized in the statement of Profit & Loss	(1,84,638)	4,11,369
Unrecognized Past Service Cost	-	-
Benefits Paid	(6,82,980)	(12,28,634)
Actual Return on plan Assets	1,76,259	3,67,478
Acquisition Adjustment	-	-
Present value of obligation as at the End	55,21,691	62,13,050

Expenses recognised in the Profit and Loss Account		
Particular	2020-21	2019-20
Current Service Cost	9,23,141	10,57,596
Past Service Cost	-	-
Interest Cost	4,06,667	4,97,437
Expected return on Plan Assets	(4,11,531)	(5,12,805)
Net Actuarial (Gain)/Loss recognized in the period	(11,02,915)	(6,30,859)
Expenses recognized in statement of Profit and Loss	(1,84,638)	4,11,369

a) Defined benefit plans: Leave Encashment

1) Provision towards leave encashment is based upon actuarial valuation done by an independent actuary using projected unit credit method and its covers all regular employees. Gain and losses on changes in actuarial assumptions are accounted for in the profit and loss account. Company has done the Actuarial valuation of Leave encashment as per Accounting Standard -15 from FY 2015-16 onwards

2) The charge on account of provision for leave encashment has been included in 'salaries, wages, allowances and other benefits.

3) Actuarial valuation of leave encashment has been done with the following assumptions.




Particulars	2020-21	2019-20
Principal actuarial assumptions :		
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)	21.78	22.17

Change in the present value of obligation		
Particulars	2020-21	2019-20
Present value of obligation as at the beginning	14,10,096	11,94,669
Interest Cost	92,296	89,192
Past Service Cost	-	-
Current Service Cost	2,44,002	5,55,096
Benefit paid	(6,10,932)	(3,54,630)
Actuarial (Gain)/Loss on obligations	41,131	(74,231)
Present value of obligation as at the end	11,76,593	14,10,096

Changes in the Fair value of plan assets		
Particular	2020-21	2019-20
Fair value of plan assets as at the beginning	-	-
Acquisition Adjustment	-	-
Expected return on plan Assets	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefit Paid	-	-
Actuarial Gain / (Loss) on the plan Assets	-	-
Fair Value of Plan Assets as at the end	-	-

Amount for the Current period		
Particular	2020-21	2019-20
Actuarial (Gain)/ loss for the period- Present value of obligation	41131	-74231
% of opening present value of obligation	2.90%	-6.20%
Actuarial (Gain)/ loss for the period- Fair value of Plan Assets	-	-
% of opening Fair value of Plan Assets	-	-
Total Actuarial (Gain)/Loss for the period	41131	-74231
Actuarial(Gain)/ loss recognised in the period	41131	-74231
Unrecognised Actuarial Gain / (Loss) in the period	-	-
Experience Adjustment on present value of obligation and Plant Assets - (Gain)/Loss on Plan Liabilities	33,156	(1,59,222)
Experience Adjustment on present value of obligation and Plant Assets - (Gain)/Loss on Plan Assets	-	-



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Movement in the liability recognised in the balance Sheet		
Particular	2020-21	2019-20
Present value of obligation as at the beginning	14,10,096	11,94,669
Expenses Recognized in the statement of Profit & Loss	377429	570057
Benefits Paid	(6,10,932)	(3,54,630)
Actual Return on plan Assets	0	-
Acquisition Adjustment	-	-
Present value of obligation as at the End	11,76,593	14,10,096

Expenses recognized in the Profit and Loss Account		
Particular	2020-21	2019-20
Current Service Cost	2,44,002	5,55,096
Past Service Cost	-	-
Interest Cost	92,296	89,192
Expected rate of return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized in the period	41,131	(74,231)
Expenses recognized in statement of Profit and Loss	3,77,429	5,70,057

33. The company had launched a brand building campaign during FY 2018-19 and FY 2019-20. The benefits of the same were estimated over a period of 3 years, in the form of higher sales, and accordingly, one third of the expenses were charged to Profit & Loss in the year of incurrence and balance deferred to be written off over the next two years, although it was not in line with AS- 26 issued by the ICAI. However, in view of prevailing Pandemic Economic effects, It is thought prudent to write off the entire, expenses, carried forward from earlier years. Since, there is no carry forwards out of the same, hence, Profit for the year in the Statement of Profit & Loss are understated by Rs. 8,888,187 /- due to earlier year expenses charged to statement of profit and loss in this year (Previous year overstated by Rs 24,93,006/-), Reserve & Surplus and Miscellaneous expenditure, to the extent not written off or adjusted, are overstated by Rs. Nil /- (Previous Year Rs.88,88,187/-)

34. The trade receivables, trade payable and other current assets and liabilities are subject to their confirmation/ reconciliation/ adjustment if any. In a number of cases of inter party transfers, the confirmation from parties are available. However, in the opinion of the Board of Directors the inventories, trade receivables and other current assets would realize at least the value at which they are stated in the balance sheet.

35. Earning Per Share: The numerators and denominators used to calculate Basic and Diluted Earning Per Share.

	31.03.2021	31.03.2020
Profit / (Loss) for the period attributable to equity shareholders (In Rupees)		
(A)	1,21,61,799	1,37,52,668
Equity Shares outstanding during the year on weighted Average method.	99,58,475	94,50,000
(B) Shares Outstanding at the year end	1,04,66,950	94,50,000
Basic/Diluted EPS (In Rupees) (Nominal Value of Rs. 10 each)		
(A/B) Based on weighted average method	1.22	1.46
Basic earnings per share	1.16	1.46



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36.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 as defined in AS-18 are given below:

Particulars	Name of Related Parties
Associates	M/s. Shri Rathi Steel (Dakshin) Limited M/s. Vap Electronics LLP M/s. Radha Madhav Exim Private Limited (Under voluntary liquidation) M/s. Indigo Advertising Pvt. Limited M/S. Aakarshan Export Pvt Ltd M/S Comero Leasing & Financials Pvt. Ltd
Key Management Personnel	Mr. Anil Rathi, Director Mr. Gopal Rathi, Director Mr. Dhruv Rathi, Whole Time Director Mr. V.K.Tyagi, Director Mr. Arpit Mittal Independent Director Mrs. Jyoti Singhal,Independent Director
Relatives of Key Management Personnel	Mrs. Anchal Rathi (Wife of Sh. Gopal Rathi) Mrs. Urmil Rathi (Wife of Sh. Anil Rathi) Mrs. Shweta Rathi (Wife of Sh Dhruv Rathi)
Holding Company	Asimit Finvest Pvt. Ltd.

S.No.	Name of the Related Party	Relationship	Nature of Transaction	Debit Transactions	Credit Transactions	Balance as at Mar. 31, 2021	Balance as at Mar. 31, 2020
1	Shri Rathi Steel (Dakshin) Limited	Enterprises over w hich key managerial personnel and relative of such personnel is able to exercise significant influence	Trading	865548310	865548310	NIL	NIL
2	Vap Electronics LLP	Enterprises with one or more common Partner as in our Company	Security Deposit (Liability)	0	1000000	8,00,000 (Dr.)	1800000 (Dr.)
			Unsecured Loan	-	-	NIL	NIL
			Rent & Power expenses, Reimbursement	5935348	5935348	NIL	NIL
3	Indigo Advertising Pvt. Limited	Enterprises with one or more common director as in our Company	Unsecured Loan	1186757	1186757	NIL	NIL
4	Comero Leasing & Financials Pvt Ltd	Enterprises with one or more common director as in our Company	Unsecured Loan	435111	5,05,149	10,73,068 (Cr.)	1003030 (Cr.)
5	Dhruv Rathi	Director	Managerial Remuneration	476800	503000	26,200 (Cr.)	37200 (Cr.)
			Unsecured loan	620342	2620283	50,48,825 (Cr.)	3048884 (Cr.)
6	Anil Rathi	Director	Rent	540000	540000	NIL	NIL
			Consultancy Fee	75000	1000000	9,25,000 (Cr.)	NIL
			Unsecured loan	1413000	865000	3,96,82,000 (Cr.)	40230000 (Cr.)



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7	Gopal Rathi	Director	Unsecured loan	13926342	14226283	2,52,25,274 (Cr.)	24925333 (Cr.)
			Consultancy Fee	150000	1978495	18,28,495 (Cr.)	NIL
8	Urmil Rathi	Relative of director	Rent	60,000	60,000	NIL	NIL
			Unsecured loan	3818328	3818328	NIL	NIL
9	Anchal Rathi	Relative of director	Salary	1656800	1785000	1,28,200 (Cr.)	113200 (Cr.)
			Unsecured loan	63452	63452	NIL	NIL
10	Aakarshan Exports Pvt. Ltd.	Enterprises with one or more common director as in our Company	Unsecured Loan	7460483	8141292	1128198 (Cr.)	447389 (Cr.)
11	Asimit Finvest Pvt. Ltd. wef May-2017	Holding Company / Enterprises with one or more common director as in our Company	Unsecured Loan	77377070	1,53,83,581	5,56,93,179 (Cr.)	117686668 (Cr.)
12	Shweta Rathi	Relative of director	Consultancy Fee	1,31,362	9,63,862	8,32,500 (Cr.)	NIL
13	V.K.Tyagi	Director	Managerial Remuneration	437884	518184	80,300 (Cr.)	49000 (Cr.)

(Excluding Reimbursement)

37. (A) Value of Raw Material consumed:

	CURRENT YEAR	PREVIOUS YEAR	%
	VALUE	VALUE	
IMPORTED	-	-	-
INDIGENOUS	3,43,35,71,275	3,44,23,80,658	100

(B) Value of Stores consumed:

	CURRENT YEAR	PREVIOUS YEAR	%
	VALUE	VALUE	
IMPORTED	-	-	-
INDIGENOUS	2,37,49,839	2,27,24,755	100

(C) Goods Purchased:

	CURRENT YEAR	PREVIOUS YEAR
	VALUE	VALUE
Steel & Structures	25,50,76,117	19,02,50,982



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(D) Finished and Trading Goods: (As certified by the Management and relied upon by Auditor)				
Particulars	Sales Value		Inventory	
	CURRENT YEAR	PREVIOUS YEAR	Closing	Opening
Manufactured Goods				
M. S. Bars	3,67,01,34,526	3,60,11,06,851	13,11,20,848	13,19,21,685
Miss Roll	5,54,13,923	6,69,58,238	27,72,082	40,74,491
Scrap	3,30,69,436	3,32,44,984	28,94,717	15,80,345
Other Products	11,57,80,640	5,68,63,803	18,78,366	-
Sub-total	3,87,43,98,525	3,75,81,73,876	13,86,66,013	13,75,76,521
Traded Goods				
Steel & Structures Including TMT	21,03,40,400	17,29,84,508	-	6,92,550
Sub-total	21,03,40,400	17,29,84,508	-	6,92,550
Total	4,08,47,38,925	3,93,11,58,384	13,86,66,013	13,82,69,071

	CURRENT YEAR	PREVIOUS YEAR
(E) CIF Value of Imports:		
Trading Purchase	-	-
(F) Expenditure in Foreign Currency on account of:		
Traveling Expenses	-	12,05,186
Purchases (Store)	-	-
Purchases (Trading Purchase)	-	2,30,93,588
(G) Earnings in Foreign Currency		
Exports on FOB Basis	-	2,41,91,320

38. 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 'Segment Reporting' issued by the Institute of the Chartered Accountants of India is not considered applicable.

39. 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 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".

40. In respect of a specific item of plant and machinery, installed in FY 2018-19 deficiency was observed in the performance, for which an amount of Rs 14,85,493 was recovered from the supplier. Impairment to the extent of Rs 14,85,493 less Rs 324,312 charged towards depreciation in the earlier years, has been accounted for in the current year.




Covid-19 effect

41. 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 5th May, 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.

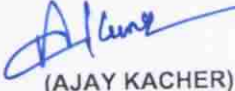
42. Previous year figures have been regrouped / rearranged wherever considered necessary.


As per our report of even date attached
For R.K. Baheti & Company
Chartered Accountants
(Firm Reg. No. 010528N)

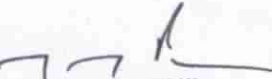
(CA. Ajay Baheti)
Partner

Membership No. 068545
UDIN-21088545AAAAFG5029
Place: NOIDA
Date: 06/09/2021





(AJAY KACHER)
COMPANY SECRETARY


(ANIL RATHI)
DIRECTOR
DIN:00072761


(GOPAL RATHI)
DIRECTOR
DIN: 00072755


(PANKAJ KUMAR GUPTA)
CHIEF FINANCIAL OFFICER


(AMIT KUMAR)
AGM ACCOUNTS



SHRI RATHI STEEL LIMITED

CIN : U65993DL1992PLC046954

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 , 2021

Particulars	2020 - 2021	2019 - 2020
(A) Cash Flow from Operating Activities	1,21,61,799	1,37,52,668
Profit after tax		
Adjustment for :		
Depreciation	2,90,13,181	2,75,15,940
(Profit) / Loss on sale of Assets	24,44,914	48,78,862
Provision for Income / Wealth Tax	95,28,000	40,10,847
Provision for Deferred Tax	(35,30,228)	(46,35,058)
Excess Provision written back	1,68,777	(19,26,935)
Deffered. Expenditure W/off	88,88,187	-
Provision for Fall in value of Investment	11,86,672	
Impairment of Plant & Machinery	11,61,182	(5,97,293)
Dividend Income	(48,61,582)	(17,53,071)
Interest Recd.	(58,10,341)	
Interest Paid	4,24,99,155	4,68,00,991
	8,06,87,917	7,42,94,283
Operating Profit before working capital change	9,28,49,716	8,80,46,951
Adjustment for / Change in :		
Trade and other receivables	15,79,03,490	(4,60,41,694)
Inventories	1,13,19,560	(3,93,89,356)
Loans and Advances	1,20,09,044	(1,60,29,732)
Deferred Revenue Expenses incurred, to the extent not written off		(24,93,005)
Trade and other Payables	(7,64,51,633)	3,78,67,435
Cash generated in operation	19,76,30,177	2,19,60,599
Direct Taxes Paid	(55,73,032)	(47,88,576)
Net Cash from operating activities (A)	19,20,57,145	1,71,72,023
(B) Cash Flow from Investing Activities		
Purchases of Fixed Assets	(1,23,65,015)	(9,74,81,422)
Sale of Fixed Assets	14,18,285	61,59,502
Amount received out of distribution on ongoing voluntary liquidation in process	40,76,670	
Interest received	48,54,629	8,64,187
Dividend Income	48,61,582	5,97,293
	28,46,151	(8,98,60,440)
Net Cash from Investing activities (B)	28,46,151	(8,98,60,440)
(C) Cash Flow from Financing Activities		
Proceeds from Issue of Shares Capital and Share Premium thereon	6,00,00,050	
Proceeds from Long Term Borrowings	12,98,00,000	
Re - Payments of Long Term Borrowings	(1,98,78,546)	(1,03,58,311)
Increase / (Decrease) in Unsecured Loans	(5,54,57,376)	(1,20,658)
Increase / (Decrease) in Auto Loans	(23,88,338)	29,72,126
Increase / (Decrease) in Short Term Borrowings	(27,01,19,750)	12,61,89,781
Dividend Paid including Dividend Tax		
Interest Paid	(4,24,99,155)	(4,68,00,991)
	(20,05,43,115)	7,18,81,947
Net Cash from Financing activities (C)	(20,05,43,115)	7,18,81,947
Net increase / decrease in cash & cash equivalent A+B+C	(56,39,819)	(8,06,470)
Add : Opening Balance of Cash & equivalent	2,27,78,099	2,35,84,569
Closing Balance of Cash & equivalent	1,71,38,280	2,27,78,099

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)

(CA. Ajay Baheti)
Partner
Membership No. 088545
UDIN-21088545AAAAFG5029
Place: NOIDA
Date : 06/09/2021



Anil Rathi *S T A*

(ANIL RATHI)
CHAIRMAN
DIN:00072761

(GOPAL RATHI)
DIRECTOR
DIN: 00072755

Ajay Kacher *Pankaj Kumar Gupta*
(AJAY KACHER) (PANKAJ KUMAR GUPTA)
COMPANY SECRETARY CHIEF FINANCIAL OFFICER

Amit Kumar
(AMIT KUMAR)
AGM ACCOUNTS

