

49th
ANNUAL REPORT
2019 - 20

RATHI STEEL AND POWER LTD.**CIN L27109DL1971PLC005905**

BOARD OF DIRECTORS	Shri Prem Narain Varshney (DIN:00012709) – Managing Director Mr. Abhishek Verma (DIN 08104325), Independent Director Smt Sangeeta Pandey (DIN 08213476), Independent Woman Director Smt Pinky Verma (DIN 08260165), Independent Woman Director
AUDITORS	M/s H.G. & Company, Chartered Accountants III-A, 49 Nehru Nagar Ghaziabad (U.P.), Pin- 201001
LEGAL ADVISOR	Mr. Subhash Chawla, Advocate Chamber no.180, Western Wing, Tis Hazari Court, Delhi-110054
BANKERS	Assets Care & Reconstruction Enterprise Ltd* Canara Bank J M Financial Asset Reconstruction Company Limited Union Bank *Bank of Baroda, Dena Bank & S.B.I. has assigned its loan
REGISTERED OFFICE	Chauhan Market, Madanpur Khadar, Near Local Shopping Complex, Pocket- D & E, Sarita Vihar, New Delhi-110076 Ph: 011- 4500 2400 Fax: 011-4500 2410 Web Site: http://www.rathisteelandpower.com
CORPORATE OFFICE	Industrial Area No. 1 A-3, South of GT Road Ghaziabad (U.P.) Pin- 201009 Ph: 0120-2840346-350 Fax: 0120-2840352-353
WORKS:	Unit No. 1 Industrial Area No. 1 A-3, south side of GT Road, Ghaziabad (U.P.) Pin- 201009 Ph: 0120-2840346-350 Fax: 0120-2840352-353 Unit No.2 Vill. Potapalli, Sikirdi, P.S. Burla, Dist. Sambalpur Odisha Pin- 768006
REGISTRAR & SHARE TRANSFER AGENT	Mas Services Limited T-34, Second Floor Okhla Industrial Area, Phase-II, New Delhi- 110020 Ph: 011-26387281-82-83 Fax:011-26387384 Email: info@masserv.com

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Notice

NOTICE is hereby given that the 49th Annual General Meeting of the Members of Rathi Steel and Power Ltd. (CIN: L27109DL1971PLC005905) will be held on Wednesday, 30th December 2020 at 2.00 PM to transact through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements

To consider and adopt the audited financial statements of the Company for the year ended 31st March, 2020, together with the Report of the Directors and Auditors’ thereon.

2. Appointment of Statutory Auditors

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

“**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the appointment of Messrs H.G. & Company, Chartered Accountants (Firm’s Registration No. 013074C) as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 51th Annual General Meeting of the Company to be held in year 2022, subject to be ratified by shareholders at every AGM and to examine and audit the accounts of the Company for the Financial Year 2020-21 at such remuneration plus GST, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”

Special Business:

3. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2021 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50,000/- (Rupee fifty thousand) plus out-of-pocket expenses payable to Messrs R. M. Bansal & Co., Cost Accountants, Cost Accountants (Firm’s Registration No. 000022) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31 March, 2021.”

By Order of the Board
For Rathi Steel And Power Ltd

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

Date:12-11-2020

Place: Delhi

Registered Office: Chauhan Market, Madanpur Khadar, Near Local Shopping Complex, Pocket –D& E, Sarita Vihar New Delhi- 110076

CIN: L27109DL1971PLC005905

Phone : 011- 45002400

Fax : 011- 45002410

Email : investors@rathisteelandpower.com **Website :** www.rathisteelandpower.com

Notes:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to csskbhatnagar@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 24 December 2020 to 30 December, 2020 (both days inclusive).
7. The remote e-voting period commences on Sunday, December 27, 2020 (09:00 am) and ends on Tuesday, December 29, 2020 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of December 23, 2020, may cast their vote by remote e-voting
8. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2010-11 has already been transferred to IEPF.
9. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, **MAS Services Limited**, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.

In case share are in demat form members are requested to update their bank detail with their depository participant.

*The equity share capital of the company is held by 13160 shareholders, and about holding of 98.21 % of the capital are in dematerialised form and the balance holding of 1.79% of the capital are in physical form. **The shareholders having shares in physical form are requested to dematerialize the shares at the earliest.***

10. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
11. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to CFO, atleast one week before the meeting.
12. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
13. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.
14. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their

Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.

15. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 49th AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

17. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment is annexed to the notice.
18. **Voting through electronic means:** In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

INSTRUCTION FOR REMOTE EVOTING, EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

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

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email..
Dividend Bank Details OR	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please

Date of Birth (DOB)	enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).
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- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Rathi Steel and Power Limited.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES :

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the “Name” field - Put your USERID as informed in e-mail..
 In the “last name” field - Enter your Name
 In the “Email ID” field - Put your email ID
 In the “Event password” field - Put the password as “cdsl@1234”
Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

System requirement:

- ✓ Windows 7, 8 or 10
- ✓ I3
- ✓ Microphone, speaker
- ✓ Internet speed minimum 700 kbps
- ✓ Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

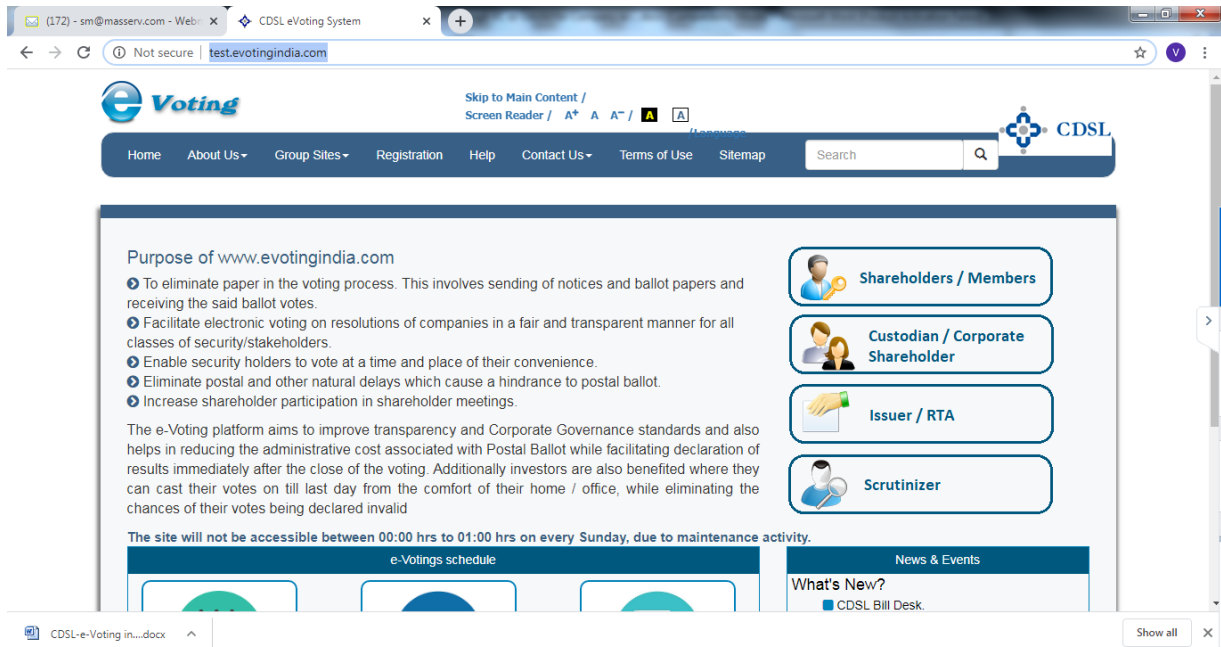
- ✓ Please download webex application from play store

NOTE:IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-INDURING THE AGM.

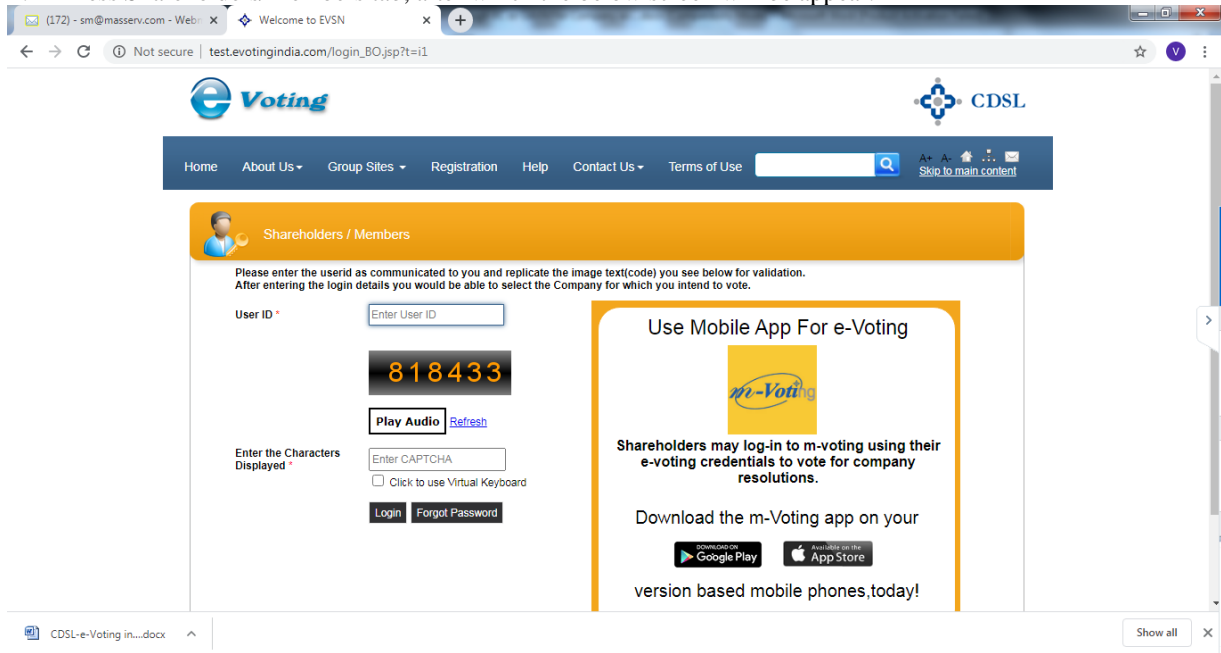
PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC (EXPLAINED USING SCREENSHOTS):

- i. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>.

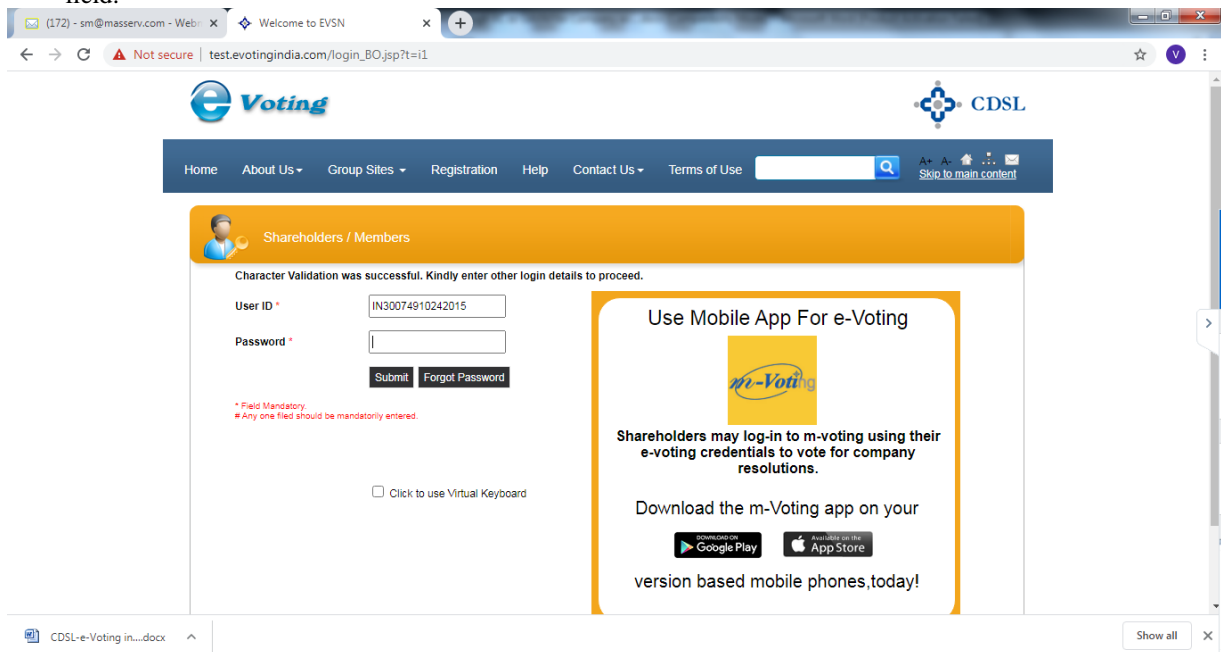
Below screen will be appear.



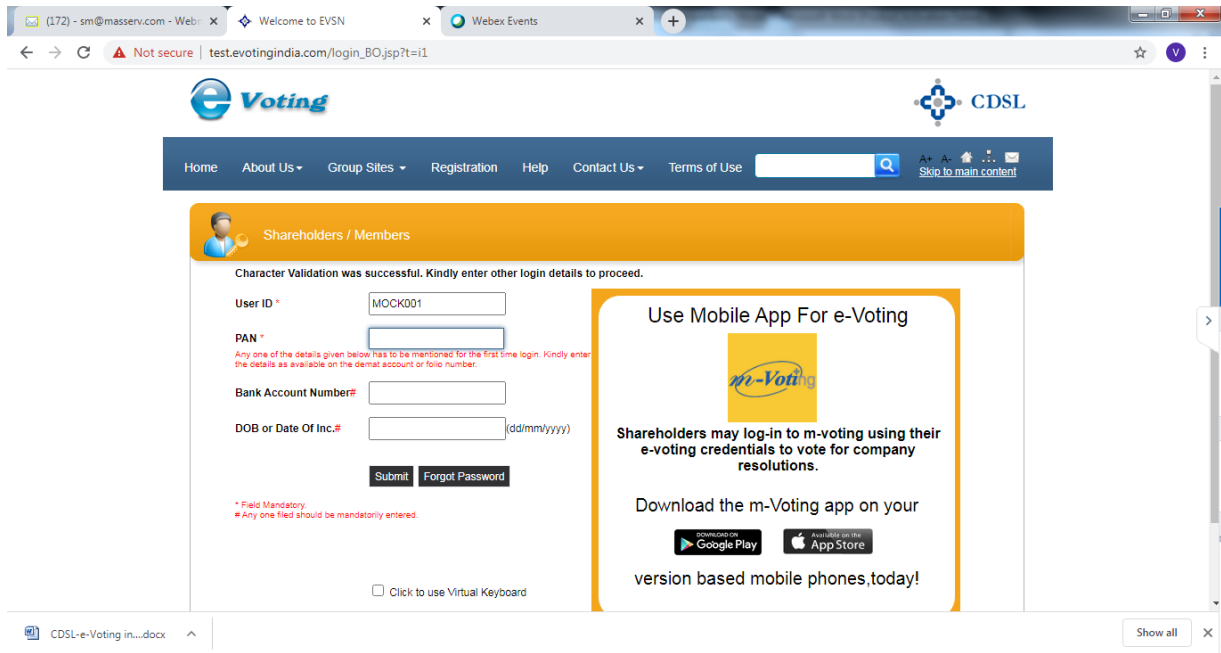
ii. Press Shareholders/Members tab, after which the below screen will be appear.



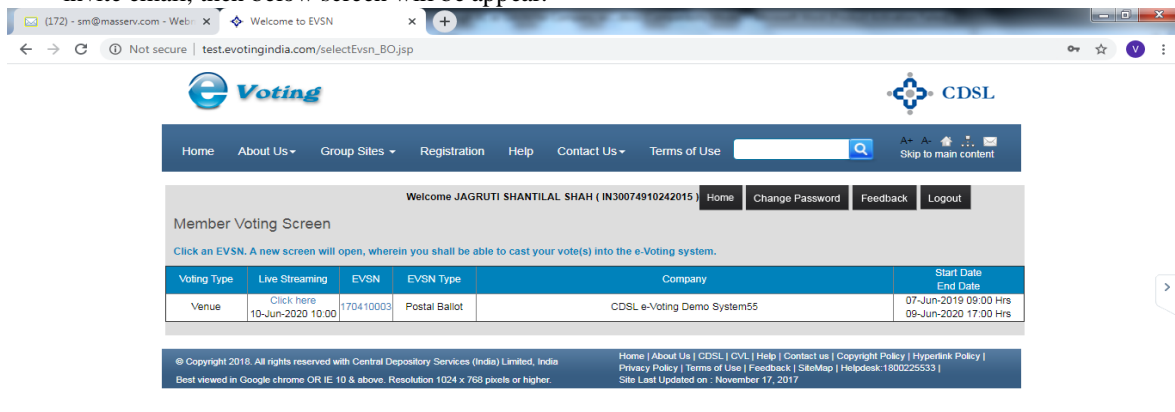
iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above. Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.



iv. In case you are 1st time user of CDSL e-voting system, then below screen will be appear.

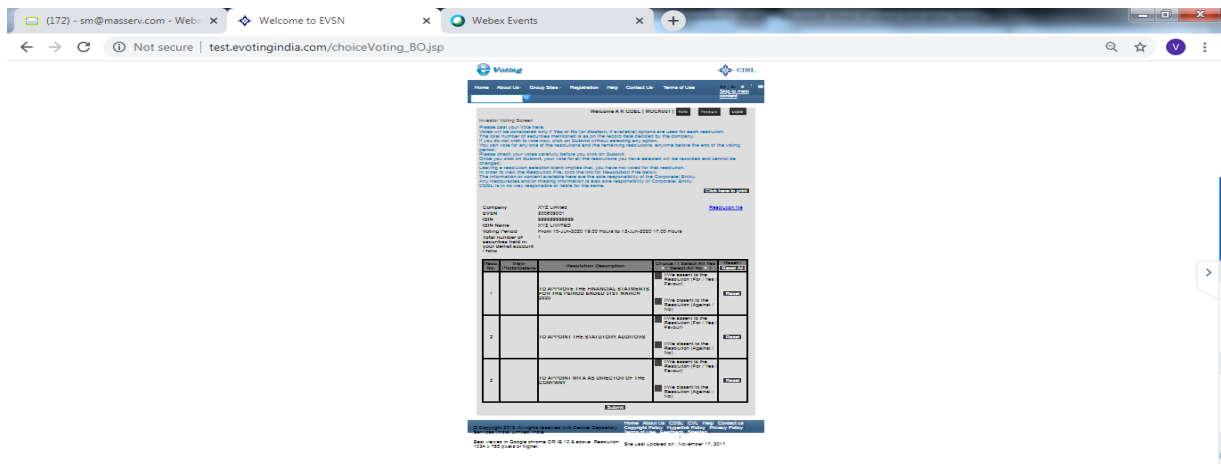


v. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.

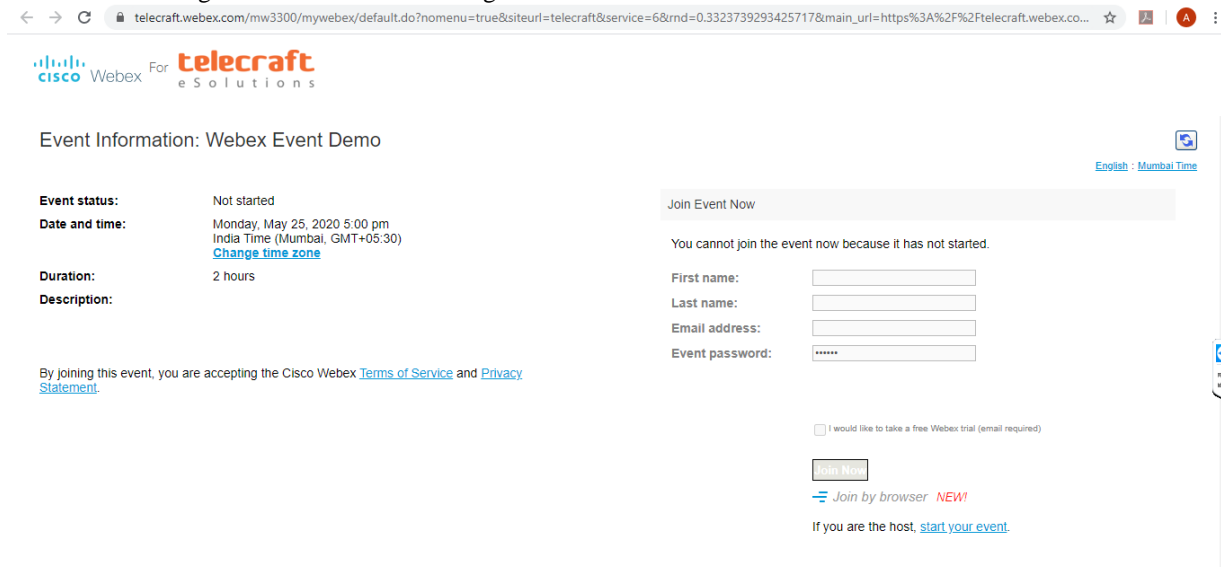


vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.

E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.



Screen for login into Video Conferencing is shown below:



Fill the details as:

In the “Name” field - Enter your USERID as given in email

In the “last name” field - Enter your Name

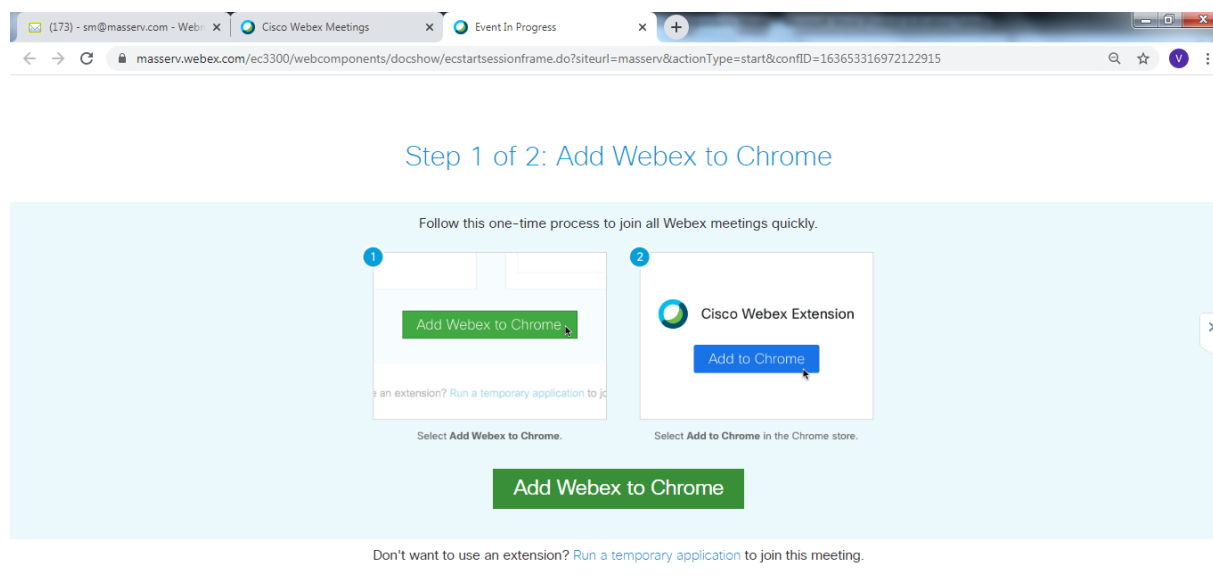
In the “Email ID” field - Put your email ID

In the “Event password” field - Put the password as “cdsl@1234”

Click join now button.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

vii. Once you click on 'Join now' tab, the following screen will be appear :



viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

ANNEXURE TO THE NOTICE:

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

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

Item No. 3

Based on the recommendation of the Audit Committee, the Board in its meeting appointed Messrs R. M. Bansal & Co., Cost Accountants, to conduct the audit of the steel manufacturing and power generation business for the financial year 2020-21 at fee of Rs. 50,000/- plus out of pocket expenses.

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

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

By Order of the Board
For Rathi Steel And Power Ltd

Sd/-
Prem Narain Varshney
Managing Director
DIN: 00012709

Date : 02.09.2020

Place: Delhi

Registered Office: Chauhan Market, Madanpur Khadar, Near Local Shopping Complex, Pocket -D & E, Sarita Vihar New Delhi- 110076

CIN: L27109DL1971PLC005905

Phone : 011- 45002400

Fax : 011- 45002410

Email : investors@rathisteelandpower.com **Website :** www.rathisteelandpower.com

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 49th Annual Report together with the Audited Statement of Accounts of Rathi Steel & Power Limited for the year ended 31st March, 2020.

1. FINANCIAL RESULTS:

	CURRENT YEAR (RS. IN LACS)	PREVIOUS YEAR (RS. IN LACS)
Sales	3753.46	35027.22
EBITDA	(1712.57)	(2861.47)
Interest	-	0.12
Depreciation	850.13	840.05
Exceptional / Extraordinary Items	0.00	4630.69
Profit Before Tax(PBT)	(2562.70)	(8332.33)
Tax adjusted for earlier year(s)	-	-
Profit after Tax (PAT)	(2562.70)	(8332.33)
Dividend	NIL	NIL

2. OPERATIONAL REVIEW:

During the year under review, the Company has achieved revenue from operation of Rs. 10,000.65 Lacs as against previous year of Rs. 37002.21 Lacs The Company has incurred loss of Rs. 2562.70 Lacs against previous year loss of Rs. 8332.34 lacs. Company expects to do better if there is an improvement in overall industrial scenario.

3. DIVIDEND

In view of losses, no dividend has been recommended.

4. ECONOMIC SCENARIO AND OUTLOOK

Indian Steel Sector

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

India was the world's second largest steel producer in 2019. India surpassed Japan to become the world's second largest steel producer in 2019 with crude steel production of 111.2 million tonnes (MT). In India, as per Indian Steel Association (ISA), steel demand is estimated to grow 7% in FY20 and FY21.

In FY20, crude steel production and finished steel production in India was 108.5 MT and 101.03 MT, respectively.

Export and import of finished steel stood at 8.42 MT and 6.69 MT, respectively, in FY20.

India's per capita consumption of steel grew at a CAGR of 4.43% from 46 kgs in FY08 to 74.10 kgs in FY19.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US\$ 13.40 billion between April 2000–March 2020.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030–31. The Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement.

In 2019, the Government introduced Steel Scrap Recycling Policy with an aim to reduce import.

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

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

Market Size

India's finished steel consumption grew at a CAGR of 5.2% during FY16–FY20 to reach 100 MT. India's crude steel and finished steel production increased to 108.5 MT and 101.03 MT in FY20P, respectively.

Export and import of finished steel stood at 8.24 MT and 6.69 MT, respectively, in FY20P.

Domestic Scenario

- The Indian steel industry has entered into a new development stage, post deregulation, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during 2018 and 2019, from its 3rd largest status in 2017. The country was also the largest producer of Sponge Iron or DRI in the world and the 2nd largest finished steel consumer in the world after China & USA in 2019, based on rankings released by the World Steel Association.
- In a de-regulated, liberalized economic/market scenario like India the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement.

Production

- India was the 2nd largest producer of crude steel in the world in 2019.
- In 2019-20, production of total finished steel (alloy/stainless + non alloy) was 102.62 million tonnes (MT).
- Production of Pig Iron in 2019-20 was 5.42 MT, a decline of 15.5% over last year.
- India was the largest producer of Sponge Iron in the world in 2019. The coal based route accounted for 82% of total Sponge Iron production (37.10 MT) in the country in 2019-20.

5. FUTURE OUTLOOK

- The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030–31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years.
- As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019–20 and 2020–21.
- Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors

6. REVIVAL SCHEME

Company is in continuous talks with all the lenders as well as investors to work out a long term revival scheme to maximize the recovery for its lenders and stakeholders.

7. CORPORATE SOCIAL RESPONSIBILITY

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

8. RISK MANAGEMENT POLICY

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

Although non-mandatory, the Company has constituted a Risk Management Committee (RMC) to oversee the risk management efforts in the Company under the Chairmanship of Mr. Prem Narain Varshney, Managing Director. The details of the Committee along with its terms of reference are set out in the Corporate Governance Report, forming part of the Annual Report.

A risk assessment update is provided to the RMC on periodical basis. The Committee assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls. Some of the risks identified are set out in the Management Discussion and Analysis which forms part of the Annual Report.

9. INTERNAL FINANCIAL CONTROLS

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

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

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

11. RELATED PARTY TRANSACTIONS

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were material related party transactions in pursuance of regulation 23 of SEBI (LODR) regulations, 2015. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

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

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

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

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Appointment/Re-appointment

Mrs Sangeeta Pandey and Mrs. Pinky Verma both was appointed as an Additional Director of the Company w.e.f. November 14, 2018 and both were regularized as Director of the Company in the 48th Annual General Meeting.

Independent Directors

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

Section 149(6) of the Act and the Listing Regulations. Details of Familiarisation programme for Independent Director is provided separately in the Corporate Governance Report.

Key Managerial Personnel (KMP)

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

BOARD EVALUATION

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

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

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

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

13. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2019-20.

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORTS

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

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

16. AUDITORS

I. Auditors and their report:

M/s H. G & Company, Chartered Accountants, be appointed as Statutory Auditors of the Company for a period of two years i.e. till the financial year ending March 31, 2022. As required by the provisions of the Companies Act, 2013 their appointment should be ratified by members each year at the AGM. Accordingly, requisite forms part of the notice convening the AGM.

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

II. Cost Auditors and Cost Audit report:

In view of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, R. M. Bansal & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the FY 2020-21. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM. The Company is properly maintaining the records for the purpose of Cost Audit as per the provisions of the Companies Act, 2013.

III. Secretarial Audit

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

IV. Internal Auditors

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

17. DISCLOSURES

i. Details of Board meetings

During the year, 14(Fourteen) Board meetings were held and the details of which are provided in the Corporate Governance Report.

ii. Composition of Audit Committee:

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

Listing Regulations

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

- (i) Policy on determination of Materiality for disclosures of events or information.

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

Particulars of Employees

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

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

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

EXTRACT OF ANNUAL RETURN

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

ACKNOWLEDGEMENTS

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

CAUTIONARY STATEMENT

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

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

For and on behalf of the Board of Directors

New Delhi
12.11.2020

Sd/-
Shobhita Singh
Company Secretary

Sd/-
Prem Narain Varshney
Managing Director
DIN: 00012709

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

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

I confirm that the Company has in respect of the Financial Year ended March 31st, 2020, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31st, 2020.

New Delhi
12.11.2020

Sd/-
Prem Narain Varshney
Managing Director
DIN: 00012709

ANNEXURE TO THE DIRECTORS' REPORT:

ANNEXURE-1

I. CONSERVATION OF ENERGY

(A) Energy Conservation measures taken

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

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

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

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

(D) The per ton power consumption has been under

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

S. No.	PARTUCULARS		
A.	Power and Fuel Consumption	Current Year	Previous year
1.	ELECTRICITY		
	Ghaziabad Unit		
	(a) Purchase Units		
	(i) Rolling Mill Unit (A-3)	20228100	17533000
	(ii) SMS Unit (C-4)	20645300	21186600
	(b) Total Amount (In Rs.)		
	(i) Rolling Mill Unit (A-3)	172530808	144091265
	(ii) SMS Unit (C-4)	160388107	154332483
	(c) Rate / Unit		
	(i) Rolling Mill Unit (A-3)	8.52	8.22
	(ii) SMS Unit (C-4)	7.77	7.28
	Odisha Unit		
	(a) Purchase Units (KWH)	-	-
	(b) Total Amount (In Rs.)	-	-
	(c) Rate / Unit	-	-
	Own Generation	-	-
2.	GAS & FUELS		
	(a) Natural Gas / Furnace Oil/ LSHS (SCM / Litre)	23,03,785	22,78,263
	(b) Natural Gas Rs./ SCM	N.A.	N.A.
	(c) FO/ HSD /LSHS Rs. / Liter	43.45	47.73
	(d) Coal Rs. / Kg	9.52	9.62
3.	OTHER GENERATION	NIL	NIL
B.	CONSUMPTION PER MT OF PRODUCTION		
	Ghaziabad Unit		
	Electricity (in unit)		
	(i) Rolling Mill Unit (A-3)	165 per MT	186 per MT
	(ii) SMS Unit (C-4)	505 per MT	506 per MT
	Natural Gas / HSD (SCM / Litre)	18.83 Ltr per MT	24.23 73 Ltr per MT
	Coal (Kg)	0.24	33.03
	Odisha Unit		
	Electricity (KWH) per ton Billet	-	-

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

II. TECHNOLOGY ABSORPTION

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. Research and Development

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

B. Technology Absorption, Adaptation & Innovation

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

In the area of special steel as well, the company has installed the most modern and suitable technology for manufacturing of high quality stainless steel products in the steel melting shop at Ghaziabad and has also installed the most modern mono-block to finish superior quality of wire rods. In addition to the above, the company has also continuously upgraded and modernized the rolling mills to adhere to the international standards.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

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

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

2. Total Foreign Exchange used and earned:
Expenditure in Foreign Currency : Rs. 2,28,44,389/-
FOB Value of exports: NIL

Form MR-3

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2020**

**To,
The Members
M/s Rathi Steel and Power Limited
Chauhan Market, Madanpur Khadar
Near Local Shopping Complex, Pocket-D & E
Sarita Vihar New Delhi - 110076**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Rathi Steel and Power Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/ Statutory Compliances and expressing my opinion thereon.

Based on our verification, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company, has during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2020, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- vi. Other specific laws applicable to the Company are :
 1. Factories Act, 1948
 2. Employees State Insurance Act, 1948 and the rules made there under
 3. The Contract Labour (Regulation and Abolition) Act, 1970
 4. Environmental Pollution Act, 1986
 5. The Electricity Act, 2003
 6. The Industrial Dispute Act, 1947
 7. The Child Labour Act, 1970
 8. The Water (Prevention and Control of Pollution) Act, 1974 read with Water (Prevention and Control of Pollution) Rules, 1975
 9. Environment Protection Act, 1986
 10. Air (Prevention and Control of Pollution) Act, 1981 read with Air (Prevention and Control of Pollution) Rules, 1982.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the company with the stock exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

We further report that:

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

We further report that:

The Constitution of Board of Directors of the Company is not as per the provisions of the Companies Act, 2013. The Company is in non compliance under Section 152 of the Companies Act, 2013 w.r.t. Retire by Rotation of Directors. There were no changes in the composition of the Board of Directors that took place during the year under review.

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

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

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

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

Place: New Delhi
Date: 05.09.2020

Sameer Kishore Bhatnagar
Practicing Company Secretary
M. No. 30997
CoP No. 13115

ANNEXURE – A

**To,
The Members
M/s Rathi Steel and Power Limited
Chauhan Market, Madanpur Khadar
Near Local Shopping Complex, Pocket-D & E
Sarita Vihar New Delhi - 110076**

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Place: New Delhi
Date: 05.09.2020**

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

Annexure -3
Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 2019

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

I REGISTRATION & OTHER DETAILS:		
i	CIN	L27109DL1971PLC005905
ii	Registration Date	17/12/1971
iii	Name of the Company	RATHI STEEL AND POWER LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	Chauhan Market, Madanpur Khadar, Near Local, Shopping Complex, Pocket-D & E, Sarita Vihar, New Delhi-110076
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	"M/s. Mas Services Limited (Unit Rathi Steel). T-34, Second Floor, Okhla Ind. Area, Phase-II, New Delhi- 110020

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10% or more of the total turnover of the company shall be stated)			
SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Steel	24105	99.64%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES					
Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N/A				

IV SHAREHOLDING PATTERN
(Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March 2019]				No. of Shares held at the end of the year [As on 31-March 2020]				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	8245219	0	8245219	26.34%	8245219	0	8245219	26.34%	0	0%
b) Central Govt. or State Govt.										
c) Bodies Corporates	7867695		7867695	25.13%	7867695		7867695	25.13%	0	0%
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	16112914	0	16112914	51.47%	16112914	0	16112914	51.47%	0	0%
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)=										
(A)(1)+(A)(2)	16112914	0	16112914	51.47%	16112914	0	16112914	51.47%	0	0%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March 2019]				No. of Shares held at the end of the year [As on 31-March 2020]				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	686913		686913	2.19%	686913		686913	2.19%	0	0%
b) Banks/FI	2008056		2008056	6.41%	2008056		2008056	6.41%	0	0%
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	2694969	0	2694969	8.61%	2694969	0	2694969	8.61%	0	0%
(2) Non Institutions										
a) Bodies corporate										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	6140483	510952	6651435	21.25%	6202256	510315	6712571	21.44%	61136	0.19%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	3973230	0	3973230	12.69%	4047051	0	4047051	12.93%	73821	0.24%
Any Other	1824549	51014	1875563	5.99%	1689592	51014	1740606	5.56%	134957	-0.43%
SUB TOTAL (B)(2):	11938262	561966	12500228	39.93%	11938262	561966	12500228	39.93%	0	0%
Total Public Shareholding (B)= (B)(1)+(B)(2)	14633231	561966	15195197	48.53%	14633231	561966	15195197	48.53%	0	0%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	30746145	561966	31308111	100.00%	30746145	561966	31308111	100.00%	0	0%

(ii) Shareholding of Promoter

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

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

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

(iv) Shareholding Pattern of top ten Shareholders							
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SYNDICATE BANK						
	At the beginning of the year			1,091,536	3.49%	1,091,536	3.49%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,091,536	3.49%	1,091,536	3.49%
	.						
2	ANUPAMA SARDA						
	At the beginning of the year			901,696	2.88%	901,696	2.88%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			901,696	2.88%	901,696	2.88%
	.						
3	LIC MF SPECIAL UNIT SCHEME						
	At the beginning of the year			686,913	2.19%	686,913	2.19%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			686,913	2.19%	686,913	2.19%
	.						
4	MODERN FERRO ALLOYS PRIVATE LIMITED						
	At the beginning of the year			500,000	1.60%	500,000	1.60%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			500,000	1.60%	500,000	1.60%
	.						
5	SRM CAPITAL MARKET PVT LTD						
	At the beginning of the year			4,35,254	1.39%	4,35,254	1.39%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,35,254	1.39%	4,35,254	1.39%
	.						
6	PUNJAB NATIONAL BANK						
	At the beginning of the year			4,33,297	1.38%	4,33,297	1.38%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,33,297	1.38%	4,33,297	1.38%
	.						
7	ANIRUDH RATHI						
	At the beginning of the year			427,482	1.37%	427,482	1.37%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			427,482	1.37%	427,482	1.37%
	.						
8	BANK OF BARODA (EARLIER DENA BANK)						
	At the beginning of the year			369,161	1.18%	369,161	1.18%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			369,161	1.18%	369,161	1.18%
	.						
9	ASISH AGRAWAL						
	At the beginning of the year			225,041	0.72%	225,041	0.72%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225,041	0.72%	225,041	0.72%
	.						
10	PURUSHOTTAM SARDA						
	At the beginning of the year			199,286	0.64%	199,286	0.64%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			199,286	0.64%	199,286	0.64%

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

V. INDEBTEDNESS (Rs. in Lacs)				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	59505.37	222.82		59728.19
ii) Interest due but not paid	4671.36			4671.36
iii) Interest accrued but not due	0.00			0.00
Total (i+ii+iii)	64176.73	222.82	0.00	64399.55
Change in Indebtedness during the financial year				
* Addition	0.00	0.00		0.00
* Reduction	0.00	0.00		0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year				
i) Principal Amount	59505.37	222.82		59728.19
ii) Interest due but not paid	4671.36			4671.36
iii) Interest accrued but not due				0.00
Total (i+ii+iii)	64176.73	222.82	0.00	64399.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	PREM NARAIN VARSHNEY	(Rs/Lac)
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,61,292.00	3.61
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2	Stock Option		--
3	Sweat Equity		--
4	Commission		
	- as % of profit		--
	- others, specify		--
5	Others, please specify		
	Total (A)	3,61,292.00	3.61
	Ceiling as per the Act		

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		ABHISHEK VERMA	SANGEETA PANDEY	PINKY VERMA	
1	Independent Directors				
	Fee for attending board committee meetings	--	--	--	--
	Commission	--	--	--	-
	Others, please specify	--	--	--	--
	Total (1)	--	--	--	--
2	Other Non-Executive Directors	--	--	--	--
	Fee for attending board committee meetings	--	--	--	--
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total (2)	--	--	--	--
	Total (B)=(1+2)	--	--	--	--
	Total Managerial Remuneration (A+B)	--	--	--	3.61
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
		CFO	CS	
	Name	Shyam S Bageshara	Shobhita Singh	
	Designation			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,39,775	2,91,936	11.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission			
4	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	8,39,775	2,91,936	11.32

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Annexure 4**PARTICULARS OF REMUNERATION**

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

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

Directors	Ratio to median Remuneration
Sh. Prem Narain Varshney	2.35
Sh. Abhishek Verma	N.A.
Smt. Pinky Verma	N.A.
Smt Sangeeta Pandey	N.A.

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

Name of person	% increase in remuneration
Sh. Prem Narain Varshney	3.30%
Sh. Shyam S Bageshra	1.40%
Smt. Shobhita Singh	0.00%

- (c) **The percentage increase in the median remuneration of employees in the financial year**– Looking at the loss of Company, there was no increment in this year except in few cases. In general there is marginal increment in the remuneration of staff which is not based on %.
- (d) **The number of permanent employees on the rolls of company:** As on 31.03.2020 employees are 197. Further, the contractual labour were 50 as on 31-03-2020.
- (e) **The explanation on the relationship between average increase in remuneration and company performance:** Looking at the loss of Company, there was no increment in this year except in few cases. In general there is marginal increment in the remuneration of staff which is not based on percentage.
- (f) **Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company:**

Particulars	Rs in Lacs
Remuneration of Key Managerial Personnel(KMP) during financial year 2019-20 (Aggregated)	14.93
Revenue from operations	10000.65
Remuneration (as % of revenue)	0.15%
Profit before tax (PBT)	(2562.70)
Remuneration (as % of PBT)	N.A.

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

Particulars	Unit	As at 31 March 2020	As at 31 March 2019	Variation (%)
Closing rate of share at BSE	Rs.	2.10	2.10	N.A.
EPS	Rs.	(8.19)	(26.61)	+324.94%
Market Capitalisation	Rs./Lac	657.47	657.47	N.A.
Price Earning Ratio	Ratio	N.A.	N.A.	N.A.

- (h) Marginal increment already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with marginal increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.

i) **Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company**

Particulars	MD	C.S.	CFO
	Rs/lac	Rs/lac	Rs/lac
Remuneration	3.61	2.92	8.40
Revenue from Operations	10,000.65		
Remuneration (as % Revenue)	0.04%	0.03%	0.08%
Profits before tax (PBT)	(2562.70)		
Remuneration (as % of PBT)	N.A.	N.A.	N.A.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

In 2020 worldsteel forecasts that steel demand will contract by -2.4%, dropping to 1,725.1 Mt due to the COVID-19 pandemic. In 2021 steel demand is expected to recover to 1,795.1 Mt, an increase of 4.1 % over 2020. A strong recovery in China will mitigate the reduction in global steel demand this year. The post lockdown recovery in steel demand in the rest of the world has been stronger than was earlier expected, but it still marks a deep contraction in 2020, both from developed and emerging economies, with only a partial recovery expected in 2021.

The forecast assumes that despite the current resurgence in infections in many parts of the world, nationwide lockdowns will not be repeated. Instead, selective and targeted measures will be able to contain this second wave. Manufacturing in the developed economies, which was only just beginning to recover from the slowdown in late 2019, was pushed back again by the pandemic. Even with a strong bounce back after the economies reopened, which has closed the gap with pre-pandemic levels, double-digit contraction over the whole year still seems unavoidable.

In the US, recovery from the lockdown has been strong, aided by substantial government support measures. The manufacturing downturn was shorter and less acute than expected. However, the US is still struggling to control the virus's spread, and the recovery momentum might taper off in the coming months. The outlook for 2021 is less optimistic, with a subdued outlook for construction and auto production.

In Europe, the negative economic impact of COVID-19 was softened by strong social security schemes and fiscal stimulus. The post lockdown recovery in the EU is turning out to be stronger than expected, but the deep contraction of major steel using sectors, especially automotive, will contribute to a double-digit contraction in 2020. The contraction was particularly pronounced in Italy and Spain.

In Japan and South Korea, despite relatively successful management of the virus with less severe containment measures, steel demand will see a substantial contraction in 2020 with limited recovery next year due to falling exports and weak confidence.

Overall steel demand in the developed economies is expected to fall by -14.9% in 2020 and increase by 7.9% in 2021.

The COVID-19 pandemic will exert a less severe impact on steel demand in the developed economies than the global financial crisis, bearing in mind that at the beginning of the pandemic, steel demand had not yet fully recovered from the 2008/9 crisis.

INDIAN STEEL INDUSTRY IN THE POST-COVID-19 WORLD

The COVID-19 has disrupted operations globally is well-known. Moreover, the new normal that will emerge is likely to witness a realignment of power centers in different domains. The corona-virus crisis has impacted almost all supply chains dependent on China, which includes the steel sector.

Grave Concerns

Even after the lockdown is lifted, most likely in phases, the steel sector faced challenges on account of the labour shortage and hampered logistics movement. The nationwide lockdown is an unprecedented test for every sector, including steel.

In the initial days of lockdown migrant workers have been returning to their hometowns. After the harrowing time they faced for weeks during the lockdown, most are unlikely to return soon. As companies seek to ramp up production for making up lost time, shortfalls in human resources will hinder such goals. But this represents one of the myriad challenges only.

The biggest barrier, however, is the collapse of demand from various industries. As most consumers have postponed discretionary spending, there is muted demand in all industries, barring essentials such as groceries and FMCGs. Be it white goods, capital goods, automobiles and a host of others, the demand from consumers has plummeted.

Also, demand bouncing back quickly to pre-COVID-19 levels is unlikely soon. As the overall consumer sentiment is against any spending, except on essentials. Considering that COVID-19 is expected to stay on as a seasonal flu, the prospects of an economic bounce back will be tempered accordingly. Consequently, individual and institutional spending are bound to remain lacklustre for a year or so at least.

Under such circumstances, it is up to the government to boost infrastructure investments across the country. This can become a key driver for India's eventual economic recovery. Such infrastructure projects need to be fast-tracked for the steel sector to stabilise operations after the demand slump.

Investments and Allied Measures

A FICCI report recommends this could be achieved by the frontloading of investments in the National Infrastructure Pipeline. The report also recommends that construction activities be allowed to resume, taking all precautionary measures adhering to Central directives to contain COVID-19. As construction activities are one of the prime demand drivers for steel, this measure is crucial. In turn, other steel-consuming sectors should be placed on the fast track for resuming operations.

Additionally, the FICCI report suggests that new applications for steel items can be identified to boost usage. It notes that steel has an advantage over other materials vis-à-vis the LCA (Life Cycle Analysis). Therefore, LCA can be part of the procurement norms in tenders issued by state governments and public sector companies. Besides, preference should be accorded to steel items manufactured domestically. FICCI also recommends the entire steel supply chain – integrated steel producers to secondary steel makers, among others – be recognised as essential services. Such a classification will permit the sector to operate subject to mandatory precautionary norms.

Since many steel producers are MSMEs, the current moratorium on term loans can be extended by another three months without penal interest. Such measures will help the sector survive today's harsh conditions. In sync with this, the Centre could consider offering relief on some levies imposed on steel-making raw materials.

These steps are imperative since India's steel demand is expected to drop by 7.7% this year, according to the Indian Steel Association's forecast. For example, the automotive industry was one of the largest steel users. In April 2020, however, Indian automobile manufacturers did not sell a single car because of the lockdown – an unimaginable scenario before the sudden outbreak of the coronavirus. When automakers resume production, reports indicate they will ask steel mills to lower prices for the coming quarters between October and next March.

Against this grim backdrop, major measures are required in ensuring the industry survives short-term shocks due to the pandemic. Since countries are now wary of depending solely on supply chains located within a single region, an official roadmap is needed for transforming India into a significant steel-manufacturing hub. Thanks to the ongoing scenario of disrupted supply chains, many countries are presently more receptive to the idea of manufacturing in India. As the saying goes, 'Strike when the iron is hot.' In the present situation, one only needs to replace 'iron' with 'steel' and the adage sounds equally true...

OPPORTUNITIES AND RISKS

OPPORTUNITIES

The Company continues to adapt to the ever changing business environment to take advantage of the opportunities to deliver sustainable value for all its stakeholders. With increasing migration, newer centres of development and

government programmes such as the Smart City Mission, the rate of urbanisation in India is expected to rise significantly in the near future. A young demography tends to propel demand for housing, transportation and public infrastructure. Despite a significantly growing urban population, India's per capita steel consumption is considerably low (61kg) compared to China (540kg). This clearly shows that there is significant headroom for consumption growth. The Company expects to take advantage of the growth opportunity provided by the Indian economy, by enhancing its steel producing capacity. The Company expects the demand for steel products to be strong in the developing economies and the Company proposes to utilize it to meet this increased demand.

RISKS

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

1. Macroeconomic risks

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

2. Financial risks

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

3. Regulatory risks

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

4. Operational risks

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

5. Market related risks

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

6. People risk

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

The Company's mitigation strategies are enumerated as under:

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

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

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

GOVERNMENT INITIATIVES

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

- ✓ Government introduced Steel Scrap Recycling Policy to reduce import.
- ✓ An export duty of 30% has been levied on iron ore[^] (lumps and fines) to ensure supply to domestic steel industry.
- ✓ Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- ✓ The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030–31.
- ✓ The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).
- ✓ The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items

FUTURE OUTLOOK

- The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030–31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years.
- As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019–20 and 2020–21.

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

Risk & Concerns

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

Internal Control System and their adequacy

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

Financial Performance

During the year under review, the Company has achieved revenue from operation of Rs. 10,000.65 Lacs as against previous year of Rs. 37002.21 Lacs The Company has incurred loss of Rs. 2562.70 Lacs against previous year loss of Rs. 8332.34 lacs. Company expects to do better if there is an improvement in overall industrial scenario.

Human Resources and Industrial Relation

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

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

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

CORPORATE GOVERNANCE REPORT

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

BOARD OF DIRECTORS

i) Composition

The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on 31st March, 2020, the Board comprised four Directors, out of which three are Non- Executive Directors and one Managing Director. Out of three Non-Executive Directors, two (i.e. 66.66%) are Independent Directors and one woman Independent Director.

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

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

Name/Designation of Directors	Executive/ Non Executive/ Independent	No. of Position held in other companies		No. of Board Meetings Attended	Attendance at Last AGM
		Board#	Committee		
Mr. Prem Narain Varshney (Managing Director)	ED	1	Nil	14	Yes
Mr. Abhishek Verma	NED	Nil	Nil	12	Yes
Mrs Pinky Verma	NED	Nil	Nil	13	Yes
Mrs Sangeeta Pandey	NED	Nil	Nil	12	Yes

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

ED (P) – Executive Director (Promoter)

NED - Non-Executive Director

ED -Executive Director

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

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

15th May 2019, 30th May 2019, 30th June 2019, 31st July 2019, 14th August 2019, 04th September 2019, 30th September 2019, 4th October 2019, 7th November 2019, 14th November 2019, 11th December 2019, 15th January 2020, 12th February 2020, 28th March 2020.

- iii) During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- iv) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- v) During the year, one meetings of the Independent Directors were held on March 31, 2020. The Independent Directors, *inter-alia*, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

- vi) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- vii) The details of the familiarisation programme of the Independent Directors are available on the website of the Company.

Committees of the Board

A. Audit committee

- i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- ii. The terms of reference of the audit committee are broadly as under:
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
 - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
 - Examination of the financial statement and the auditors' report thereon;
 - The audit committee shall review the information required as per SEBI Listing Regulations.
- iii. The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting ("AGM") of the Company was held on October 30, 2019 and was attended by Mr. Abhishek Verma, who was Chairman of the audit committee in FY 2018-19.

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

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

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

ED - Executive Director

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

During the year 2019-20, Four Audit Committee Meetings were held on 30th May 2019, 14th August, 2019, 14th November 2019, 12th February, 2020 The necessary quorum was present at the meetings.

Nomination and Remuneration Committee:

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

i) Terms of reference:

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their

appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

ii) Composition :

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

iii) No. of Meetings held during the year:

During the year the Committee had 4 meeting i.e. on 30th May 2019, 14th August 2019, 14th November 2019 and 12th February 2020

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

Name of the Director	Position	No. of Meetings held in tenure	No. of Meetings Attended
Mrs. Pinky Verma	Member	4	4
Mr. Abhishek Verma	Chairman	4	4
Mrs. Sangeeta Pandey	Member	4	4

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

During 2019-20 the committee was chaired by Mrs. Sangeeta Pandey. At present the committee comprises of two Non-Executive Directors and one Executive Director. Four meetings were held on 30th May 2019, 14th August 2019, 14th November 2019 and 12th February 2020.

Risk Management Committee

The risk management committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Committee comprises of Mr. Abhishek Verma who is the Chairman of the Committee and other members viz. Mr. Prem Narain Varshney, Managing Director and Mrs. Sangeeta Pandey, Director. The Company Secretary acts as the Secretary to the Committee.

PREVENTION OF INSIDER TRADING

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

Disclosures

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

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

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

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

SHAREHOLDERS

i) Means of Communication

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

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

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

ii) Compliance Officer

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

iii) Insider Trading

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

iv) SEBI Complaints Redress System (SCORES):

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

v) General Body Meetings

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

Year	Venue of Meeting	Date & Time	Special Resolution Passed
2018-2019	The Little Theater Group, Copernicus Marg, New Delhi- 110001	30 th October 2019, 10.00 AM	Yes
2017-2018	The Little Theater Group, Copernicus Marg, New Delhi- 110001	29 th September, 2018, 10.00 A.M	Yes
2016-2017	The Little Theater Group, Copernicus Marg, New Delhi- 110001	26 th September, 2017, 10.00 A.M	Yes

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

10. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting: Date : 30th December 2020
Day : Wednesday
Time : 02.00 P.M.

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

ii) Financial Calendar (tentative):

Board Meeting to take on record	Schedule
Results for the * Quarter ending 30 th June, 2020 * Quarter ending 30 th September, 2020 * Quarter ending 31 st December, 2020 * Quarter ending 31 st March, 2021	On or before Nov 12, 2020 On or before Nov 12, 2020 On or before Feb 14, 2021 On or before May 30, 2021

iii) Book Closure Date : 24th December 2020 to 30th December 2020 (Both days inclusive)

iv) Listing on Stock Exchanges:

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

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

v) Stock Market Data:

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

Month	Share Prices		Closing (Rs.)
	High	Low	
April 2019	2.10	2.10	2.10
May 2019	2.10	2.10	2.10
June 2019	2.10	2.10	2.10
July 2019	2.10	2.10	2.10
August 2019	2.10	2.10	2.10
September 2019	2.10	2.10	2.10
October 2019	2.10	2.10	2.10
November 2019	2.10	2.10	2.10
December 2019	2.10	2.10	2.10
January 2020	2.10	2.10	2.10
February 2020	2.10	2.10	2.10
March 2020	2.10	2.10	2.10

Source: www.bseindia.com

vi) Registrar and Share Transfer Agents:

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

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

vii) Share Transfer System:

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

viii) Status of Complaints/queries and their redressal as on March 31, 2020:-

During the year 2019-20, immediate action taken by RTA and Company in respect of the complaints as received by Company and /or RTA and made nil complaints on score site. As on date, no complaints are pending other than those, which are under litigation, disputes or court orders.

ix) Pending Share Transfers:

No Share transfers were pending as on March 31, 2020.

x) Dematerialization of Shares :

The Company has entered into an agreement with NSDL and CDSL for dematerialization of shares. As on March 31, 2020, a total of 30746782 Equity Shares representing 98.21% of the total paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode. The shares of the Company can be traded in demat mode only.

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

Number of shares held in dematerialized and physical Mode as on 31st March,2020

Particulars	Total Shares	% of Equity
Shares in dematerialized form with NSDL	11786163	37.65%
Shares in dematerialized form with CDSL	18960619	60.56%
Physical	561329	1.79%
Total	31308111	100.00%

xi) Distribution of Shareholding:

The distribution of shareholding as on March 31, 2020 was as under:-

Range of Holding	Shareholders Number	%	No. of Shares	%
1 to 5000	10564	80.27%	1616332	5.16
5001 to 10000	1299	9.87%	1065308	3.41
10001 to 20000	626	4.76%	955504	3.05
20001 to 30000	184	1.40%	472705	1.51
30001 to 40000	106	0.80%	378276	1.21
40001 to 50000	102	0.78%	482797	1.54
50001 to 100000	139	1.06%	1033751	3.30
100001 & above	140	1.06%	25303438	80.82
TOTAL	13160	100.00%	31308111	100.00%

(113 Shareholders are common in Physical and Demat Form)

xii) Outstanding GDRs/ADRs /Warrants etc:

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

xiii) Address for Correspondence:

Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket- D & E, Sarita Vihar,
New Delhi-110076
Ph: 011- 45002400
Fax: 011-45002410
Web Site: www.rathisteelandpower.com
E-mail ID: investors@rathisteelandpower.com

OTHER DISCLOSURES

Related Party Transactions

All related party transactions that were entered into during the FY 2019-20 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on related party transactions as approved by the Board is uploaded on the Company's website

Statutory Compliance

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

Whistleblower Policy and Vigil Mechanism

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

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

Accounting Treatment in preparation of Financial Statements

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

CEO / CFO Certification

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31st March, 2020.

Mandatory Requirements

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

DECLARATION BY THE MANAGING DIRECTOR

I, Prem narain Varshney, Managing Director of Rathi Steel and Power Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the Listing Regulations for the year ended 31st March, 2020.

For Rathi Steel and Power Limited
Sd/-

Prem Narain Varshney
Managing Director
DIN: 00012709

New Delhi
12-11-2020

REPORT ON CORPORATE GOVERNANCE

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

To
The Members of
RATHI STEEL AND POWER LIMITED

We have examined the compliance of conditions of Corporate Governance by RATHI STEEL AND POWER LIMITED ("**the Company**"), for the year ended on March 31, 2020, as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with schedule V of the same

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

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

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

For H G & CO.
Chartered Accountants
Firm Registration Number: 013074C

Place: New Delhi
Dated : 05.10.2020

SD/- .
Himanshu Garg
(Partner)
M. No.: 403482

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying standalone financial statements of M/s.RATHI STEEL AND POWER LIMITED ('the company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Emphasis of Matter

1. We draw attention to note no. 15 to the financial statements regarding the presentation of the same on-going concern basis. The company has incurred a net loss of Rs. 25,62,69,900.00 during the year ended on March 31, 2020 and as on that date the company's current liabilities exceed its current assets by Rs. 224,71,92,991.00 and company's net worth has been fully eroded. Majority lenders i.e. Bank of Baroda, State Bank of India and Dena Bank have assigned debts to ARC M/s Asset Care and Reconstruction Enterprise Ltd. Post assignment of substantial Debts to ARCs, Company has approached to ARCs for restructuring of debts for long term revival of the Company in the interest of all its stakeholders and is making all efforts to maximize the operating levels / minimize the costs.

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identifies and assesses the risks of material misstatement of the entity's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
6. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. The matters mentioned in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial Statements – Refer Note 2 to the Notes to Accounts attached to financial statements;
 - j. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; and
 - k. There was no amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Act and rules made there under.

For H G & CO.
Chartered Accountants
Firm Registration Number: 013074C

Place: New Delhi
Dated : 05.10.2020

SD/- .
Himanshu Garg
(Partner)
M. No.: 403482

Annexure –A to the Independent Auditors’ Report the Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31st March 2020, we report that: -

1. In respect of fixed assets:

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

2. In respect of inventories:

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

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, paragraph 3 (iii) (a), (b), and (c) of the order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investment, given any guarantee or security, secured or unsecured, to any companies, firms or other parties except surety with Sales Tax department for other Companies as covered under section 185 and 186 of the Act over and above the limits prescribed under these sections.
5. The Company has not accepted any deposits from the public and therefore, the directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under do not apply to the Company.
6. As informed to us, the Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
7. (a) The Company has not been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and undisputed amounts of approx. Rs. 13.00 Crores is payable in respect of provident fund, income tax, sales tax, GST, service tax, Excise Duty, Entry Tax, value added tax, cess and other material statutory dues as at 31 March 2020 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	Amount (in lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Addition in Income	140.00	2009-10 & 2010-11	Income Tax- Appellate Tribunal –New Delhi
	Addition of Cash Credits	578.26	2017-18	Commissioner of Income Tax – Appeals
Central Excise Act,1944	Excise Duty	317.15	2005-06 to 2007-08	High Court of Odisha
		91.21	2008-09 to 2012-13	Under Appeal with CESTAT
		52.03	2011-12 & 2012-13	Commissioner Appeals Bhubaneshwar
		77.21	2006-07	Supreme Court of India

Name of the Statute	Nature of Dues	Amount (in lacs)	Period to which the amount relates	Forum where the dispute is pending
		239.61	2014-15	DGCEI New Delhi
Finance Act, 1994 Service Tax Provisions	Service Tax	21.79	2012-13	Additional Commissioner. Sambalpur / Rourkela
Sales Tax Act of Various States	Sales Tax	13.70	2010-11 to 2013-14	Before Addl. Commissioner , Northern Zone, Sambalpur
1		2288.87	1994-95 to 2013-14	Commercial Tax Tribunal, UP
		2294.99	1994-95 to 2014-15	Additional Commissioner Grade-2, Appeal-1, UP
		424.78	2011-22 & 2012-13	Jt. Commissioner, Appeal, Haryana
		810.42	2013-14	Jt. Commissioner, Appeal, Haryana
		438.15	2008-09 to 2010-11	High Court of Odisha
Odisha Entry Tax Act, 1999	Entry Tax	6.02	2005-06 to 2009-10	Commercial Tax Tribunal, Cuttack
		23.75	2008-09 to 2010-11	High Court of Odisha

8. The Company had been defaulting in repayment of dues to banks since 2014-15. The entire outstanding balance has been called by the banks. However, majority lenders i.e. Bank of Baroda, State Bank of India and Dena Bank have assigned debts to ARC M/s Asset Care and Reconstruction Enterprise Ltd and KVB to JM Financial Asset Reconstruction Company Ltd.
9. According to the information and explanations given to us, during the year the Company has not raised any fresh share capital and term loans and hence clause 3(ix) is not applicable.
10. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required under applicable Accounting Standard.
14. According to the information and explanations given to us and based on our examinations of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under report.
15. According to the information and explanations given to us and based on our examinations of the records, the Company has not entered into non-cash transaction with directors or person connected with them.
16. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of the Clause 3 (xvi) of the order is not applicable to the Company.

For H G & CO.
Chartered Accountants
Firm Registration Number: 013074C

Place: New Delhi
Dated : 05.10.2020

SD/- .
Himanshu Garg
(Partner)
M. No.: 403482

Annexure-B to the Independent Auditors' Report the Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that: -

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

We have audited the internal financial controls over financial reporting of Rathi Steel and Power Limited ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of the changes in the conditions, or that the degree of compliance with the policies if procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For H G & CO.

Chartered Accountants

Firm Registration Number: 013074C

SD/- .

Himanshu Garg

(Partner)

M. No.: 403482

Place: New Delhi
Dated : 05.10.2020

RATHI STEEL AND POWER LIMITED
CIN L27109DL1971PLC005905
BALANCE SHEET AS AT 31 MARCH, 2020

(Amount in Rupees)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment	2	2,215,198,024	2,273,630,668
(b) Capital work - in - progress		15,000	15,000
(c) Financial assets			
(i) Non Current Investments	3	1,570,997	1,570,997
(ii) Other financial assets	4	39,587,359	39,587,359
(d) Other non - current assets	5	38,645,239	38,645,239
Deffered Tax Assests		729,096,639	729,096,639
Total Non- Current Assets		3,024,113,258	3,082,545,902
(2) Current Assets			
(a) Inventories	6	82,864,863	126,842,842
(b) Financial assets			
(i) Trade receivables	7	124,176,563	164,423,354
(ii) Cash and cash equivalents	8	29,385,905	23,666,399
(iii) Other financial assets	9	142,867,782	87,872,887
(c) Other current assets	10	20,872,801	15,784,559
Total Current Assets		400,167,914	418,590,041
TOTAL ASSETS		3,424,281,172	3,501,135,943
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	11	765,048,590	765,048,590
(b) Other Equity	12	(4,705,410,486)	(4,449,140,586)
Total Equity		(3,940,361,896)	(3,684,091,996)
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	4,640,440,566	4,640,440,566
(b) Provisions	14	18,573,818	17,127,552
(c) Other Long Term Liabilites	15	58,267,779	51,206,492
(b) Other non current liability		-	-
Total Non- Current Liabilities		4,717,282,163	4,708,774,610
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,777,233,033	1,777,232,282
(ii) Trade payables	17	354,943,403	276,862,176
(b) Other current liabilities	18	511,828,152	419,002,554
(c) Provisions	19	3,356,317	3,356,317
Total Current Liabilities		2,647,360,905	2,476,453,329
TOTAL EQUITY AND LIABILITIES		3,424,281,172	3,501,135,943

The accompanying Notes are an integral part of the financial statements

Sd/-
Abhishek Verma
Director

Sd/-
P.N.Varshney
Managing Director

Sd/-
Shobhita Singh
Company Secretary

Sd/-
Shyam Bageshara
CFO

As per our Report of even date
For H. G. & CO.
Chartered Accountants
Firm Registration No : 013074C

Sd/-
HIMANSHU GARG
(Partner)
M. No. 403482

Place : New Delhi
Dated : 05.10.2020

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(Amount in Rupees)

Particulars	Note No.	2019-2020	2018-2019
Revenue from operations	20	375,346,321	3,502,721,838
Other income	21	624,718,413	197,508,721
Total Income		1,000,064,734	3,700,230,559
Expenses			
Cost of material consumed	22	586,496,541	3,181,993,412
Purchases of Stock-in-Trade			
Changes in inventories of Finished goods and Work - in -progress	23	87,969,917	(52,258,339)
Excise Duty on sale of goods			
Employee benefit expense	24	65,316,782	96,892,908
Finance Costs	25	21,509,118	1,199,825
Depreciation & amortization expense		85,013,388	84,004,522
Other Expenses	26	410,028,888	758,562,654
Total Expenses		1,256,334,634	4,070,394,982
Profit before exceptional items & tax		(256,269,900)	(370,164,423)
Add: Exceptional Items		-	463,069,212
Profit/(Loss) before tax		(256,269,900)	(833,233,635)
Less: Tax expenses			
(1) Current tax			
of Current year		-	-
of Earlier years		-	-
(2) Deferred tax			
of Current year		-	-
of Earlier years		-	-
Total Tax Expenses		-	-
Profit after tax	A	(256,269,900)	(833,233,635)
Other Comprehensive Income			
Other Comprehensive Income/ Expenses net of taxes expenses item that will not be reclassified to profit or loss		221,546	240,744
Total Other Comprehensive Income for the year	B	221,546	240,744
Total Comprehensive Income for the year	(A+B)	(256,048,354)	(832,992,891)

The accompanying Notes are an integral part of the financial

As per our Report of even date
For H. G. & CO.
Chartered Accountants
Firm Registration No : 013074C

Sd/-
Abhishek Verma
Director

Sd/-
P.N.Varshney
Managing Director

Sd/-
HIMANSHU GARG
(Partner)
M. No. 403482

Sd/-
Shobhita Singh
Company Secretary

Sd/-
Shyam Bageshara
CFO

Place : New Delhi
Dated : 05.10.2020

RATHI STEEL AND POWER LTD.
CIN L27109DL1971PLC005905

Property, Plant and Equipment

NOTE - 2

PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K	
	As at 01.04.2019 (Rs.)	Addition during the year (Rs.)	Sales/ Adjustment (Rs.)	As at 31.03.2020 (Rs.)	Upto 31.03.2019 (Rs.)	Adjustment (Rs.)	For the Year (Rs.)	Total Upto 31.03.2020 (Rs.)	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
FIXED ASSETS										
Land Freehold	1,889,704	-	-	1,889,704	-	-	-	-	1,889,704	1,889,704
Land Leasehold	49,525,262	-	-	49,525,262	-	-	-	-	49,525,262	49,525,262
Boundary Wall	173,896	-	-	173,896	138,468	-	-	138,468	35,428	35,428
Building	582,928,342	-	-	582,928,342	170,690,085	-	1,038,274	171,728,359	411,199,983	412,238,257
Plant & Machinery	3,951,619,282	26,133,864	-	3,977,753,146	2,142,664,954	-	83,937,665	2,226,602,619	1,751,150,527	1,808,954,328
Furniture Fixtures	8,213,444	95,724	-	8,309,168	7,848,470	-	422	7,848,892	460,276	364,974
Office Equipment	5,295,226	228,980	-	5,524,206	5,050,538	-	25,868	5,076,406	447,800	244,688
Vehicles	22,670,763	63,982	-	22,734,745	22,576,737	-	2,591	22,579,328	155,417	94,026
Computers	11,281,724	58,194	-	11,339,918	10,997,723	-	8,568	11,006,291	333,627	284,001
TOTAL	4,633,597,643	26,580,744	-	4,660,178,387	2,359,966,975	-	85,013,388	2,444,980,363	2,215,198,024	2,273,630,668
Previous Year	4,600,675,317	35,418,372	2,496,046	4,633,597,643	2,278,205,245	2,242,792	84,004,522	2,359,966,975	2,273,630,668	
WIP	15,000	-	-	15,000	-	-	-	-	15,000	15,000

3 NON CURRENT INVESTMENTS

(Amount in

Particulars			As at		As at
			March 31, 2020		March 31, 2019
Non Trade Investments	Face Value	No. of Shares	Value	No. of Shares	Value
Quoted					
Equity Instruments (At FVOCI)					
Bank of Baroda	2	635	29,210	635	29,210
State Bank of India	1	5,180	489,900	5,180	489,900
Focus Industrial Resources Ltd	10	2,400	20,086	2,400	20,086
BOB Pioneer PSU Mid Cap - Equity Plan	10	100,000	1,000,000	100,000	1,000,000
Total Value of Quoted Investments			1,539,196		1,539,196
Unquoted					
Moradabad Syntex Ltd	10	20000	1	20000	1
First Financial Services Ltd	10	1,000	10,000	1,000	10,000
Lynx Traders & Export Ltd	10	3,350	33,500	3,350	33,500
Total Value of Unquoted Investments			43,501		43,501
Less : Provision for diminution in Value			11,700		11,700
			1,570,997		1,570,997
Fair Market Value of Quoted Investments			1,760,742		1,779,940
Fair Value of Unquoted Investments (Net of Provision)			31,801		31,801
Total			1,792,543		1,811,741
Other Comprehensive Income not to be reclassified to P & L account			221,546		240,744

4 OTHER FINANCIAL ASSETS

Particulars			As at		As at
			March 31, 2020		March 31, 2019
Security Deposit			39,587,359		39,587,359
			39,587,359		39,587,359

5 OTHER NON CURRENT ASSETS

Particulars			As at		As at
			March 31, 2020		March 31, 2018
Trade Receivable and Advance recoverable in cash or kind or for value to be received					
a) Unsecured - Considered Good			13,509,489		13,509,489
b) Unsecured - Considered Doubtful				463,069,212	
Less : Provision for Bad & Doubtful				463,069,212	
Others			25,135,750		25,135,750
			38,645,239		38,645,239

RATHI STEEL AND POWER LIMITED

CIN L27109DL1971PLC005905

6 INVENTORIES			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Raw Material	57,749,915		18,085,190
Work-in-progress	-		-
Finished Goods	2,359,802		90,329,719
Stores & Spares	20,650,806		17,561,343
Fuel & Oils	2,104,340		866,590
	82,864,863		126,842,842
7 TRADE RECEIVABLES			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
(Unsecured)			
Considered Good	31,207,918		23,434,503
Considered Doubtful	2,497,314		1,263,979
Less: Provision for doubtful Debts	(449,472)		(449,472)
Others	90,920,803		140,174,344
	124,176,563		164,423,354
8 CASH AND CASH EQUIVALENTS			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
<u>Balance With Banks</u>			
- On Current account	8,998,450		12,111,951
Cash on Hand	7,828,362		1,028,881
Deposits (Original maturity of less than 3 months.)	11,013,540		10,374,082
Interest accrued on Deposits	1,545,553		151,485
	29,385,905		23,666,399
9 OTHER FINANCIAL ASSETS			
Particulars	As at		As at
	March 31, 2020		March 31, 2018
Balance with Statutory/ Government Authorities	66,961,401		63,873,727
Trade advances	8,798,009		3,585,922
Less : Provision for doubtful	(337,500)		-337,500
Advance recoverable in cash or kind or for value to be received	66,251,872		19,556,738
Security Deposits	1,194,000		1,194,000
	142,867,782		87,872,887
10 OTHER CURRENT ASSETS			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Prepaid Expenses	883,921		296,307
Advance Income Tax / Tax Deducted At Source	19,988,880		15,488,252
	20,872,801		15,784,559

11 EQUITY SHARE CAPITAL

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

Note (a) :The reconciliation of the number of equity shares outstanding at the beginning and at the end of reporting period 31-03-2020:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	31,308,111	313,081,110	31,308,111	313,081,110
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
Number of shares at the end	31,308,111	313,081,110	31,308,111	313,081,110

Note (b) :The reconciliation of the number of redeemable preference shares outstanding at the beginning and at the end of reporting period 31-03-2020:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	45,196,748	451,967,480	45,196,748	451,967,480
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
Number of shares at the end	45,196,748	451,967,480	45,196,748	451,967,480

Note : Terms/rights attached to equity shares

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

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

Name of the shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% held	No. of shares	% held
(A) Equity Shares				
Archit Securities Private Limited	4,035,223	12.89%	4,035,223	12.89%
DBG Leasing & Housing Limited	3,832,472	12.24%	3,832,472	12.24%
Pradeep Kumar Rathi	7,504,988	23.97%	7,504,988	23.97%
(B) Redeemable Preferential Shares				
DBG Leasing And Housing Limited	10,346,528	22.89%	10,346,528	22.89%
Archit Securities Private Limited	23,116,220	51.15%	23,116,220	51.15%
Char Investment and Trading Limited	6,454,000	14.28%	6,454,000	14.28%
Lenzing Poly Packs Limited	2,440,000	5.40%	2,440,000	5.40%

RATHI STEEL AND POWER LIMITED
CIN L27109DL1971PLC005905

(Rupees)

		AS AT 31.03.2020		AS AT 31.03.2019		AS AT 01.04.2018
NOTE - 12 OTHER EQUITY						
(i) Reserve & Surplus						
(a) Revaluation Reserve		1,90,25,530.00		1,90,25,530.00		1,90,25,530.00
(b) Capital Reserve		5,21,438.00		5,21,438.00		5,21,438.00
(c) Securities Premium Account						
As Per Last Balance Sheet	1,080,922,699		1,080,922,699		1,080,922,699	
Add: Received during the year	-		-		-	
Balance		1,080,922,699		1,080,922,699		1,080,922,699
(d) General Reserve						
As Per Last Balance Sheet		174,934,316		174,934,316		174,934,316
(e) Retained Earning						
As Per Last Balance Sheet	-5,724,544,569		-4,891,310,934		-3,709,493,230	
(Add)/ Less: Loss for the current year	-256,269,900		-833,233,635		-1,181,817,704	
Less: Tax on Proposed Preference dividend	-	-5,980,814,469	-	-5,724,544,569	-	-4,891,310,934
Closing Balance		-4,705,410,486		-4,449,140,586.0		-3,615,906,951

RATHI STEEL AND POWER LIMITED

CIN L27109DL1971PLC005905

13 BORROWINGS			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Secured			
From Banks / ARC			
Term Loans	2,161,358,606		2,161,358,606
Working Capital Term Loans	1,697,622,627		1,697,622,627
Funded Interest Term Loans	781,417,248		781,417,248
From Others			
Finance / Lease Obligations	42,085.00		42,085
	4,640,440,566		4,640,440,566
Notes			
1. Term Loans, Working Capital Term Loans and Funded Interest Term Loans from Banks are secured by :			
a First Pari- Passu charge on Fixed Assets of the company			
b Second Pari-Passu charge on Current Assets of the company,			
c Personal guarantee of Shri Pradeep Rathi and Shri Udit Rathi,			
d Pledge of Promoter's Equity Shareholdings i.e 51.47%.			
e First pari-passu mortgage and charge on the immovable properties of the Company situated at Ghaziabad, U P and Sambalpur, Odisha			
f First pari-passu mortgage and charge on the immovable property in the name of Sh Pardeep Kumar Rathi situated at 112-A, Sector 21, Gurgaon, Haryana			
g First Charge over Escrow/Trust and Retention Account			
h Pledge of 2840000 Remeemable Preference Shares held by Sh Pradeep Kumar Rathi and Sh Udit Rathi			
2. Vehicle/Equipment Loans are secured by the hypothecation of specific assets purchased under such arrangements.			
3. The Company has defaulted in repayment of dues to financial institutions, banks or debenture holders during the year and since previous years.			
14 PROVISIONS			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Provision for Employee Benefits			
- Gratuity	18,573,818		17,127,552
	18,573,818		17,127,552
15 OTHER LONG TERM LIABILITIES			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Unsecured Loans	21,125,000		21,125,000
Sundry Creditors for Capital Goods	16,705,276		9,643,989
Other Term Liabilities	19,280,018		19,280,018
Trade Deposits from Dealers	1,157,485		1,157,485
	58,267,779		51,206,492
16 BORROWINGS			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Secured From Banks /ARC			
Working Capital Facilities (Including L/c Bills Crystallised)	1,764,645,623		1,764,644,872
BG Invoked	12,587,410		12,587,410
	1,777,233,033		1,777,232,282
17 TRADE PAYABLES			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Trade Payables	354,943,402		276,862,176
	354,943,402		276,862,176
18 OTHER CURRENT LIABILITIES			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Statutory Dues Payable	142,965,720		141,517,792
Advances From Customers	40,443,613		27,446,528
Other Payable	328,418,819		250,038,234
Current Maturities Of Finance/ Lease Obligations	-		-
	511,828,152		419,002,554
19 PROVISIONS			
Particulars	As at		As at
	March 31, 2020		March 31, 2019
Provisions for Employee Benefits			
- For Bonus	2,863,959		2,863,959
- For Leave encashment	492,358		492,358
Wealth Tax Payable	-		-
	3,356,317		3,356,317

20 REVENUE FROM OPERATIONS		(Amount in Rupees)	
Particulars	2019-2020	2018-2019	
Sale of Products	343,484,574	3,499,211,018	
Sale of Services		-	
Other Operating Revenue			
Others Operating Revenue	31,861,747	3,510,820	
Less : Excise Duty (Net)	-	-	
	375,346,321	3,502,721,838	
<p>Note No : 'Revenue from operations' for the year ended March 31, 2020 are not comparable with those of previous year as Company has been running operations of conversion work for others .</p>			
21 OTHER INCOME			
Particulars	2019-2020	2018-2019	
Interest Income	3,492,517	2,157,382	
Net gain on sale of Fixed Assets	-	-	
Dividend income from equity	-	-	
Job Charges Received	621,144,016	192,456,964	
Sundry Balance Written Back (Net)	81,880	2,888,785	
Claims Received	-	5,590	
	624,718,413	197,508,721	
22 COST OF MATERIALS CONSUMED			
Particulars	2019-2020	2018-2019	
Inventory at the beginning of the year	18,085,190	71,105,102	
Add: Purchases during the year	626,161,266	3,128,973,500	
	644,246,456	3,200,078,602	
Less: Inventory at the end of the year	57,749,915	18,085,190	
	586,496,541	3,181,993,412	
23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS			
Particulars	2019-2020	2018-2019	
Inventories at the end of the year			
Finished Goods	2,359,802	90,329,719	
Work In Progress	-	-	
	2,359,802	90,329,719	
Inventories at the beginning of the year			
Finished Goods	90,329,719	38,071,380	
Work In Progress	-	-	
	90,329,719	38,071,380	
Differential Excise duty or Increase/(decrease) in Stock	-	-	
Increase/(decrease) in Stock spoiled /damaged stock written off	-	-	
Increase/(decrease) in Stock	87,969,917	(52,258,339)	

24 EMPLOYEE BENEFIT EXPENSES		
Particulars	2019-2020	2017-2018
Salaries, Wages and Bonus	62,026,088	92,481,871
Contribution to Provident and other fund	3,179,722	3,051,498
Staff Welfare Expenses	110,972	1,359,539
	65,316,782	96,892,908
25 FINANCE COST		
Particulars	2019-2020	2018-2019
Interest on Loans	-	-
Other Borrowing Costs	-	-
Bank Charges & Processing fess	21,509,118	380,550
Interest to Others	-	819,275
	21,509,118	1,199,825
26 OTHER EXPENSES		
Particulars	2019-2020	2018-2019
A. Manufacturing Expenses		
Consumption of Stores & Spares	146,644,331	248,900,591
Power & Fuel	207,316,808	458,509,175
Conversion Charges Paid	-	42,000
Repair & Maintenance		
Plant & Machinery	2,606,879	1,829,657
Building	229,020	-
Others	1,650,277	2,060,403
B.Selling Expenses		
Freight Outward	31,188,100	18,941,774
Advertisement and Sales & Promotion Expenses	43,020	36,810
Testing Charges	690,073	376,447
C.Administrative Expenses		
Directors Salary	368,292	360,300
Guest House Maint.Expenses	-	7,388
Insurance Charges	1,496,458	2,689,611
Legal & Professional Charges	3,262,446	5,649,629
Miscellaneous Expenses	3,320,337	3,507,146
Vehicle Running & Maintenance	348,804	368,247
Postage, Telegram & Telephone	444,779	468,286
Printing & Stationery	536,265	535,734
Rates,Taxes & fee	168,620	209,159
Rent	1,329,600	1,318,600
Security Charges	1,170,500	3,777,244
Travelling & Conveyance Expenses	6,814,279	8,518,199
Auditors' Remuneration	400,000	400,000
Loss on Sale of Assets	-	56,254
	-	-
	410,028,888	758,562,654

RATHI STEEL AND POWER LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2020

(Rs. in Lacs)

	PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation	(2,562.70)	(3,701.64)
	Adjustments for :		
	Depreciation	850.13	840.05
	Interest Paid	-	8.19
	Claims Received	-	(0.06)
	Misc. Balance written back	(0.82)	(28.89)
	Interest income	(34.93)	(21.57)
	Operating profit before working capital changes:	(1,748.32)	(2,903.92)
	Adjustments for:		
	Increase in Trade receivables	402.47	1,529.40
	(Increase)/Decrease in inventories	439.78	44.91
	(Increase)/Decrease in Loans & Advances and other assets	(600.83)	5,464.70
	Increase in Current Liabilities and Other Long Term Liabilities	1,794.96	799.69
	Extra Ordinary Items / Bad Debts	-	(4,630.69)
	Cash Generated from Operation	288.06	304.09
	Less: Income Tax paid (net)	-	-
	Net cash from operating activities:	288.06	304.09
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(265.81)	(354.18)
	Sales of Assets	-	2.51
	Claims Received	-	0.06
	Interest income	34.93	21.57
	Net cash used in investing activities :	(230.88)	(330.04)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Receipt of Long Term Borrowings	(0.00)	-
	Increase/(Decrease) in Short Term Borrowing	0.01	0.81
	Interest Paid (including borrowing costs capitalised)	-	(8.19)
	Net cash used in Financing activities :	0.01	(7.38)
	Net increase/(Decrease) in cash and cash equivalents	57.19	(33.33)
	Opening cash and cash equivalents	236.66	269.99
	Closing cash and cash equivalents	293.85	236.66

As per our Report of even date
For H. G. & CO.
Chartered Accountants
Firm Registration No : 013074C

Sd/-
Abhishek Verma
Director

Sd/-
P N Varshney
Managing Director

Sd/-
HIMANSHU GARG
(Partner)
M. No. 403482

Sd/-
Shobhita Singh
Company Secretary

Sd/-
Shyam Bageshara
CFO

PLACE : NEW DELHI
DATED : 05.10.2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1. COMPANY INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

a)Basis of Preparation of Financial Statements:

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

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

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b)Use of Estimates:

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

c)Inventories:

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

d)PROPERTY, PLANT AND EQUIPMENT

Tangible Fixed assets and depreciation accounting:

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

Leasehold land has been revalued as on 31st March, 1992.

e) Depreciation

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as per Straight Line Method (SLM). Depreciation on additions/deductions has been calculated on day-to-day basis. No depreciation has been provided on Orissa unit assets being non-operational.

f) Revenue Recognition

Sales comprises of sales of goods and services but net of sales returns and taxes.

Interest income is accounted for on accrual basis.

Dividend income is accounted for on receipt of payment.

Job Charges / Conversion charges received are recognised at net of taxes.

g) Investments

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

h) Impairment of Assets

At each Balance Sheet date, the company reviews the carrying amounts of assets to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable amount is estimated, at the higher of realizable value and value in use, as considered appropriate. If the estimated recoverable amount is less than the carrying amount, an impairment loss is recognized in the statement of Profit and Loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the assets belongs. As per assessment conducted by the company as at March 31, 2020, there were no indications that the fixed assets have suffered an impairment loss.

i) Borrowing Costs

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

j) Current Tax and Deferred Tax:

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

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

k) Trade Receivables

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

l) Retirement benefits

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

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

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

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

NOTES ON ACCOUNTS:

1. COMMITMENTS:

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

2. CONTINGENT LIABILITIES:

A. No provision has been made for:

- a. Outstanding effective Bank Guarantees and Counter Guarantees given by the Company Rs.40,17,112/-(Rs.40,17,112/-).
- b. VAT/Sales Tax liability for various years in respect of which either the Company or the department has filed appeals with higher authority amounting to Rs.63,00,67,661/-.The Company is Confident to get relief and chances of any liability is very remote.
- c. Excise/Service tax cases pending with various statutory authorities being disputed principal amount Rs.7,98,99,193/-(Rs.8,33,00,961/-).The Company is Confident to get relief and chances of any liability is very remote.
- d. Civil/Recovery suits and Labour cases pending against the Company not acknowledged as debt – Rs.14,87,67,911/- (Rs.12,95,72,393/-).
- e. The layoff at Orissa unit has been rejected by the competent Labour Authority and raised compensation of Rs.4.65 Crores. The Company has contested the same in the Court.
- f. As per Gas Sales Agreement between GAIL and Company, total annual off take or pay deficiency upto March 2020 works out to Rs.154.81 Crores and GAIL has raised a demand of Rs.122.19 Crores which is disputed by the Company. The Company is Confident to get relief and chances of any liability is very remote.
- g. WESCO utility, Orissa has raised a demand of Rs.1.24 Crores towards electricity bills charges for the period up to October 2014 which has been disputed by the Company. Office of the Ombudsman-II, OERC vide its order dated 11.04.2016 has directed the WESCO to revise its demand which is still awaited.

B. Surety given to sales tax dept. for others. The Company has not considered these as contingent liability as chances of out flow of resources are remote as Company has a right to claim the same from other party. However, surety given for Rathi Super Steel Ltd amounting to Rs.18.56 Crores and is of significance in term of recovery as this company is facing NCLT proceedings.

C. Income Tax and Sales Tax Assessments:

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

3. Segmental Reporting:

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

4. FOREIGN CURRENCY TRANSACTIONS:

Expenditure in Foreign Currency:

- a. Raw material purchase (CIF) Rs. NIL (Rs.11562973/-)
b. Capital Goods (CIF) – Rs.15,51,657/- (Rs.4,53,99,416/-).
c. Stores Purchased(CIF)-Rs.2,12,92,732/- (Rs. 33,99,917/-)

Earning in Foreign Currency(FOB):

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

Details of Consumption of Imported and Indigenous items

Rs. in lacs

Particulars	Imported				Indigenous			
	2019-20	%	2018-19	%	2019-20	%	2018-19	%
Materials	NIL	NIL	NIL	NIL	5864.97	100 %	31819.93	100 %
Stores and Spares	212.93	14.52%	34.00	1.37%	1253.51	85.48%	2455.01	98.63%

5. Payment to Auditors:

- a. Audit Fee – Rs.4,00,000 (Rs.4,00,000).
b. Fee for Limited Review – Rs.1,00,000(Rs.1,00,000).
c. Out of Pocket Expenses-Rs.15,000 (Rs.15000).

6. Sundry debtors, advances, creditors & other liabilities include inter parties transfers and are subject to confirmation and consequent adjustments. In the opinion of the Board of Directors, the current assets and loans & advances except doubtful in nature would realize at least the amount at which these are stated in the Balance Sheet. For doubtful debts, the Board of Directors is very much hopeful for their recovery. Therefore, no provision has been made during the year.
7. Due to financial stress Company could not pay the ROC fee for increase in authorized share capital during the financial year 2014-15, However, Company has submitted due MGT-7 (AR) and AOC-4 (BS) with Registrar of Companies till FY 2018-19.
8. Interest/Penalty, if any on delayed payments of statutory dues (Excise, GST, PF/ESI etc.) will be provided for as and when ascertained/determined by the concerned authority.

9. Other payables include amount of Rs.10.69 lacs, the party has since filed the cases in the court and claimed interest in terms of the MSME Act along with Principal amount. However, party approached to company as a trader to start supplies and there has been no mention on the bills also that party was MSME.
10. The MSME status of creditors is not known to the Company, hence information is not given
11. During the year in order to keep the Ghaziabad unit operational, Company has even started doing job work in steel melting shop division also for others. Other Income includes job charges received during the period.
12. Lenders to the Company have since exited the approved CDR scheme in view of defaults made by the Company in meeting its debt obligations as per restructuring scheme approved by CDR EG hence not considered any obligation as current liability.
13. Majority of the lenders (BOB, SBI, Dena Bank,) have since assigned the debts to ARC namely M/s Assets Care and Restructuring Enterprises Ltd, (ACRE TRUST-55) and KVB to JM Financial A.R.C.L and Company has approached the ARCs for restructuring of debts for long term revival of the Company in the interest of all its stakeholders.

14. Earnings Per Share (EPS):

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

Particulars	Year Ended on 31.03.2020	Year Ended on 31.03.2019
Profit/(Loss) attributable to the Equity Shareholders (Rs.)(A)	(256269900)	(833233635)
Profit/(Loss) Cash attributable to the Equity Shareholders (Rs.) (B)	(171256512)	(749229113)
Weighted average number of Equity Shares Outstanding during the year (C)	31308111	31308111
Nominal Value of Share (Rs.)	10	10
Earnings Per Share (Rs.) (A)/(C)	(5.47)	(23.93)
Earnings Per Share (Cash) (Rs.) (B)/(C)	(5.47)	(23.93)

15. The company has incurred a net loss of Rs.25,62,69,900.00 during the year ended on March 31, 2020 and as on that date the company's current liabilities exceed its current assets by Rs.224,71,92,991.00 and company's net worth has been fully eroded. Company is making all efforts to initiate an alternative plans by restructuring the debts as well as to maximise the operating levels/minimize the costs.

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

16. Related Party Disclosure:

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

a) **Individuals**

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

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

Particulars	Current Year	Previous Year
Paid for rendering of services	1506173.00	1401816.00

17. Segmental Reporting:

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

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

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

SD/-
Abhishek Verma
Director

SD/-
P N Varshney
Managing Director

SD/-
Himanshu Garg
Partner
M. No. 403482

SD/-
Shobhita Singh
Company Secretary

SD/-
Shyam Bageshara
CFO

Place: New Delhi
Dated: 05.10.2020