

**52<sup>nd</sup>**  
**ANNUAL REPORT**  
**2022 - 23**

BOARD OF DIRECTORS	Shri Prem Narain Varshney (DIN: 00012709) – Managing Director Mr. Abhishek Verma (DIN 08104325), Non-Independent Director S Smt Sangeeta Pandey (DIN 08213476), Independent Woman Director Smt Pinky Verma (DIN 08260165), Independent Woman Director * Smt Sonika Sharma (DIN <a href="#">10192265</a> ), Additional Independent Woman Director # Ms Surbhi Pareek (DIN <a href="#">10231959</a> ), Additional Independent Woman Director @ \$ Designation changed on 16-05-2023 * Resigned w.e.f. 05-09-2023 # appointed w.e.f. 10-07-2023 @ appointed w.e.f. 10-07-2023
AUDITORS	M/s M. Lal & Co., 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
LENDERS	Assets Care and Reconstruction Enterprise Ltd Canara Bank
BANKERS	Bank of Baroda
REGISTERED OFFICE	24/1 Block -A, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi - 110044 Ph: 011- 40512426 Web Site: <a href="http://www.rathisteelandpower.com">http://www.rathisteelandpower.com</a>
CORPORATE OFFICE	Industrial Area No. 1 A-3, South of GT Road Ghaziabad (U.P.) Pin- 201009 Ph: 0120-2840346-350 Fax: 0120-2840352-353
WORKS:	A-3 & C-4, south side of GT Road, Ghaziabad (U.P.) Pin- 201009 Ph: 0120-2840346-350 Fax: 0120-2840352-353
REGISTRAR & SHARE TRANSFER AGENT	Mas Services Limited T-34, Second Floor Okhla Industrial Area, Phase-II, New Delhi- 110020 Ph: 011-26387281-82-83 Fax:011-26387384 Email: <a href="mailto:info@masserv.com">info@masserv.com</a>

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## Notice

NOTICE is hereby given that the 52<sup>nd</sup> Annual General Meeting of the Members of Rathi Steel and Power Ltd. (CIN: L27109DL1971PLC005905) will be held on FRIDAY, THE 29<sup>th</sup> DAY OF September 2023 at 10.00 AM to transact through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023, TOGETHER WITH REPORTS OF THE AUDITORS’ AND THE BOARD OF DIRECTORS THEREON.**

**To consider and, if thought fit, to pass the following resolutions as Ordinary Resolution:**

“RESOLVED THAT the Standalone Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2023 and the Reports of the Auditors’ and the Board of Directors thereon, laid before the meeting, be and are hereby received, considered and adopted.”

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 M. Lal. & Co., Chartered Accountants (Firm’s Registration No. 016069C) as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 53<sup>rd</sup> Annual General Meeting of the Company to be held in year 2024, subject to be ratified by shareholders at every AGM and to examine and audit the accounts of the Company for the Financial Year 2023-24 at such remuneration plus GST, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”

3. **RE-APPOINTMENT OF MR. ABHISHEK VERMA, (DIN: [08104325](#)) DIRECTOR OF THE COMPANY, RETIRING BY ROTATION.**

**To consider and, if thought fit, to pass the following resolutions as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Abhishek Verma (DIN: [08104325](#)), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

### SPECIAL BUSINESS:

4. **TO APPROVE THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR ENDING MARCH 31, 2024:**

**To consider and if thought fit, to pass the following resolution as Special 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/- (Rupees Fifty Thousand) plus out-of-pocket expenses payable to M/s 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, 2024.”

5. **TO REGULARIZE THE APPOINTMENT OF ADDITIONAL DIRECTOR MS. SURBHI PAREEK (DIN :10231959)**

**To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made there under read with Schedule IV to the Companies Act, 2013, Ms. Surbhi Pareek (DIN : 10231959) who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 10<sup>th</sup>, 2023 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company their consent to act as director under Section 160 of the Companies Act, 2013, be and are hereby appointed as Non-Executive Independent Directors of the Company for five years and not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Prem Narain Varshney, Managing Director, be and is hereby severally authorised to sign the resolution and file Form DIR12 to give effect to this resolution.”

#### **6. TO REGULARIZE THE APPOINTMENT OF ADDITIONAL DIRECTOR MS. SONIKA SHARMA (DIN: 10192265)**

**To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made there under read with Schedule IV to the Companies Act, 2013, Mrs. Sonika Sharma (DIN:10192265), who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 10<sup>th</sup>, 2023 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company their consent to act as director under Section 160 of the Companies Act, 2013, be and are hereby appointed as Non-Executive Independent Directors of the Company for five years and not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Prem Narain Varshney, Managing Director, be and is hereby severally authorised to sign the resolution and file Form DIR12 to give effect to this resolution.”

#### **7. TO APPOINT INTERNAL AUDITOR**

**To consider and if thought fit to pass the following resolution as Ordinary Resolution:**

“RESOLVED THAT under the provisions of Section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013, the consent of the members be and is hereby accorded for the appointment of M/s Y.P. Arya & Company, Chartered Accountants (FRN 008298N), as the Internal Auditor of the Company for the Financial Year 2023-24 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and Internal Auditor.

RESOLVED FURTHER THAT the draft copy of engagement letter for the appointment of M/s Y.P. Arya & Company, Chartered Accountants (FRN 008298N) as Internal Auditor for the Financial Year 2023-24 as placed before the Board be and is hereby approved and the Chairman initialed the same for identification.

RESOLVED FURTHER THAT Mr. Prem Narain Varshney, Managing Director of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters, things as are considered necessary and expedient to give effect to this resolution including the filing of necessary forms with the office of concerned Registrar of Companies.”

#### **8. INCREASE IN BORROWING LIMIT UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013**

**To consider and if thought fit to pass the following resolution as Special Resolution:**

“RESOLVED THAT in continuation to the resolutions passed earlier and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Articles of Association of the Company, the consent of the members be and is hereby accorded to increase the borrowing limit of the Company from existing 1,000 Crores to 1,100 Crores to be raised through Non-Convertible Debenture / Any Class of Debenture / Term Loan / Working Capital Facility(ies) / Over Draft Facility(ies) / other Loan from Banks / Financial Institution(s) / NBFC's/ AIF's / Private Investors / Foreign Funding / Asset Restructuring Companies etc for the purpose of Debt Refinancing / Retirement / repayment / settlement of existing loan / Capital Expenditure / Working Capital Requirements / Payments of statutory dues / Other business related payments or Other Corporate purpose and Other General purpose.

RESOLVED FURTHER THAT Mr. Prem Narain Varshney, Managing Director or Sh Rakesh Kumar (CFO) of the Company be and are hereby severally authorized to prepare, sign and file the documents, files and forms as and when required under the law and to do all such necessary acts, deeds, matters and things to give effect to this resolution.

#### **9. ISSUANCE OF REDEEMABLE NON-CONVERTIBLE DEBENTURES**

**To consider and if thought fit, to pass the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to provisions of Section 42 read with Section 71, and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable laws (including any statutory modifications or re-enactments thereof for the time being in force), if any, the consent of shareholders be and is hereby accorded for the issuance of Secured Redeemable Non-Convertible Debentures Aggregating upto INR 1,00,00,00,000/- (Indian Rupees One Hundred Crores Only) in one or more tranche on private placement basis to Investors in accordance with applicable laws.



**RESOLVED FURTHER THAT** Mr. Prem Narain Varshney, Managing Director or Sh Rakesh Kumar (CFO) of the Company, be and are hereby severally authorized to sign and circulate the letter of offer in form PAS-4 along with the application form to those whose names are record in Form PAS-5. Form PAS4 and PAS5 be and are hereby approved.

**RESOLVED FURTHER THAT** Mr. Prem Narain Varshney, Managing Director or Sh Rakesh Kumar (CFO) of the Company be and are hereby severally authorized to prepare, sign and file Form PAS4, PAS5, Form MGT14, Form GNL1 and related documents, files and forms as and when required under the law and to do all such necessary acts, deeds, matters and things to give effect to this resolution.

**RESOLVED FURTHER THAT** Mr. Prem Narain Varshney, Managing Director or Sh Rakesh Kumar (CFO) of the Company be and are hereby severally authorized to negotiate, finalize and execute any deeds, documents, schemes, agreements, forms, returns, applications, letters, etc. including any modifications thereto, in each case as may be approved by such directors and/or officers, whether or not under the common seal of the Company, as may be required from time to time, and to do all such acts, deeds, matters and things as they may deem necessary and expedient at their absolute discretion in the above matters without any further approval of the Board.

**RESOLVED FURTHER THAT** the Board of Directors of the Company may delegate the authority to approve, finalize, sign, execute and deliver documents and do all such acts, deeds and things as are necessary or identical in relation to the above to a committee or any person as it may deem fit.”

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

**Date:05-09-2023**

**Place: Delhi**

**NOTES:**

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 , SEBI/HO/CFD/CMD2/ CIR/P/2021/11 and SEBI/HODDHS/P/CIR/2022/0063 dated May 12, 2020, January 15, 2021 and May 13,2022, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed Mr. Sameer Kishore Bhatnagar (Practicing Company Secretary) holding membership of Institute of Company Secretaries of India (M. No. 30997 and CoP No. 13115), as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
3. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to [cskbhatnagar@gmail.com](mailto:cskbhatnagar@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
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. Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at [investors@rathisteelandpower.com](mailto:investors@rathisteelandpower.com). The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
9. The Registers of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for the purpose of annual closure of books.
10. The Company is not declaring any dividend for year ending 31<sup>st</sup> March 2023.
11. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.e.f. April 01, 2019

Further, in compliance with SEBI vide its circular SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

***Members holding shares in physical form are requested to dematerialize their holdings at the earliest.***

12. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 1st January 2022. Registrar will not process, any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and such shareholders holding will be fridge by RTA on or after 1st April 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA website i.e [www.masserv.com](http://www.masserv.com).

13. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2022- 23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM alongwith the explanatory statement and Annual Report 2022-23 are available on the website of the Company at [www.rathisteelandpower.com](http://www.rathisteelandpower.com) and on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in the pioneer (English edition) and the pioneer (Hindi edition).
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agents ("RTA") (Tel. No. 011 26387281/82/83) for assistance in this regard.
15. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.
17. For receiving all future correspondence (including Annual Report) from the Company electronically–

In case you have not registered your email ID with the Company/ Depository, please follow below instructions to register your email ID for obtaining Annual Report for FY 2022-2023 and login details for e-voting.

#### **Physical Holding**

Send a signed request letter to Registrar and Transfer Agents of the Company, MAS Services Limited at [investor@masserv.com](mailto:investor@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) with subject line (Register E-mail ID Folio No (Mention Folio No) of Rath Steel and Power Limited.

#### **Demat Holding**

Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

18. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Notice of the AGM and Annual Report may temporarily get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.  
  
Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.rathisteelandpower.com](http://www.rathisteelandpower.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.
19. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cur-off date for e-voting i.e. Friday, September 22, 2023, such person may obtain the User ID and Password from RTA by e-mail request on [investor@masserv.com](mailto:investor@masserv.com)
20. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
21. 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.
22. Shareholders of the Company are informed that pursuant to the provisions of the 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 i.e., for the year upto 2014-15 has already been transferred to IEPF.

Further, pursuant to the provisions of Section 124(6) of the Act read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF as notified by the Ministry of Corporate Affairs.

The Members whose dividend/shares are transferred to the IEPF may claim the dividend/shares by making an application to the IEPF by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF at <http://www.iepf.gov.in/IEPF/refund.html>.

23. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders at least 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
24. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS) / Direct Credit / NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Members holding shares in physical form may communicate these details to the RTA viz. MAS Services Limited having address at RTA i.e. **MAS Services Limited, having address at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020**, by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

25. Pursuant to Finance Act, 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereto. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 22-23 does not exceed Rs.5,000/-.

A resident individual shareholder with PAN who is not liable to pay income tax submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at [investor@masserv.com](mailto:investor@masserv.com). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

26. 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.
27. Instructions for e-voting and joining the AGM are as follows:  
In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 52<sup>nd</sup> Annual General Meeting (AGM) through electronic voting system, to members holding shares as on Friday, September 22, 2023 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

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

**The remote e-voting period begins on Tuesday, September 26, 2023 at 9:00 A.M. and ends on Thursday, September 28, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday September 22, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to**

their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday September 22, 2023.

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

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

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

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider – NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com</a>. Select “Register Online for IDEAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.



- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

**General Guidelines for shareholders**

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@masserv.com](mailto:investor@masserv.com) or [investors@rathisteelandpower.com](mailto:investors@rathisteelandpower.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@masserv.com](mailto:investor@masserv.com) or [investors@rathisteelandpower.com](mailto:investors@rathisteelandpower.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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

**General Instructions**

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. Mr. Sameer Kishore Bhatnagar (Practicing Company Secretary) holding membership of Institute of Company Secretaries of India (M. No. 30997 and CoP No. 13115) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC / OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.



The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.rathisteelandpower.com](http://www.rathisteelandpower.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

## **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. 4**

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 2023-24 at fee of Rs. 50,000/- plus out of pocket expenses.

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

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

#### **Item No. 5**

Ms. Surbhi Pareek (DIN: 10231959) was appointed as an Additional Director of the Company by the Board of Directors of the Company w.e.f. 10<sup>th</sup> July 2023. The Company has received her due consent to act as director of the company.

As per the provisions of the Companies Act, 2013 (“Act”), an Additional Director can hold office upto the date of Annual General Meeting and hence her appointment need to be regularised. The Board hereby request for the approval of resolution.

#### **Item No. 6**

Ms. Sonika Sharma (DIN:10192265), was appointed as an Additional Director of the Company by the Board of Directors of the Company w.e.f. 10<sup>th</sup> July 2023. The Company has received her due consent to act as director of the company.

As per the provisions of the Companies Act, 2013 (“Act”), an Additional Director can hold office upto the date of Annual General Meeting and hence her appointment need to be regularised. The Board hereby request for the approval of resolution.

#### **ITEM No. 7**

The Chairman informed that the Company being a Listed Company is required to appoint an Internal Auditor under the provisions of Section 138 of the Companies Act, 2013.

An Internal Auditor is a professional who ensures organizations and companies have accurate accounting throughout the year. They ensure that other accounting teams follow proper procedures and that all accounts are updated and accurate. Internal auditors are responsible for providing analyses, evaluations, assurances, recommendations, and other information to the entity's management and board of directors or to others with equivalent authority and responsibility.

The Company hereby requests the members to pass the resolution. None of the Directors of the Company are interested in the resolution other than as the shareholder of the Company.

#### **ITEM No. 8**

The Chairman informed that the Company a Resolution u/s/293(1)(d) was passed in the Annual General Meeting held on September 30, 2010 for borrowing limit approved upto Rs. 1,000/- Crores. Since the said Resolution was passed under the Companies Act,1956, now the Board of Directors of the Company has decided to modify the earlier Resolution as well enhance the borrowing power limit to Rs.1100 Crores under section 180(1)(c) of the Companies Act,2013.

The increase in the borrowing limit will be availed primarily either by issuance of Debentures, borrowings from the Banks, Financial Institutions, Private Lenders or any other form of Loan as and when required by the Company from time to time.

Pursuant to provision of Section 180(1)(c) of the Companies Act, 2013 read with the rules framed their under, the increase in the borrowing limit need to be approved by the members by passing Special Resolution in the General Meeting and hence the above mentioned resolution be put to vote and approved.

None of the Directors of the Company are interested in the resolution other than as the shareholder of the Company.

#### **ITEM No.9**

The Board of Directors of the Company has been exploring various fund raising options in order to augment the resources of the Company. After a detailed discussion the Board has decided to raise funds by issuing Secured Redeemable Non-Convertible Debentures to the Investors whose name are mentioned in Form PAS4 and Form PAS5.

The funds raised through above will be utilised primarily for:

- a. Debt Refinancing / Retirement / repayment / settlement of existing loan
- b. Working Capital requirements of the Company including payments of statutory dues / other business related payments
- c. Capital investment for debottlenecking of existing capacity utilization / expansion of capacity / Capital investment for installing facilities for manufacturing of value added downstream products / reduction in cost of production by installing additional equipments etc
- d. Other Corporate purpose and Other General purpose

Pursuant to provision of Section 42 read with section 71 of the Companies Act, 2013 read with the rules framed their under, issue of Non-Convertible Debentures by a Company on a private placement basis is required to be approved by the members by passing Special Resolution.

Statement of disclosure as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules 2014 for taking appropriate decision for approval of the proposed resolution as set out in the notice of the meeting by way of special resolution.

None of the Directors of the Company are interested in the resolution other than as the shareholder of the Company.

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

**Date :** 05-09-2023

**Place:** New Delhi

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

**CIN:** L27109DL1971PLC005905

**Phone :** 011- 40512426

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

## BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 52<sup>nd</sup> Annual Report together with the Audited Statement of Accounts of Rath Steel & Power Limited for the year ended 31<sup>st</sup> March, 2023.

### 1. FINANCIAL RESULTS:

	CURRENT YEAR (RS. IN LACS)	PREVIOUS YEAR (RS. IN LACS)
Total Revenue	72756.98	54577.56
EBITDA (before Exceptional / Extraordinary Items)	3268.17	3120.08
Interest / Finance Charges	1210.31	1311.15
Depreciation	832.51	1346.44
Exceptional / Extraordinary Items	7521.82	4111.35
Profit Before Tax(PBT)	8747.17	(3648.86)
Tax adjusted for earlier year(s)	24.89	0.00
Profit after Tax (PAT)	8722.28	(3648.86)
Dividend	NIL	NIL

### 2. OPERATIONAL REVIEW:

During the year under review, the Company has achieved revenue from operation of Rs. 72,654.65 Lacs as against previous year of Rs. 54,577.56 Lacs. Company has achieved EBIDTA of Rs. 3,268.17 Lacs as against previous year of Rs. 3,120.08 Lacs. Company expects to do better if there is an improvement in overall industrial scenario.

### 3. DIVIDEND

Company is ploughing back its profit for smooth operations of the Company, so no dividend has been recommended.

### 4. ECONOMIC SCENARIO AND OUTLOOK

#### GLOBAL SCENARIO

The World Steel Association (worldsteel) has released its Short Range Outlook (SRO) steel demand forecast for 2023 and 2024. Worldsteel forecasts that this year, demand will see a 2.3% rebound to reach 1,822.3 Mt. Steel demand is forecast to grow by 1.7% in 2024 to reach 1,854.0 Mt. Manufacturing is expected to lead the recovery, but high interest rates will continue to weigh on steel demand. Next year, growth is expected to accelerate in most regions, but deceleration is expected in China.

#### Global steel demand seen growing 1.7% in 2024 - association

Global steel demand is expected to grow by 1.7% in 2024 following a forecast 2.3% rebound in consumption this year mainly due to a recovery in manufacturing activity, an executive from the World Steel Association (WSA) said on Tuesday.

In the long run, the Association of Southeast Asian Nations (ASEAN) is expected to see a doubling in steel demand by 2035 from 80 million tonnes currently, Frank Zhong, the association's deputy director general told an industry conference.

Source: <https://www.reuters.com/article/global-steel-idINL1N37K03D>

#### Global steel demand seen rising 2.3% in 2023, 1.7% in 2024

**India remains a bright spot in the sector as govt spending on infrastructure is strong, says World Steel Association**

Demand for steel worldwide will witness a 2.3 per cent growth in 2023 and 1.7 per cent in 2024, the World Steel Association (worldsteel), a body with membership of every steel producing country, has said.

In its short range outlook released earlier this week, worldsteel said the demand will increase to 1,822 million tonnes (mt) in 2023 and 1,854 mt in 2024. The association pegged 2022 crude steel at 1,831.5 mt, down 4.3 per cent compared with 2021.

“Manufacturing is expected to lead the recovery, but high interest rates will continue to weigh on steel demand. Next year, growth is expected to accelerate in most regions, but deceleration is expected in China,” worldsteel said.

#### INDIAN SCENARIO

#### Steel industry outlook: Growth prospects of the Indian steel sector in 2023

Let us first look at what's driving the demand for steel metal in India. According to predictions by the World Steel Association, the steel industry growth rate is estimated to be around 6.7% in 2023. After a slack period following the pandemic, the sector was able to revive in 2021-22 with global demand for steel rising.

The growth prospects and steel industry outlook in India is favourable. Recent changes in export taxes and import duties on steel, complemented by the rising demand for affordable housing, infrastructure development and construction projects, has led to a pan-India need for steel metal. Moreover, the government's initiative to make India self-sufficient has made room for sustainable urban development, construction of proposed logistics parks and industrial corridors – all adding to the meteoric demand for finished steel and steel as a raw material.

The iron and steel industry naturally will play a dominant role in bringing progress. In the next section, let us take a look at what are the growth prospects of the steel sector, the present outlook and future prospects of steel in India, and the multiple factors supporting and contributing to it.

Budget 2023-24: Announcements for the steel sector

Every year, all eyes are on the Budget announcement for news on monetary incentives, rebates, funds allocation and more for the development of different sectors and businesses.

In Budget 2023-24, though there were no specific funds for driving growth of the steel sector, there are several opportunities present in other industries that would directly boost the steel industry outlook.

- **Railways:** The government's initiative to redevelop 50+ existing railway stations and the plan to provide a capital of ₹2.4 lakh crore to Railways is likely to scale the need for steel.
- **Logistics:** An investment of ₹75,000 crore is planned for 100+ critical transportation infrastructure projects that will connect ports, coal, steel, fertiliser, and food grain sectors across the first- and last-mile delivery network. This is expected to improve connectivity and transportation services across major points, in turn leading to a rise in demand for steel.
- **City development:** Urban planning development projects will be undertaken to transform cities into sustainable cities. With the proposed ₹10,000 crore annual fund, the goal is to ramp up infrastructure development, especially in Tier II and Tier III cities. This is likely to witness a growth in steel demand, especially for steel girders in infrastructure and TMT steel bars in construction among others.

*(Source: Outlook, March 2023)*

### ***Steel pricing in India***

An overview of steel pricing will show how steel metal has always had its demand in India. However, in the last few months, especially following the global economic crisis caused by the pandemic, the price of steel in India has been dynamic. In February 2023, there was a 5% increase in steel prices in India.

Multiple factors, including rise of raw material prices (especially iron ore and coking coal) and rise in infrastructural and engineering projects, has impacted daily steel price. It is however predicted that steel prices will be above the pre-pandemic rates, i.e., ₹60,000 per tonne by March 2023.

## **5. REVIVAL /SETTLEMENT/RESTRUCTURING WITH LENDERS**

In the FY 20-21 Company has entered into settlement agreement with lenders for majority of its debt. Thereafter in the FY 21-22 debt level was further brought down through sale of Orissa unit. In the interest of all its stakeholders and for long term revival of the Company, efforts are being made to further bring down the debt to sustainable level. With continuous efforts during the FY 22-23, Company has entered into settlement/successfully implemented the settlement with banks .

Company is making all efforts to further bring down the debt in the interest of all stakeholders.

## **6. MATERIAL CHANGES AND FINANCIAL COMMITMENTS.**

Apart from the information provided/disclosures made elsewhere in the Directors' Report including Annexures thereof, there are no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company i.e. 31st March, 2023 to which this financial statement relates and till date of this Report.

## **7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Full particulars of the loans given, guarantees extended or securities provided and the investments made by the Company, if any, in various bodies corporate in terms of the provisions of Section 186 of the Companies Act, 2013 and the rules framed thereunder have been adequately described in the notes to Financial Statements. The same are in consonance the provisions of the aforesaid section.

## **8. 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

## 9. 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).

## 10. 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.

## 11. 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 have been denied access to the Audit Committee.

## 12. RELATED PARTY TRANSACTIONS

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

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

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

## 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors

#### Appointment/Re-appointment

There was no new appointment during the Financial year 2022-23. However, Ms. Sonika Sharma (DIN [10192265](#)) and Ms. Surbhi Pareek (DIN [10231959](#)) joined the Board as Non-Executive Independent Directors w.e.f. 10.07.2023.

Moreover, Mr. Abhishek Verma whose term of 5 years expires as Independent Director has been re-designated as Non-Executive Director and Chairman of the Company

#### Independent Directors

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

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

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

## **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.

## **14. 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 2022-23.

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.

## **15. 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.

## 16. 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. Statutory Auditors and their report:

M/s M. Lal & Company, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of 5 years to hold office i.e., till the conclusion of Annual General Meeting to be held in year 2027. 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 2023-24. 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. Sameer 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

There was no change in the Internal Auditor of the Company during the Financial Year ending March 31, 2023. Internal Auditors has performed their duties and their report is reviewed by the audit committee from time to time. Company has appointed M/s Y.P. Arya and Company, Chartered Accountants (FRN 008298 N) as Internal Auditors for the Financial Year 2023-24.

## 17. DISCLOSURES

### i. Details of Board meetings

During the year, 10 (Ten) 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.

#### **19. 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.

#### **20. GREEN INITIATIVE**

The Company has implemented the "Green Initiative" to enable electronic delivery of notice/documents/annual reports to shareholders. The Annual Report for the FY 2022-23 and Notice of the 52<sup>nd</sup> Annual General Meeting are being sent to all members electronically, whose e-mail addresses are registered with the Company/Depository Participant(s).

The e-voting facility is being provided to the members to enable them to cast their votes electronically on all resolutions set forth in the notice, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the notice of this 52<sup>nd</sup> AGM.

#### **21. ACKNOWLEDGEMENTS**

The Board wishes to place on record its appreciation of the significant contributions made by the employees of the Company during the year under review. The Company has achieved impressive growth through competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, dealers, distributors, franchisee partners, vendors and other business associates for their continued support in the Company's growth.

Your Directors also wish to thank the Government of India, the State Governments and other regulatory authorities, banks and members for their cooperation and support extended to the Company.

#### **22. 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.

New Delhi <b>05.09.2023</b>	Sd/- Shobhita Singh Company Secretary	For and on behalf of the Board of Directors Sd/- <b>Prem Narain Varshney</b> Managing Director DIN: 00012709
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#### **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

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

I confirm that the Company has in respect of the Financial Year ended March 31<sup>st</sup>, 2023, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31<sup>st</sup>, 2023.

New Delhi <b>05-09-2023</b>	Sd/- <b>Prem Narain Varshney</b> Managing Director DIN: 00012709
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## ANNEXURE TO THE DIRECTORS' REPORT:

### ANNEXURE 1

#### I. CONSERVATION OF ENERGY

(I)	Energy Conservation & Measure Taken and Utilizing Alternate Sources of Energy	The Company has taken all its possible measures to conserve energy. As an ongoing process, the following measures are undertaken: - Conventional Bulbs and Tube Lights of Plants and Corporate Office Areas are replaced with LED Bulbs, CFL and LED Tube Lights. - Shutting of all the lights when not in use and use of LED lights. - Installation of RO for recycle of water. - Use of smart wireless controller in AC for reducing power consumption and  - Training front end operational personnel on opportunities of energy conservation. - Use of Electric Vehicles also reduces the consumption of Liquid Fuel (Petrol).
(II)	The capital investment on energy conservation equipment's.	The company is studying the feasibility of adding variable frequency drives (VFD's) for various applications wherever suitable, to bring down the energy consumption subject to techno-commercial viability of the proposal.  Company has also installed equipment (Capacitors Banks) to improve the power factor, by improving efficiencies thus not only reducing the cost but also conserve electricity.  Company has also installed transfer trolley for transfer of liquid metal during process of steel making in place of earlier use of E.O.T Cranes which was more power intensive.  Company is taking steps to directly charge steel billets into rolling mills. This is expected to lead to a substantial decrease in carbon footprint, reduction in fuel cost, reduction scaling loss etc. The above is being done on trial basis and achievement of desired results will be ascertained in due course.

#### II. 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

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

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

#### III. FOREIGN EXCHANGE EARNINGS & OUTGO

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

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

2. Total Foreign Exchange used and earned:  
Expenditure in Foreign Currency : NIL  
FOB Value of exports: NIL

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED March 31, 2023**

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

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

Based on our verification, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company, has during the audit period covering the financial year ended on March 31, 2023, 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, 2023, 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 BSE has suspended the trading of Shares due to Non-Payment of Annual Listing Fees and other charges. Company has already make all pending dues and Company's request for re-listing of shares has been approved in principally by BSE as per their email dated 04-07-2022. Company is in the process of completion of formalities during the financial year.

**We further report that:**

The Constitution of Board of Directors of the Company is not as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations. 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 were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

**Place: New Delhi**  
**Date: 01.09.2023**

**SD/-**  
**Sameer Kishore Bhatnagar**  
**Practicing Company Secretary**  
**M. No. 30997**  
**CoP No. 13115**  
**UDIN: A030997E000794584**

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

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

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

**Place: New Delhi**  
**Date: 01.09.2023**

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

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

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 2023**

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

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

<b>II</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>		
(All the business activities contributing 10% or more of the total turnover of the company shall be stated)			
<b>SL No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product /service</b>	<b>% to total turnover of the company</b>
1	Steel	24105	100.00%

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

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March 2023]				No. of Shares held at the end of the year [As on 31-March 2022]				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	8245219	0	8245219	26.34%	8245219	0	8245219	26.34%	0	0%
b) Central Govt. or State Govt.										
c) Bodies Corporates	7867695		7867695	25.13%	7867695		7867695	25.13%	0	0%
d) Bank/FI										
e) Any other										
<b>SUB TOTAL:(A) (1)</b>	<b>16112914</b>	<b>0</b>	<b>16112914</b>	<b>51.47%</b>	<b>16112914</b>	<b>0</b>	<b>16112914</b>	<b>51.47%</b>	<b>0</b>	<b>0%</b>
<b>(2) Foreign</b>										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
<b>SUB TOTAL (A) (2)</b>										
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>16112914</b>	<b>0</b>	<b>16112914</b>	<b>51.47%</b>	<b>16112914</b>	<b>0</b>	<b>16112914</b>	<b>51.47%</b>	<b>0</b>	<b>0%</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March 2023]				No. of Shares held at the end of the year [As on 31-March 2022]				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	686913		686913	2.19%	686913		686913	2.19%	0	0%
b) Banks/FI	2008056		2008056	6.41%	2008056		2008056	6.41%	0	0%
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
<b>SUB TOTAL (B)(1):</b>	<b>2694969</b>	<b>0</b>	<b>2694969</b>	<b>8.60%</b>	<b>2694969</b>	<b>0</b>	<b>2694969</b>	<b>8.60%</b>	<b>0</b>	<b>0%</b>
<b>(2) Non Institutions</b>										
a) Bodies corporate										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	6209498	509391	6718889	21.46%	6217852	510315	6728167	21.49%	-9278	-0.03%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	4455702	0	4455702	14.23%	4482505	0	4482505	14.32%	-26803	-0.09%
Any Other	1274623	51014	1325637	4.24%	1238542	51014	1289556	4.12%	36081	0.12%
<b>SUB TOTAL (B)(2):</b>	<b>11939823</b>	<b>560405</b>	<b>12500228</b>	<b>39.93%</b>	<b>11938899</b>	<b>561329</b>	<b>12500228</b>	<b>39.93%</b>	<b>0</b>	<b>0%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>14634792</b>	<b>560405</b>	<b>15195197</b>	<b>48.53%</b>	<b>14633868</b>	<b>561329</b>	<b>15195197</b>	<b>48.53%</b>	<b>0</b>	<b>0%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>30747706</b>	<b>560405</b>	<b>31308111</b>	<b>100.00%</b>	<b>30746145</b>	<b>561966</b>	<b>31308111</b>	<b>100.00%</b>	<b>0</b>	<b>0%</b>

**(ii) Shareholding of Promoter**

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

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

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

<b>(iv) Shareholding Pattern of top ten Shareholders</b>							
<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	CANARA 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	RAJESH KUMAR SARDA						
	At the beginning of the year			4,35,254	1.39%	4,35,254	1.39%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,35,254	1.39%	4,35,254	1.39%
	.						
6	PUNJAB NATIONAL BANK						
	At the beginning of the year			4,33,297	1.38%	4,33,297	1.38%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,33,297	1.38%	4,33,297	1.38%
	.						
7	ANIRUDH RATHI						
	At the beginning of the year			427,482	1.37%	427,482	1.37%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			427,482	1.37%	427,482	1.37%
	.						
8	BANK OF BARODA						
	At the beginning of the year			369,161	1.18%	369,161	1.18%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			369,161	1.18%	369,161	1.18%
	.						
9	ASISH AGRAWAL						
	At the beginning of the year			225,041	0.72%	225,041	0.72%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225,041	0.72%	225,041	0.72%
	.						
10	PURUSHOTTAM SARDA						
	At the beginning of the year			199,286	0.64%	199,286	0.64%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			199,286	0.64%	199,286	0.64%

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

<b>V. INDEBTEDNESS (Rs. in Lacs)</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	24009.14	149.60	0	24158.74
ii) Interest due but not paid	4671.36	0	0	4671.60
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>28680.50</b>	<b>149.60</b>	<b>0</b>	<b>28830.10</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	754.84	0	754.84
* Reduction	16290.09	76.99	0	16367.08
<b>Net Change</b>	<b>-16290.09</b>	<b>677.85</b>	<b>0</b>	<b>-15612.24</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	11877.09	827.45	0	12704.54
ii) Interest due but not paid	513.32	0	0	513.32
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>12390.41</b>	<b>827.45</b>	<b>0</b>	<b>13217.86</b>

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	<b>Name</b>	<b>PREM NARAIN VARSHNEY</b>	(Rs/Lac)
	Designation	<b>Managing Director</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,76,150	2.76
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission		
	- as % of profit	--	--
	- others, specify	--	--
5	Others, please specify		
	<b>Total (A)</b>	<b>2,76,150</b>	<b>2.76</b>
	Ceiling as per the Act		

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		ABHISHEK VERMA	SANGEETA PANDEY	PINKY VERMA	(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings	--	--	--	--
	Commission	--	--	--	-



SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		ABHISHEK VERMA	SANGEETA PANDEY	PINKY VERMA	
	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)	--	--	--	2.76
	Overall Ceiling as per the Act				N.A.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD				(Rs/Lac)
SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Name	Rakesh Kumar	
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,03,347	3,00,000	7.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	- as % of profit		-	-
	- others, specify		-	-
5	Others, please specify		-	-
	<b>Total</b>	<b>4,03,347</b>	<b>3,00,000</b>	<b>7.03</b>

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

#### Annexure 4

##### PARTICULARS OF REMUNERATION

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

- (a) **The ratio of the remuneration of each director to the median remuneration of the employee (K.M.P.'s) of the Company for the financial year:**

Directors	Ratio to median Remuneration
Sh. Prem Narain Varshney	0.92
Sh. Abhishek Verma	N.A.

Directors	Ratio to median Remuneration
Smt. Pinky Verma	N.A.
Smt Sangeeta Pandey	N.A.

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

Name of person	% increase in remuneration
Sh. Prem Narain Varshney	N.A.
Sh. Rakesh Kumar	N.A.
Smt. Shobhita Singh	N.A.

- (c) **The percentage increase in the median remuneration of employees in the financial year** – Looking at the previous losses 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 31-03-2023 employees are 162. Further, the contractual labour were 14 as on 31-03-2023.
- (e) **The explanation on the relationship between average increase in remuneration and company performance:** Looking at the past losses 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 2022-23 (Aggregated)	9.79
Total Income	75756.98
Remuneration (as % of Total Income)	0.013%
Profit before tax (PBT)	8747.17
Remuneration (as % of PBT)	0.11%

- (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;

The BSE had suspended the trading of Shares due to Non-Payment of Annual Listing Fees and other charges. With Sincere efforts, Company has already completed all the requirements including payment of Listing Fee and other charges which ultimately resultant into revocation of suspension in trading of Company's Shares with Bombay Stock Exchange (BSE) w.e.f. 3<sup>rd</sup> July 2023.

- (h) Marginal increment already made in the salaries of some 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	2.76	3.00	4.03
Total Income	72756.98		
Remuneration ( as % Revenue)	0.0038%	0.0041%	0.0055%
Profits before tax (PBT)	8747.17		
Remuneration (as % of PBT)	0.32%	0.034%	0.46%

- (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: Disclosed
- (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

### GLOBAL STEEL SCENARIO

The global iron and steel market size was valued at USD 1,538.72 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 5.1% from 2022 to 2030. The market is anticipated to be driven by rising investments in the residential construction sector. The development of smart city projects across the globe is projected to remain a key factor in driving the aforementioned trend. According to the National Bureau of Statistics of China, in 2021, China's investment in residential construction was valued at USD 1747.2 million i.e., a 6.4% increase compared to the previous year. Moreover, the country has the world's largest buildings market, accounting for 20.0% of global construction investments. Furthermore, according to the 14th Five-Year Plan (2021-2025), the country is planning to increase its urbanization rate to 65.0% by 2025 as compared to 64.7% in 2021.

Rising automotive production, investments in construction, and infrastructure development are expected to propel market growth over the forecast period. According to the Federal Reserve, motor vehicles and parts production in the U.S. rose to 7.8% in March 2022 from 4.6% in February 2022. In March 2022, the total assemblies of light trucks and cars reached around 9.5 million vehicles from 8.3 million in February 2022.

#### Application Insights

The building and construction segment held the largest revenue share of more than 45.0% in 2021 and the trend is expected to continue over the forecast period. Rising investments in construction activities are expected to boost the demand for steel over the forecast period. For instance, in April 2022, Alliance Group, a leading real estate developer, announced to invest USD 1,125.8 million for its construction projects in Hyderabad, Chennai, and Bengaluru, India.

According to the American Iron and Steel Association, steel constitutes about 54% of an average vehicle. It is used for manufacturing various automotive parts such as door panels, chassis, frames, and support beams. Although aluminum is replacing steel due to its lightweight property, it is still preferred in automotive parts manufacturing owing to its durability, strength, and ability to be continuously recycled.

To reduce the dependency on aluminum, steel manufacturers are now investing in the production of advanced high-strength steel products, which enable car manufacturers to reduce vehicle weight by 35-40%. For instance, one of the largest steel manufacturers in the world, ArcelorMittal, has developed various advanced high-strength steel products such as Fortiform, Ductibor 1000, and Usibor 2000 to respond to the sudden shift toward lightweight automotive parts.

Steel is widely used in various heavy industries such as shipbuilding, defense products manufacturing, and oil and gas. Rising investments in these industries are expected to fuel market growth over the forecast period. For instance, in February 2022, the German government decided to invest USD 112.0 billion in military equipment manufacturing and is planning to allocate over 2% of the country's economic output to the defense sector annually.

#### Iron & Steel Industry in India

*India's steel consumption is expected to grow by 7.5% in FY24, while the demand of steel is expected to be 128.9 MT.*

One of the primary forces behind industrialization has been the use of metals. Steel has traditionally occupied a top spot among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Therefore, it would not be an exaggeration to argue that the steel sector has always been at the forefront of industrial progress and that it is the foundation of any economy. The Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

As of December 2022, India was the world's second-largest producer of crude steel. In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. In April-November 2022, the production of crude steel and finished steel stood at 81.96 MT and 78.09 MT respectively. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

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

#### MARKET SIZE

In the past 10-12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely organic.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. Between April-December 2022, India's finished steel consumption stood at 75.34 MT. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.

In FY23 (until January 2023), the exports of finished steel stood at 5.33 MT, while the imports stood at 5 MT. In FY22, exports and imports of finished steel stood at 13.49 MT and 4.67 MT, respectively. In FY22, India's export rose by 25.1% YoY, compared with 2021. In FY21, India exported 9.49 MT of finished steel. In December 2022 exports of finished steel stood at 4.42 lakh tonnes.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030–2031. By 2030–31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030–1931. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.

### **INVESTMENTS**

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

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-December 2022, Indian metallurgical industries attracted FDI inflows of US\$ 17.22 billion.

In FY22, demand for steel was expected to increase by 17% to 110 million tonnes, driven by rising construction activities. Some of the major investments in the Indian steel industry are as follows:

- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US\$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
- In September 2022, Steel Authority of India Limited (SAIL), a Maharatna PSU, supplied 30,000 tonnes of the entire DMR grade specialty steel for the nation's first indigenously built Aircraft Carrier INS Vikrant.
- In August 2022, Tata Steel signed an MoU with Punjab Government to set up a steel scrap based electric arc furnace steel plant.
- In May 2022, Tata Steel announced a CAPEX of Rs. 12,000 crore (US\$ 1.50 billion).
- In October 2021, Tata Steel was planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- In October 2021, JSW Steel invested Rs. 150 billion (US\$ 19.9 million) to build a steel plant in Jammu and Kashmir and boost manufacturing in the region.
- In October 2021, ArcelorMittal and Nippon Steel Corp.'s joint venture steel firm in India, announced a plan to expand its operations in the country by investing ~Rs. 1 trillion (US\$ 13.34 billion) over 10 years.
- In August 2021, Tata Steel announced to invest Rs. 8,000 crore (US\$ 1.08 billion) in capital expenditure to develop operations in India in FY22.
- In August 2021, ArcelorMittal announced to invest Rs. 1 lakh crore (US\$ 13.48 billion) in Gujarat for capacity expansion.
- In August 2021, Tata Steel announced to invest Rs. 3,000 crore (US\$ 404.46 million) in Jharkhand to expand capacities over the next three years.
- In August 2021, Jindal Steel & Power Ltd. announced plans to invest US\$ 2.4 billion to increase capacity over the next six years to meet the rising demand from customers.
- In the next three years from June 2021, JSW Steel is planning to invest Rs. 47,457 crore (US\$ 6.36 billion) to increase Vijayanagar's steel plant capacity by 5 MTPA and establish a mining infrastructure in Odisha.

### **GOVERNMENT INITIATIVES**

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

- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- In October 2021, India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steel making).
- In July 2021, the Union Cabinet approved the production-linked incentive (PLI) scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.
- In June 2021, Minister of Steel & Petroleum & Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals. In 2020, 'Mission Purvodaya' was launched to accelerate the development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone.
- In June 2021, JSW Steel, CSIR-National Chemical Lab (NCL), Scottish Development International (SDI) and India H2 Alliance (IH2A) joined forces to commercialise hydrogen in the steel and cement sectors.
- Under the Union Budget 2023-24, the government allocated Rs. 70.15 crore (US\$ 8.6 million) to the Ministry of Steel.
- In addition, an investment of Rs. 75,000 crore (US\$ 9.15 billion) (including Rs. 15,000 crore (US\$ 1.83 billion) from private sources) has been allocated for 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, and steel.

- In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India–Japan Steel Dialogue.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends 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 the 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.

(Source: <https://www.ibef.org/industry/steel>)

#### **Recent developments in the steel sector**

The Ministry of Steel signed 57 MoUs with 27 companies for specialty steel under the PLI scheme (Production Linked Incentive). Under the scheme the government has approved a sum of ₹6322 crore for steel sector growth. Apart from creating new jobs and contributing to making India the 3<sup>rd</sup> largest economy globally (by 2030-31), the scheme aims to create an additional capacity of 25 MT of specialty steel in the next five years.

(Source: *IndiaCSR*)

- For focused production of value-added steel, collaboration between the 27 companies and the government is crucial
- Initiatives like Green Steel and Hydrogen Mission would enable low carbon emissions
- R&D, new product development, and best practices should be adopted across the steel sector

As can be seen from the recent events and Indian steel sector overview, there's a promising future for the steel sector in India.

#### **5 reasons for growth of steel sector in India**

With cities expanding, technological advent of Industry 4.0, and rise in construction and engineering projects, the meteoric rise of the steel industry is not unexpected. Today, there are different types of steel manufactured and used in India to cater to its rising demand. From the industry-wide use of steel coils to steel channels and steel alloys, there is a market ready for steel products everywhere.

An Indian steel industry overview analysis will identify the following as some of the reasons for the growth of the steel sector in India:

- **Resource availability:** Though the cost of iron-ore has been on the rise in recent years, it is still one of the most widely available resources domestically. In addition to that, considering that the production of steel is a capital- and labour-intensive process, labour is also available economically. This naturally has helped to balance steel production costs.
- **Industry-wide application:** Steel and steel products have its uses across multiple industries – shipbuilding, automotive, pharmaceutical, aviation, real estate, energy, home appliances, electronics etc. Whether it's using corrugated sheets in roofing or using TMT bars in buildings for safety against natural disasters, the use of steel as a raw material is visible across all industries.
- **Longevity of steel metal:** Steel as a metal has longevity. For instance, stainless steel used in making cutlery lasts longer than glass. Steel is also low on maintenance. TMT bars used in housing construction projects can stand for years unlike wood or other raw material used. Moreover, based on its composition and type, steel is strong, ductile, can bear heavy load, is corrosion and heat resistant – in short, it's more cost-effective and value-for-money than other raw materials. Recycling of steel is also possible which makes it a preferred raw material in industries, adding to its growing demand.
- **Government initiatives:** As stated previously, the government has introduced several initiatives to boost steel production in India and reach 300 MT in production by 2030. It has removed the 15% export taxes, and working towards removing technology, logistics and infrastructure bottlenecks.
- **Ease of purchase:** Technology has made buying and selling of steel and steel products easier today. Buyers can buy steel online through reliable steel marketplaces and online websites, in a secure, transparent, and quick manner.

#### **Summing up: Overview of the steel sector in India**

A ₹10 lakh crore capital expenditure plan was announced. The goal of this plan is to focus on domestically produced steel to make the nation self-reliant. The plan would also position India as a leading manufacturing hub and gradually scale the steel sector's contribution to India's GDP from its current 2% to 5%. (Source: *IndiaCSR*)

As a raw material, the demand for steel has been steadily rising. Though there are often concerns about price hike and environmental factor, the benefits and applications of the metal are too many.

#### **Future outlook of your Company**

Your Company plans to optimize / augment production of value-added steel. Your Company has taken steps to undertake debottlenecking activities, augment shares of value-added steel and initiate work to add downstream facilities in the stainless steel division.

For TMT bars segment, talks have been initiated to explore possibilities of securing raw material supplies to make higher / better grade of finished products. Having said the above, your Company does expect challenges from various external factors like imposition of export duty, various geopolitical disturbances and recessionary trends in the western countries. These challenges are expected to hit the margins in the short / medium term, through the domestic consumption scenario does seem reasonable.

## **OPPORTUNITIES AND RISKS**

### **OPPORTUNITIES**

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

### **RISKS**

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

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

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

#### **2. Financial risks**

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

#### **3. Regulatory risks**

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

#### **4. Operational risks**

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

#### **5. Market related risks**

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

#### **6. People risk**

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

The Company's mitigation strategies are enumerated as under:

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

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

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

## 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 54251.63 Lacs as against previous year of Rs. 42429.66 Lacs. During the third quarter of the current financial year, M/s Assets Care and Restructuring Enterprise Ltd has sold the Company's mortgaged assets (Land, Building and structures, movable/immovable Plant and Machinery, furniture and fittings and other assets etc.) at Orissa unit for Rs.90.00 Crores. During the current year, Company has incurred loss of Rs. 3648.86 Lacs (including exceptional loss/Profit of Rs. 4111.35 Lacs towards Odisha Sale Unit/OTS). 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, 2023, 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%) all 3 are Independent Directors and two 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	10	Yes
Mr. Abhishek Verma	NED (I)	Nil	Nil	10	Yes
Mrs Pinky Verma	NED (I)	Nil	Nil	10	Yes
Mrs Sangeeta Pandey	NED (I)	Nil	Nil	10	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) Ten 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:  
30.05.2022, 13.08.2022, 18.08.2022, 19.08.2022, 29.08.2022, 28.09.2022, 14.11.2022, 13.02.2023, 06.03.2023, 29.03.2023
- iii) During the year 2022-23, 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 29, 2023. 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 familiarization programme of the Independent Directors are there in the Company.

## Committees of the Board

### A. Audit committee

- i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- ii. The terms of reference of the audit committee are broadly as under:
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  - Examination of the financial statement and the auditors' report thereon;
  - The audit committee shall review the information required as per SEBI Listing Regulations.
- iii. The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting ("AGM") of the Company was held on 28<sup>th</sup> September 2022 and was attended by Mr. Abhishek Verma, who was Chairman of the audit committee in FY 2021-22.

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 2022-23, Four Audit Committee Meetings were held on 30.05.2022, 13.08.2022, 14.11.2022 and 13.02.2023. 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 Four meeting i.e. on 30.05.2022, 13.08.2022, 14.11.2022 and 13.02.2023

**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 2022-23 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 30.05.2022, 13.08.2022, 14.11.2022 and 13.02.2023.

**PREVENTION OF INSIDER TRADING**

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

**Disclosures**

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

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

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

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

**SHAREHOLDERS****i) Means of Communication**

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

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

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

**ii) Compliance Officer**

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

**iii) Insider Trading**

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

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

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

**v) General Body Meetings**

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

Year	Venue of Meeting	Date & Time	Special Resolution Passed
2021-2022	Through VC. / OAVM	28 <sup>th</sup> September 2022, 5.00 PM	Yes
2020-2021	Through VC. / OAVM	29 <sup>th</sup> September 2021, 5.00 PM	Yes
2019-2020	Through VC. / OAVM	30 <sup>th</sup> December 2020, 2.00 PM	Yes

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

**10. GENERAL SHAREHOLDER INFORMATION**

**i) Annual General Meeting:** Date : 29<sup>th</sup> September 2023  
Day : Friday  
Time : 10.00 A.M.

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

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

Board Meeting to take on record	Schedule
Results for the	
* Quarter ending 30 <sup>th</sup> June, 2023	On or before Aug 14, 2023
* Quarter ending 30 <sup>th</sup> September, 2023	On or before Nov 14, 2023
* Quarter ending 31 <sup>st</sup> December, 2023	On or before Feb 14, 2024
* Quarter ending 31 <sup>st</sup> March, 2024	On or before May 30, 2024

**iii) Book Closure Date** : 23<sup>rd</sup> September 2023 to 29<sup>th</sup> September 2023 (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 BSE had suspended the trading of Shares due to Non-Payment of Annual Listing Fees and other charges. With Sincere efforts, Company has already completed all the requirements including payment of Listing Fee along with the other charges which ultimately resultant into revocation of suspension in trading of Company’s Shares with Bombay Stock Exchange (BSE) w.e.f. 3<sup>rd</sup> July 2023.

**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, 2023:-**

During the year 2022-23, 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, 2023.

**x) Dematerialization of Shares :**

The Company has entered into an agreement with NSDL and CDSL for dematerialization of shares. As on March 31, 2023, a total of 30747706 Equity Shares representing 98.21% of the total paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode. The shares of the Company can be traded in demat mode only.

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

**Number of shares held in dematerialized and physical Mode as on 31<sup>st</sup> March,2023**

Particulars	Total Shares	% of Equity
Shares in dematerialized form with NSDL	11494799	36.72%
Shares in dematerialized form with CDSL	19252907	61.49%
Physical	560405	1.79%
<b>Total</b>	<b>31308111</b>	<b>100.00%</b>

**xi) Distribution of Shareholding:**

The distribution of shareholding as on March 31, 2023 was as under:-

Range of Holding	Shareholders Number	%	No. of Shares	%
1 to 5000	10504	80.28%	1610790	5.15%
5001 to 10000	1285	9.82%	1053883	3.37%
10001 to 20000	622	4.75%	947538	3.03%
20001 to 30000	185	1.41%	475870	1.52%
30001 to 40000	108	0.83%	384851	1.23%
40001 to 50000	102	0.78%	480073	1.53%
50001 to 100000	136	1.04%	1011383	3.23%
100001 & above	142	1.09%	25343723	80.94%
<b>TOTAL</b>	<b>13084</b>	<b>100.00%</b>	<b>31308111</b>	<b>100.00%</b>

*(110 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, 2023.

**xiii) Address for Correspondence:**

Rathi Steel and Power Limited  
Plot No. 24/1, Block A,  
Mohan Cooperative Industrial Estate  
Mathura Road, New Delhi-110044  
Ph: 011- 40512426  
Web Site: www.rathisteelandpower.com  
E-mail ID: investors@rathisteelandpower.com

## OTHER DISCLOSURES

### Statutory Compliance

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

### Whistleblower Policy and Vigil Mechanism

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

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

### Accounting Treatment in preparation of Financial Statements

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

### CEO / CFO Certification

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31st March, 2023.

### 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, 2023.

For Rathi Steel and Power Limited

Sd/-

**Prem Narain Varshney**  
Managing Director  
DIN: 00012709

New Delhi  
05-09-2023

### 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, 2023, as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with schedule V of the same

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

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

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

Sd/-

**Sameer Kishore Bhatnagar**  
Practicing Company Secretary  
M. No. 30997  
CoP No. 13115  
UDIN: A030997E000795442

Place: New Delhi  
Date: 01-09-2023

**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<sup>st</sup> March 2023, 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<sup>st</sup>, 2023, the Profit, 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 the Matter**

During the period under report Company has entered into debt restructuring agreement with M/s Assets Care and Restructuring Enterprises Ltd (ACRE), effective from 01-04-2022, in respect of debt assigned by JM Financial Asset Reconstruction Company Private Limited (The Karur Vysya Bank Ltd). The Company has also concluded the OTS (one-time settlement) entered into with Union Bank (erstwhile Corporation Bank Ltd), by adhering and paying the settled amount in full. Further, the company has entered into a OTS (one-time settlement) with Canara Bank and is confident of concluding / implementing the same as per mutually agreed terms with the bank. The said settlement has been made keeping in mind, the interest of all stakeholders, without admission of any liability.

The effect of reduction of such liabilities are represented in the respective financial statements under the head Reserves and Surplus, extra-ordinary item in the Profit and loss account. To that extent, financial statements for the current / previous year has been recasted, regrouped and rearranged wherever necessary. The restructured portion of loan are shown as per the terms of restructuring and amount payable within one year is classified as current liabilities.

However, in case debt restructuring with respect to assigned loans to M/s Assets Care and Restructuring Enterprises Ltd (ACRE) and Canara Bank (OTS) agreement is terminated in accordance with terms of agreement / OTS, the Lenders shall have a right to revoke the relief and concessions provided in the Restructured / settlement agreements / sanction. Contingent liability in case of such default has not been provided for as the Company is confident of meeting its commitment as per restructuring agreement.

Considering the above measures and efforts being made by the management for long term revival of debt, 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.

**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 judgement 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 communicates 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure '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 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup>, March 2023 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 M. LAL & CO.**  
Chartered Accountants  
Firm Registration Number: 016069C  
Sd/-  
M. L. Agrawal  
Proprietor  
M.No.:011148  
UDIN: 2301148BGURCC9757

Place : New Delhi  
Date : 30/05/2023

**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 31<sup>st</sup> March 2023, 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. 11.69 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<sup>st</sup> March 2023 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 of Cash Credits	578.26	2017-18 (AY)	Commissioner of Income Tax – Appeals
	Penalty & Late Fess	11.85	2014-15 (AY)	Commissioner of Income Tax – Appeals (TDS)
Central Excise Act, 1944	Excise Duty	317.15	2005-06 to 2007-08	High Court of Odisha
		133.32	2008-09 to 2012-13	Under Appeal with CESTAT
		77.21	2006-07	Supreme Court of India
		239.61	2014-15	DGCEI New Delhi
Sales Tax Act of Various States	Sales Tax	13.70	2010-11 to 2013-14	Before Addl. Commissioner , Northern Zone, Sambalpur
		883.30	1994-95 to 2012-13	Commercial Tax Tribunal, UP
		1590.78	1994-95 to 2016-17	Additional Commissioner Grade-2, Appeal-1, UP
		424.78	2011-22 & 2012-13	Jt. Commissioner, Appeal, Haryana
		810.42	2013-14	Jt. Commissioner, Appeal, Haryana
		876.30	2007-08 to 2010-11	High Court Prayagraj Revision filed by department.

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. 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 have assigned debts to ARCs M/s Asset Care and Reconstruction Enterprise Ltd.
10. 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.

11. 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.
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. The company has an internal audit system in accordance with its size and business activities. However, the reports of the internal auditors have not been made available to us.
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.
17. The company has not incurred cash losses in the financial year and the immediately preceding financial year.
18. During the year, there has been no resignation of statutory auditors.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. With respect to obligations under Corporate Social Responsibility, this clause not applicable to company.
21. Qualifications or adverse remarks in the audit reports issued by the respective auditors in case of companies – This clause is not applicable to the Company.

Place : New Delhi  
Date : 30/05/2023

**For M. LAL & CO.**  
Chartered Accountants  
Firm Registration Number: 016069C  
Sd/-  
M. L. Agrawal  
Proprietor  
M.No.:011148  
UDIN: 23011148BGURCC9757



**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<sup>st</sup> March 2023, 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<sup>st</sup> March, 2023 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<sup>st</sup> March 2023, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Place : New Delhi  
Date : 30/05/2023

**For M. LAL & CO.**  
Chartered Accountants  
Firm Registration Number: 016069C  
Sd/-  
M. L. Agrawal  
Proprietor  
M.No.:011148  
UDIN: 2301148BGURCC9757

**RATHI STEEL AND POWER LIMITED**  
**CIN L27109DL1971PLC005905**  
**BALANCE SHEET AS AT 31ST MARCH , 2023**

(Amount in lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipment	2	6590.61	6736.89
(b) Capital work - in - progress			
<b>(c) Financial assets</b>			
(i) Non Current Investments	3	15.71	15.71
(ii) Other financial assets	4	350.70	283.20
(d) Other non - current assets	5	126.52	135.09
Deffered Tax Assests		7290.97	7290.97
<b>Total Non- Current Assets</b>		<b>14374.51</b>	<b>14461.86</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	3507.34	2498.68
<b>(b) Financial assets</b>			
(i) Trade receivables	7	808.91	680.42
(ii) Cash and cash equivalents	8	121.94	131.02
(iii) Other financial assets	9	1372.83	1380.15
(c) Other current assets	10	278.19	478.61
<b>Total Current Assets</b>		<b>6089.21</b>	<b>5168.88</b>
<b>TOTAL ASSETS</b>		<b>20463.72</b>	<b>19630.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	11	7650.49	7650.49
(b) Other Equity	12	-10041.14	-25623.69
<b>Total Equity</b>		<b>-2390.65</b>	<b>-17973.20</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	13	6323.34	20525.41
(b) Provisions	14	208.68	199.68
(c) Other Long Term Liabilites	15	2768.95	1376.92
(d) Other non current liability			
<b>Total Non- Current Liabilities</b>		<b>9300.97</b>	<b>22102.01</b>
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	16	1357.07	7315.09
(ii) Trade payables	17	5833.19	3571.64
(b) Other current liabilities	18	6329.58	4581.64
(c) Provisions	19	33.56	33.56
<b>Total Current Liabilities</b>		<b>13553.40</b>	<b>15501.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20463.72</b>	<b>19630.74</b>

The accompanying Notes are an integral part of the financial statements

As per our Report of even date  
For M. Lal & CO.  
Chartered Accountants  
Firm Registration No - 016069C

Sd/-  
Abhishek Verma  
Director  
DIN-08104325

Sd/-  
P.N.Varshney  
Managing Director  
DIN -00012709

Sd/-  
M.L.Agrawal  
(Proprietor)  
M. No. 011148  
UDIN: 23011148BGURCC9757

Sd/-  
Shobhita Singh  
Company Secretary

Sd/-  
Rakesh Kumar  
CFO

Place : New Delhi  
Dated : 30.05.2023

(Amount in lakhs)

Particulars	Note No.	2022-2023	2021-2022
Revenue from operations	20	72654.66	54251.63
Other income	21	102.32	325.92
<b>Total Income</b>		<b>72756.98</b>	<b>54577.56</b>
<b>Expenses</b>			
Cost of material consumed	22	60953.78	45140.00
Purchases of Stock-in-Trade			
Changes in inventories of Finished goods and Work - in -progress	23	-2183.86	-142.31
Excise Duty on sale of goods			
Employee benefit expense	24	681.45	612.79
Finance Costs	25	1210.31	1311.15
Depreciation & amortization expense		832.52	1346.44
Other Expenses	26	10037.43	5847.00
<b>Total Expenses</b>		<b>71531.63</b>	<b>54115.07</b>
<b>Profit before exceptional items &amp; tax</b>		<b>1225.35</b>	<b>462.49</b>
Less : Extra Ordinary / Exceptional Items	27	-7521.82	4111.35
<b>Profit/(Loss) before tax</b>		<b>8747.17</b>	<b>-3648.86</b>
<b>Less: Tax expenses</b>			
(1) Current tax of Current year of Earlier years		24.89	.00
(2) Deferred tax of Current year of Earlier years			
<b>Total Tax Expenses</b>		<b>24.89</b>	<b>.00</b>
<b>Profit after tax</b>	A	<b>8722.28</b>	<b>-3648.86</b>
Other Comprehensive Income			
Other Comprehensive Income/ Expenses net of taxes expenses item that will not be reclassified to profit or loss		42.26	41.32
Total Other Comprehensive Income for the year	B	42.26	41.32
<b>Total Comprehensive Income for the year</b>	(A+B)	<b>8764.54</b>	<b>-3607.54</b>

The accompanying Notes are an integral part of the financial statements

As per our Report of even date  
For M. Lal & CO.  
Chartered Accountants  
Firm Registration No - 016069C

Sd/-  
Abhishek Verma  
Director  
DIN-08104325

Sd/-  
P.N.Varshney  
Managing Director  
DIN -00012709

Sd/-  
M.L.Agrawal  
(Proprietor )  
M. No. 011148  
UDIN: 23011148BGURCC9757

Sd/-  
Shobhita Singh  
Company Secretary

Sd/-  
Rakesh Kumar  
CFO

Place : New Delhi  
Dated : 30.05.2023

RATHI STEEL AND POWER LIMITED  
CIN L27109DL1971PLC005905  
NOTES TO FINANCIAL STATEMENT AS ON 31ST MARCH 2023

Property, Plant and Equipment

NOTE - 2

(Amount in lakhs)

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 01.04.2022 (Rs.)	Addition during the year (Rs.)	Sales/ Adjustment (Rs.)	As at 31.03.2023 (Rs.)	Upto 31.03.2022 (Rs.)	Adjustment (Rs.)	For the Year (Rs.)	Total Upto 31.03.2023 (Rs.)	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
<b>FIXED ASSETS</b>										
Land Freehold	-	-	-	-	-	-	-	-	-	-
Land Leasehold	244.98	-	-	244.98	-	-	-	-	244.98	244.98
Boundary Wall	1.74	-	-	1.74	1.39	-	-	1.39	.35	.35
Building	332.82	-	-	332.82	181.26	-	10.38	191.64	141.18	151.56
Plant & Machinery	17256.06	667.45	-	17923.51	10933.92	-	817.13	11751.05	6172.46	6322.14
Furniture Fixtures	60.59	.47	-	61.06	57.54	-	.12	57.66	3.40	3.04
Office Equipment	51.16	6.12	-	57.28	39.71	-	2.89	42.60	14.68	11.45
Vehicles	163.45	7.81	-	171.26	162.43	-	.45	162.88	8.38	1.02
Computers	64.08	4.39	-	68.47	61.74	-	1.55	63.29	5.18	2.35
<b>TOTAL</b>	<b>18174.88</b>	<b>686.24</b>	<b>.00</b>	<b>18861.12</b>	<b>11437.99</b>	<b>.00</b>	<b>832.52</b>	<b>12270.51</b>	<b>6590.61</b>	<b>6736.89</b>
Previous Year	45032.53	740.21	27597.86	18174.88	24230.81	14139.25	1346.44	11437.99	6736.89	

3 NON CURRENT INVESTMENTS

(Amount in lakhs)

Particulars			As at		As at	
			March 31, 2023		March 31, 2022	
	Face Value	No. of Shares	Value	No. of Shares	Value	
<b>Non Trade Investments</b>						
Quoted						
<u>Equity Instruments</u> (At FVOCI)						
Bank of Baroda	2	635	.29	635	.29	
State Bank of India	1	7,980	4.90	7,980	4.90	
Focus Industrial Resources Ltd	10	2,400	.20	2,400	.20	
BOB Pioneer PSU Mid Cap - Equity Plan	10	1,00,000	10.00	1,00,000	10.00	
<b>Total Value of Quoted Investments</b>			<b>15.39</b>		<b>15.39</b>	
Unquoted						
Moradabad Syntex Ltd	10	20000	.00	.20	.00	
First Financial Services Ltd	10	1,000	.10	.01	.10	
Lynx Traders & Export Ltd	10	3,350	.34	.03	.34	
<b>Total Value of Unquoted Investments</b>			<b>.44</b>		<b>.44</b>	
Less : Provision for diminution in Value			.12		.12	
			<b>15.71</b>		<b>15.71</b>	
<b>Fair Market Value of Quoted Investments</b>			<b>57.65</b>		<b>56.71</b>	
<b>Fair Value of Unquoted Investments (Net of Provision)</b>			<b>.32</b>		<b>.32</b>	
<b>Total</b>			<b>57.97</b>		<b>57.03</b>	
<b>Other Comprehensive Income not to be reclassified to P &amp; L account</b>			<b>42.26</b>		<b>41.32</b>	

4 OTHER FINANCIAL ASSETS

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
Security Deposit		350.70		283.20
		<b>350.70</b>		<b>283.20</b>

5 OTHER NON CURRENT ASSETS

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
Trade Receivable and Advance recoverable in cash or kind or for value to be received				
a ) Unsecured - Considered Good		126.52		135.09
b ) Unsecured - Considered Doubtful	.00		.00	
Less : Provision for Bad & Doubtful	.00		.00	
Others		.00		.00
		<b>126.52</b>		<b>135.09</b>

6 INVENTORIES

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
Raw Material		786.51		2211.09
Work-in-progress		.00		.00
Finished Goods		2328.56		144.70
Stores & Spares		355.09		103.03
Fuel & Oils		37.18		39.86
		<b>3507.34</b>		<b>2498.68</b>

7 TRADE RECEIVABLES

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
(Unsecured)				
Considered Good		729.88		647.83
Considered Doubtful		83.52		13.75
Less: Provision for doubtful Debts		-4.49		-4.49
Others		.00		23.34
		<b>808.91</b>		<b>680.42</b>

8 CASH AND CASH EQUIVALENTS

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
<u>Balance With Banks</u>				
- On Current account		22.60		48.58
Cash on Hand		20.24		19.89
Deposits (Original maturity of less than 3 months.)		64.22		49.40
Interest accrued on Deposits		14.88		13.15
		<b>121.94</b>		<b>131.02</b>

9 OTHER FINANCIAL ASSETS

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
Balance with Statutory/ Government Authorities	482.67		722.72	
Trade advances	22.92		124.06	
Less : Provision for doubtful	-3.38		-3.38	
Advance recoverable in cash or kind or for value to be received	806.78		472.90	
Security Deposits	63.84		63.84	
	<b>1372.83</b>		<b>1380.15</b>	

10 OTHER CURRENT ASSETS

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
Prepaid Expenses	5.84		6.64	
Advance Income Tax/ Tax Deducted At Source	272.35		471.97	
	<b>278.19</b>		<b>478.61</b>	

11 EQUITY SHARE CAPITAL

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
<b>Authorized Share Capital</b>				
320,00,000 Equity shares, Rs. 10- par value (31 March 2023: 320,00,000 equity shares Rs. 10- each) (1 April 2022: 320,00,000 equity shares Rs. 10- each)	3200.00		3200.00	
580,00,000 Redeemable Preferential shares, Rs. 10- par value (31 March 2023: 580,00,000 Redeemable Preferential Shares Rs. 10- each) (1 April 2022: 580,00,000 Redeemable Preferential Shares Rs. 10- each)	5800.00		5800.00	
	<b>9000.00</b>		<b>9000.00</b>	
<b>Issued, Subscribed and Fully Paid Up Shares</b>				
31308111 Equity shares, Rs. 10- par value fully paid up (31 March 2023: 31308111 equity shares Rs. 10- each) (1 April 2022: 31308111 equity shares Rs. 10- each)	3130.81		3130.81	
45196748 Redeemable Preferential shares, Rs. 10- par value fully paid (31 March 2023: 45196748 Redeemable Preferential Shares Rs. 10- each) (1 April 2022: 45196748 Redeemable Preferential Shares Rs. 10- each)	4519.67		4519.67	
	<b>7650.49</b>		<b>7650.49</b>	

Note ( a ):The reconciliation of the number of equity shares outstanding at the beginning and at the end of reporting period 31-03-2023:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	3,13,08,111	3130.81	3,13,08,111	3130.81
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>3,13,08,111</b>	<b>3130.81</b>	<b>3,13,08,111</b>	<b>3130.81</b>

Note ( b ):The reconciliation of the number of redeemable preference shares outstanding at the beginning and at the end of reporting period 31-03-2023:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4,51,96,748	4519.67	4,51,96,748	4519.67
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>4,51,96,748</b>	<b>4519.67</b>	<b>4,51,96,748</b>	<b>4519.67</b>

Note : Terms/rights attached to equity shares

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

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

Name of the shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares held	% held	No. of shares held	% held
<b>Equity Shares</b>				
Archit Securities Private Limited	40,35,223	12.89%	40,35,223	12.89%
DBG Leasing & Housing Limited	38,32,472	12.24%	38,32,472	12.24%
Pradeep Kumar Rathi	75,04,988	23.97%	75,04,988	23.97%

(Amount in lakhs)

PARTICULARS		AS AT 31.03.2023		AS AT 31.03.2022		AS AT 31.03.2021
<b>NOTE - 12 OTHER EQUITY</b>						
<b>(i) Reserve &amp; Surplus</b>						
<b>(a) Revaluation Reserve</b>		190.26		190.26		190.26
<b>(b) Capital Reserve</b>		5.21		5.21		5.21
<b>(c) Securities Premium Account</b>						
As Per Last Balance Sheet	10809.23		10809.23		10809.23	
Add: Received during the year	-		.00		.00	
Balance		10809.23		10809.23		10809.23
<b>(d) General Reserve</b>						
As Per Last Balance Sheet		7814.37		7814.37		1749.34
Add: Credited on account of Waiver of Term Loan by Lenders		6860.27				6065.03
<b>(e) Retained Earning</b>						
As Per Last Balance Sheet	-44442.76		-40793.91		-59808.14	
(Add)/ Less: Loss for the current year	8722.28		-3648.86		19014.24	
<b>Total ( e )</b>	.00	-35720.48	.00	-44442.76	.00	-40793.91
<b>Closing Balance</b>		-10041.14		-25623.69		-21974.84

**13 BORROWINGS**

Particulars	As at		As at
	March 31, 2023		March 31, 2022
<b>Secured</b>			
<b>From Bank / ARC</b>			
Term Loans	4950.41		9291.81
Working Capital Term Loans	718.75		7449.60
Funded Interest Term Loans	654.18		3784.00
<b>From Others</b>			
Finance / Lease Obligations	.00		.00
	<b>6323.34</b>		<b>20525.41</b>

**Notes**

1. Term Loans, Working Capital Term Loans and Funded Interest Term Loans from Banks are secured by :
  - a First Pari- Passu charge on Fixed Assets of the company
  - b Second Pari-Passu charge on Current Assets of the company,
  - c Personal guarantee of Shri Pradeep Rathi and Shri Udit Rathi,
  - d Pledge of Promoter's Equity Shareholdings i.e 51.47%.
  - e First pari-passu mortgage and charge on the immovable property in the name of Sh Pardeep Kumar Rathi situated at 112-A, Sector 21, Gurgaon, Haryana
  - f Pledge of 2840000 Redeemable 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.

**14 PROVISIONS**

Particulars	As at		As at
	March 31, 2023		March 31, 2022
Provision for Employee Benefits			
-Gratuity	208.68		199.68
	<b>208.68</b>		<b>199.68</b>

**15 OTHER LONG TERM LIABILITIES**

Particulars	As at		As at
	March 31, 2023		March 31, 2022
Unsecured Loans	61.04		138.03
Sundry Creditors for Capital Goods	52.30		60.49
Other Term Liabilities	1889.20		1166.83
Trade Deposits from Dealers	766.41		11.57
	<b>2768.95</b>		<b>1376.92</b>

**16 BORROWINGS**

Particulars	As at		As at
	March 31, 2023		March 31, 2022
<b>Secured From Bank / ARC</b>			
Working Capital Facilities (Including L/c Bills Crystallised)	1357.07		7192.89
BG Invoked	.00		122.20
	<b>1357.07</b>		<b>7315.09</b>

**17 TRADE PAYABLES**

Particulars	As at		As at
	March 31, 2023		March 31, 2022
Trade Payables	5833.19		3571.64
	<b>5833.19</b>		<b>3571.64</b>

**18 OTHER CURRENT LIABILITIES**

Particulars	As at		As at
	March 31, 2023		March 31, 2022
Statutory Dues Payable	336.14		1473.89
Advances From Customers	332.13		638.20
Other Payable	951.31		1629.56
Current Maturities of Long Term Debt / Lease Obligations	4710.00		840.00
	<b>6329.58</b>		<b>4581.64</b>

**19 PROVISIONS**

Particulars	As at		As at
	March 31, 2023		March 31, 2022
Provisions for Employee Benefits			
- For Bonus	28.64		28.64
- For Leave encashment	4.92		4.92
	<b>33.56</b>		<b>33.56</b>



20 REVENUE FROM OPERATIONS		(Amount in lakhs)	
Particulars	2022-2023	2021-2022	
Sale of Products	59897.59	44148.92	
Sale of Services	2753.79	5967.85	
<b>Other Operating Revenue</b>			
Others Operating Revenue	10003.28	4134.86	
	<b>72654.66</b>	<b>54251.63</b>	
<b>21 OTHER INCOME</b>			
Particulars	2022-2023	2021-2022	
Interest Income	37.59	34.86	
Net gain on sale of Fixed Assets	.00	4.24	
Dividend income from equity	2.88	.32	
License Fees Received	.00	240.00	
Sundry Balance Written Back (Net)	14.29	9.35	
Insurance Claims Received	11.48	37.16	
Bad Debts Recovered	36.08	.00	
Exchange Fluctuation Gain (Net)			
	<b>102.32</b>	<b>325.92</b>	
<b>22 COST OF MATERIALS CONSUMED</b>			
Particulars	2022-2023	2021-2022	
Inventory at the beginning of the year	2211.09	885.12	
Add: Purchases during the year	59529.20	46465.98	
	61740.29	47351.10	
Less: Inventory at the end of the year	786.51	2211.09	
	<b>60953.78</b>	<b>45140.00</b>	
<b>23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>			
Particulars	2022-2023	2021-2022	
<b>Inventories at the end of the year</b>			
Finished Goods	2328.56	144.70	
Work In Progress	-	-	
	<b>2328.56</b>	<b>144.70</b>	
<b>Inventories at the beginning of the year</b>			
Finished Goods	144.70	2.38	
Work In Progress	-	-	
	<b>144.70</b>	<b>2.38</b>	
Increase/(decrease) in Stock	<b>-2183.86</b>	<b>-142.31</b>	
<b>24 EMPLOYEE BENEFIT EXPENSES</b>			
Particulars	2022-23	2021-2022	
Salaries, Wages and Bonus	638.57	590.93	
Contribution to Provident and other fund	27.42	20.24	
Staff Welfare Expenses	15.46	1.63	
	<b>681.45</b>	<b>612.79</b>	
<b>25 FINANCE COST</b>			
Particulars	2022-2023	2021-2022	
Interest on Loans	-	-	
Other Borrowing Costs			
Bank Charges & Processing Fees/Finance Charges	1210.31	1311.15	
Interest to Others	-	-	
	<b>1210.31</b>	<b>1311.15</b>	

## 26 OTHER EXPENSES

Particulars	2022-2023	2021-2022
<b>A. Manufacturing Expenses</b>		
Consumption of Stores & Spares	3242.60	1329.26
Power & Fuel	5672.49	4078.81
Conversion Charges Paid	33.17	4.83
Repair & Maintenance		
Plant & Machinery	110.31	95.46
Building	3.50	.00
Others	46.15	37.82
<b>B. Selling Expenses</b>		
Freight Outward	41.70	3.41
Advertisement and Sales & Promotion Expenses	4.79	2.24
Testing Charges	15.30	12.66
<b>C. Administrative Expenses</b>		
Directors Salary	2.83	3.05
Insurance Charges	15.69	14.96
Legal & Professional Charges	227.17	109.97
Miscellaneous Expenses	509.98	60.95
Vehicle Running & Maintenance	4.23	3.45
Postage, Telegram & Telephone	3.19	4.15
Printing & Stationery	5.53	4.44
Rates, Taxes & fee	.67	.84
Rent	12.81	9.53
Travelling & Conveyance Expenses	81.32	67.16
Auditors' Remuneration	4.00	4.00
	<b>10037.43</b>	<b>5847.00</b>

## 27 EXTRA ORDINARY / EXCEPTIONAL ITEMS

Particulars	2022-2023	2021-2022
Loss on Sales of Fixed Assets - Orissa Unit	.00	4458.75
OTS with SBI Global Factors Ltd	.00	-347.40
Waiver of Short Term Borrowings from Lenders	-7521.82	.00
	<b>-7521.82</b>	<b>4111.35</b>

RATHI STEEL AND POWER LTD  
CIN L27109DL1971PLC005905  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

		(Rs. in Lacs)	
PARTICULARS		YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Taxation and Extra Ordinary Items	1,225.35	462.50
	Adjustments for :		
	Depreciation	832.52	1,346.44
	(Profit)/ Loss on Sale of Assets	-	(4.24)
	Insurance Claim Received	(11.48)	(37.16)
	Interest Paid	1,206.15	1,308.05
	Bad Debts Recovered	(36.08)	-
	Misc. Balance written back	(14.29)	(9.35)
	Dividend income	(2.88)	(0.32)
	Miscellaneous Income	-	-
	Interest income	(37.59)	(34.86)
	<b>Operating profit before working capital changes:</b>	<b>3,161.70</b>	<b>3,031.06</b>
	<b>Adjustments for:</b>		
	Increase in Trade receivables	(128.48)	1,193.00
	(Increase)/Decrease in inventories	(1,008.65)	(1,434.37)
	(Increase)/Decrease in Loans & Advances and other assets	148.81	727.47
	Increase in Current Liabilities and Other Long Term Liabilities	862.67	(580.33)
	Extra Ordinary Items / Bad Debts	7,521.82	(4,111.35)
	Cash Generated from Operation	10,557.87	(1,174.53)
	Less: Income Tax paid (net)	24.89	-
	<b>Net cash from operating activities:</b>	<b>10,532.98</b>	<b>(1,174.53)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
	Purchase of Fixed Assets	(686.24)	(740.21)
	Change in Capital Work in Progress	-	0.15
	Dividend income	2.88	0.32
	(Profit)/ Loss on Sale of Assets	-	4.24
	Assets discarded	-	13,458.60
	Misc. Balance written back	14.29	9.35
	Insurance Claim	11.48	37.16
	Bad Debts Recovered/ Misc Income	36.08	-
	Interest income	37.59	34.86
	<b>Net cash used in investing activities :</b>	<b>(583.92)</b>	<b>12,804.47</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Share Capital	-	-
	Increase in General Reserves on account of Waiver of Long Term Borrowings	6,860.27	-
	Receipt/ Waiver Short Term Borrowings	(9,492.06)	(9,533.62)
	Increase/(Decrease) in Long Term Borrowing	(840.00)	-
	Increase/(Decrease) in Short Term Borrowing	(5,958.03)	(847.61)
	Increase/(Decrease) in Dealers Security	754.84	-
	Increase/(Decrease) in Unsecured loans	(76.99)	(73.22)
	Interest Paid (including borrowing costs capitalised)	(1,206.15)	(1,308.05)
	<b>Net cash used in Financing activities :</b>	<b>(9,958.13)</b>	<b>(11,762.50)</b>
	Net increase/(Decrease) in cash and cash equivalents	(9.07)	(132.55)
	Opening Cash and Cash equivalents	131.01	263.56
	Closing Cash and Cash equivalents	121.94	131.01

As per our Report of even date  
For M. Lal & CO.  
Chartered Accountants  
Firm Registration No - 016069C

Sd/-  
Abhishek Verma  
Director  
DIN-08104325

Sd/-  
P N Varshney  
Managing Director  
DIN -00012709

Sd/-  
M.L.Agrawal  
(Proprietor)  
M. No. 011148  
UDIN: 23011148BGURCC9757

Sd/-  
Shobhita Singh  
Company Secretary

Sd/-  
Rakesh Kumar  
CFO

PLACE : NEW DELHI  
DATED : 30.05.2023

**1. COMPANY INFORMATION**

Rathi Steel And Power 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 amounts disclosed in the financial statements have been rounded off to the nearest rupees as required, unless otherwise stated.

**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) Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

In particular, following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in standalone financial statements:

Assessment of useful life of property, plant and equipment and intangible asset-refer note **no j** below.

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Claims are accounted for on determination of certainty of realization thereof.

**Estimation of uncertainty related to Global Health Pandemic from COVID-19:** The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade receivable. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the Company and based on estimates the Company expects that the carrying amount of financial assets will be recovered and the Company do not expect any significant impact of COVID-19 on the Company's financial statements as at the date of approval of these Standalone Financial Statements.

**Impairment allowances for on trade receivables:** The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience.

**Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy. The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

**d) Current v/s non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The Company has deemed its operating cycle as twelve months for the purpose of current / noncurrent classification.

#### **e) Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable.

The Company recognizes revenue from sale of goods when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when it no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods and services is recognized net of taxes collected on behalf of third parties.

The performance obligation in case of sale of goods is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate ('EIR') applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend income is accounted for on receipt of payment.

Job Charges / Conversion charges received are recognized at net of taxes and reported under revenue from services.

Insurance Claim is accrued in the year when the right to receive is established and is recognized to the extent there is no uncertainty about its ultimate collection.

#### **f) Impairment of non-financial assets**

At each Balance Sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

An asset's recoverable amount is the higher of an asset or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### **g) Impairment of Financial Assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### **h) Inventories:**

Inventories are valued at lower of cost and net realizable value. Cost of inventories is 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.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

#### **i) Cash and cash Equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above as they are considered as an integral part of the Company's cash management.

#### **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **j) PROPERTY, PLANT AND EQUIPMENT**

Leasehold land has been revalued as on 31st March, 1992. All other property, plant and equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any.

The cost of tangible assets comprises its purchase price, borrowing cost, Trial run Costs, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, initial estimation of any decommissioning obligations and finance cost.

When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part and recognizes the new part with its own associated useful life and depreciated accordingly.

Stores and spares which meet the definition of property, plant and equipment and satisfy recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized.

Capital work-in-progress includes cost of property, plant and equipment which are not ready for their intended use.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and changes, if any, are accounted prospectively.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 using straight line method. Property, plant and equipment which are added/disposed of during the year, depreciation is provided on pro rata basis with reference to the month of addition/deletion.

#### **k) 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.

#### **l) 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.

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

Current Tax is the amount of tax payable on the taxable income for the year, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill. In view of continuous losses incurred in previous years, company has not calculated deferred tax.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

**n) Retirement benefits**

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

**o) Foreign exchange transactions**

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the reporting date. All exchange differences arising on translation of monetary items are dealt with in the Statement of Profit and Loss.

**p) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognized because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognized but are disclosed in notes.

**NOTES ON ACCOUNTS:**

**1. COMMITMENTS:**

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

**2. CONTINGENT LIABILITIES:**

A.No provision has been made for:

- a. Outstanding effective Bank Guarantees and Counter Guarantees given by the Company Rs.40,17,112/- (Rs.40,17,112/-).
- b. Outstanding Letter of Credit Rs. -NIL- (Rs. NIL)
- c. VAT / Sales Tax liability for various years in respect of which either the Company or the department has filed appeals with higher authority amounting to Rs.45,99,27,312/-. Most of the demands have been stayed by concerned authorities and the Company is Confident to get relief and chances of any liability is very remote.
- d. Excise/Service tax cases pending with various statutory authorities being disputed principal amount Rs.7,67,29,699/- (Rs. 7,98,99,193/-). The Company is Confident to get relief and chances of any liability is very remote.
- e. Civil/Recovery suits and Labour cases pending against the Company not acknowledged as debt –Rs.16,00,94,903/- (Rs. 11,57,35,659/-).
- f. As per Sales Agreement between GAIL and Company for Gas, GAIL has been raising demand in relation to annual take or pay deficiency for the period prior to 2013 which Company since has been disputed by the Company on numerous occasions. After representation by the company, a Settlement Advisory Committee ("SAC") has been appointed under the GAIL Conciliation Rules 2010 with mutual consent of both parties to settle the dispute. The company is quite confident to get the dispute settled, and liability, if any, arises will not have material effect on the financial position of the Company.

## B. Income Tax and Sales Tax Assessments:

- Assessing officer (TDS has imposed penalty and late fees towards delay in TDS deposited and late fees for issuance of relevant forms during FY 2013-14 and raised demand of Rs.1184600/-.
- 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 said demand is stayed by the concerned authority.

Company has disputed these orders and filed Appeals before the appellate authorities. The company is quite confident to get the additions dismissed.

- Additional liability, if any, in respect of pending assessments / appeals of Income Tax, compounding application, would be provided for on completion of assessments / disposal of appeals.
- Additional demand, if any, in respect of pending assessment of Sales Tax / VAT / Entry Tax would be known only on completion of the assessments.

### 1.1 Segmental Reporting:

The business activity of the company falls within one broad segment viz Steel. Hence the disclosure requirement of Accounting Standard (Ind-AS 108) of "Segment Reporting" issued by the Institute of Chartered Accounts of India is not given.

## 3. FOREIGN CURRENCY TRANSACTIONS:

### Expenditure in Foreign Currency:

- Raw material purchase (CIF) Rs.26,45,82,873/ (Rs. 8,75,90,320/-)
- Capital Goods (CIF) – Rs. NIL (Rs. 4,15,961/-)
- Stores Purchased (CIF)- Rs.4,05,14999/- (Rs.68,57,504/-)

### 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			
	2022-23	%	2021-22	%	2022-23	%	2021-22	%
Materials	2645.83	4.34%	875.90	1.94%	58307.95	95.66%	44264.10	98.06%
Stores and Spares	405.15	12.50%	68.58	5.16%	2837.45	87.50%	1260.68	94.84%

## 4. Payment to Auditors:

- Audit Fee – Rs.4,00,000/- (Rs.4,00,000).
- Fee for Limited Review - Rs. NIL (Rs. NIL).
- Out of Pocket Expenses - Rs. NIL (Rs. NIL).
- Certification Fees – Rs.11000/- (Rs. 65000).

- 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 during the year has been made.
- 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.
- The MSME status of creditors is not known to the Company, hence information is not given.
- During the previous years in order to optimize the Ghaziabad unit operation, Company did job work for other parties and re-started own production in Steel Melting Shop during the year under report for part of the year.
- Restructuring of Secured Debts:** During the period under report Company has entered into debt restructuring agreement with M/s Assets Care and Restructuring Enterprises Ltd (ACRE), effective from 01-04-2022, in respect of debt assigned by JM Financial Asset Reconstruction Company Private Limited (The Karur Vysya Bank Ltd).

The Company has also concluded the OTS (one-time settlement) entered into with Union Bank (erstwhile Corporation Bank Ltd), by adhering and paying the settled amount in full. Further, the company has entered into a OTS (one-time settlement) with Canara Bank and is confident of concluding / implementing the same as per mutually agreed terms with the bank. The said settlement has been made keeping in mind, the interest of all stakeholders, without admission of any liability.

The effect of reduction of such liabilities are represented in the respective financial statements under the head Reserves and Surplus, extra-ordinary item in the Profit and loss account. To that extent, financial statements for the current / previous year has been recasted, regrouped and rearranged wherever necessary.

The restructured portion of loan are shown as per the terms of restructuring and amount payable within one year is classified as current liabilities.



In case debt restructuring with respect to assigned loans to M/s Assets Care and Restructuring Enterprises Ltd (ACRE) and Canara Bank (OTS) agreement is terminated in accordance with terms of agreement / OTS, the Lenders shall have a right to revoke the relief and concessions provided in the Restructured / settlement agreements / sanction. Contingent liability in case of such default has not been provided for as the Company is confident of meeting its commitment as per restructuring agreement.

#### 10. Earnings Per Share (EPS):

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

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

Particulars	Year Ended on 31.03.2023	Year Ended on 31.03.2022
Profit/(Loss) attributable to the Equity Shareholders (Rs.) (A)	872228662	(364885686)
Profit/(Loss) Cash attributable to the Equity Shareholders (Rs.) (B)	957969004	(230241849)
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)	27.86	(11.65)
Earnings Per Share (Cash) (Rs.) (B)/(C)	30.60	(7.35)

11. The company has not incurred loss during the year ended on March 31<sup>st</sup>, 2023, however as on that date the company's current liabilities exceed its current assets by Rs. 74,64,18,701.00 and company's net worth has been fully eroded. Company is making all efforts for settlement/restructuring of debts (three such agreement entered in current year refer point no 9 above) as well as to maximise the operating levels/minimize the costs, and there has been steady improvement in reference to last couple of years. Further the Company is exploring various refinancing options with prospective Lenders / Investors.

Considering the above measures and efforts being made by the management for long term revival of debt, 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.

#### 12. Related Party Disclosure:

In accordance with Accounting Standard (Ind-AS 24) 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 Rakesh Kumar

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

Particulars	(Rs.)	
	Key Managerial Personnel	Individuals
Paid for rendering of services	986497.00	NIL

#### 13. Trade Payables Ageing Schedule

a. Current Year (FY 2022-23)

Sr. No	Particulars	(Rs.)			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
(i)	MSME	N.A.	N.A.	N.A.	N.A.
(ii)	Others	469574408	1553573	1653805	88956578
(iii)	Disputed dues – MSME	N.A.	N.A.	N.A.	N.A.
(iv)	Disputed dues – others	0	0	0	21580929
		469574408	1553573	1653805	110537507

b. Previous Year (FY 2021-22)

Sr. No	Particulars	(Rs.)			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
(i)	MSME	N.A.	N.A.	N.A.	N.A.
(ii)	Others	236824536	10038278	56967672	31753040
(iii)	Disputed dues – MSME	N.A.	N.A.	N.A.	N.A.
(iv)	Disputed dues – others	0	0	7349284	14231645
		236824536	10038278	64316956	45984685

14. **Trade Receivable Ageing Schedule:**a. **Current Year (FY 2022-23)**

(Rs.)

Sr. No.	Particulars	Less than 6 Months	6 month to 1 year	1-2 years	2-3 years	More than 3 years
(i)	Undisputed – Considered Goods	72988535	0	0	0	0
(ii)	Undisputed – Considered Doubtful	0	0	0	8351557	0
(iii)	Disputed – Considered Goods	0	0	0	0	12651973
(iv)	Disputed – Considered Doubtful	0	0	0	0	0
	Total	72988535	0	0	8351557	12651973

b. **Previous Year (FY 2021-22)**

(Rs.)

Sr. No.	Particulars	Less than 6 Months	6 month to 1 year	1-2 years	2-3 years	More than 3 years
(i)	Undisputed – Considered Goods	2334132	0	58673849	3895773	2213119
(ii)	Undisputed – Considered Doubtful	0	0	0	519220	855786
(iii)	Disputed – Considered Goods	0	0	0	0	13509489
(iv)	Disputed – Considered Doubtful	0	0	0	0	0
	Total	2334132	0	58673849	4414993	16578394

15. Disclosure on Loans / Advance to Directors / KMP / Related parties: N I L

16. Capital Work-in Progress (CWIP) : N I L

17. Intangible assets under development : N I L

18. **Solvency**

	Ratio Analysis in %	2022-23	2021-22	Explanations, if any
a	Current Ratio	0.45	0.31	Decrease in current liability
b	Debt-Equity Ratio	3.19	1.55	Restructuring & OTS of Loans
c	Debt Service Coverage Ratio	0.47	0.30	Restructuring & OTS of Loans
d	Return on Equity Ratio	3.65	-0.20	Due to Extra-Ordinary item
e	Inventory Turnover Ratio	23.04	29.31	Better Inventory management
f	Trade Receivables Turnover Ratio	97.57	42.49	Increase in Revenue
g	Trade Payables Turnover Ratio	10.21	13.01	
h	Net Capital Turnover Ratio	-9.73	-4.72	Regrouping / Recasting
i	Net Profit Ratio	0.12	-0.07	Due to Extra-Ordinary item
j	Return on Capital Employed	1.44	-0.79	Due to Extra-Ordinary item
k	Return on Investment	269	263	Increase in Market Value

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

20. Company have not paid any dividend on cumulative Redeemable preference shares considering the debt restructuring obligations. The Company propose to pay the same on or before redemption subject to approval.

21. Company has revised its Income Tax Returns for previous financial year and preceding previous year to comply with law and avoid any unforeseen litigation.

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

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

As per our Report of even date

For M. Lal &amp; Co.

Chartered Accountants

Firm Registration Number: 016069C

Sd/-

Abhishek Verma  
Director  
DIN-08104325

Sd/-

P N Varshney  
Managing Director  
DIN-00012709

Sd/-

M.L. Agrawal  
Proprietor  
M. No. 011148  
UDIN:23011148BGURCC9757

Sd/-

Shobhita Singh  
Company Secretary

Sd/-

Rakesh Kumar  
CFO

Place: New Delhi

Dated: 30.05.2023