ANNUAL REPORT
2020-21

Shreeyam Power And Steel Industries Ltd.

www.spsil.in

SHREEYAM POWER AND STEEL INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

DEBENTURE TRUSTEE
Vistra ITCL (India) Limited
IL & FS Financial Centre, Plot No. 22, G Block
Bandra Kurla Complex, Bandra (East),
Mumbai, 400 051, India
Fax : +91-22-2653 3267
E-mail : mumbai@vistra.com

STATUTORY AUDITORS
M/s. B.K. Khare & Co.
Chartered Accountants, Mumbai

COST AUDITORS
M/s. M. Goyal & Company
Cost Accountants, Jaipur

INTERNAL AUDITORS
M/s. Mahajan & Aibara
Chartered Accountants LLP,
Mumbai

REGISTERED OFFICE
Office No. 103, Floor 1st, Plot No. 211,
Dalamal Tower, Free Press Journal Marg,
Nariman Point, Mumbai - 400021
Phone : (022) 22025098

FACTORY
1. 332, GIDC, Industrial Estate
   Mithirohar, Gandhidham
   District Kachchh (Gujarat) - 370201
2. Plot No. 153 A to D
   Industrial Area, Sector - III
   Pithampur, Dist. Dhar (M.P.) - 454774

BOARD OF DIRECTORS
1. Mr. Santosh Shahra, Chairman
   (ceased w.e.f. 15.06.2021)
2. Mr. Vishesh Shahra, Whole-time Director
   (appointed as Chairman w.e.f. 15.06.2021)
3. Mr. Davesh Khandelwal, Managing Director
4. Mrs. Bhavna Goel, Director
5. Mr. Atul Kumar Gupta, Director
6. Mr. Aditya Upadhyay, Director

CHIEF FINANCIAL OFFICER
Mr. Ashish Dineshbhai Desai
(appointed w.e.f. 20.01.2021)
Mr. Vijay Bhaskar Unde
(ceased w.e.f. 16.01.2021)

COMPANY SECRETARY
Mr. Anurag Gangrade
(appointed w.e.f. 14.07.2021)
Mr. Raj Kumar Bhawsar
(ceased w.e.f. 01.07.2021)

WEBSITE
www.spsil.in

BOARD’S REPORT

Dear Members,

Your Directors have pleasure to present the **Twenty Sixth Annual Report** on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2021.

(₹ in Lacs)

FINANCIAL RESULTS

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operations and Other Income	**85,743.94**	77,580.42
Earning before, Interest, Tax, Depreciation and Amortisation (EBITDA)	**9,103.86**	6,912.64
Less : Finance Cost	**2,692.78**	3,250.05
Less: Depreciation	**2,903.66**	3,308.51
Profit/(Loss) before exceptional items and Tax (PBET)	**3,507.42**	354.08
Exceptional item	**-**	-
Profit / (Loss) before Tax (PBT)	**3,507.42**	354.08
Profit / (Loss) after Taxation (PAT)	**3,507.42**	354.08
Net Worth	**36,401.24**	32,881.57

PERFORMANCE REVIEW

During the period under review your company has been able to clock a production of 1,58,722.77 MT of Sponge Iron 2,13,980.60 MT of Billets and 80,991.31 MT of TMT Bars. With consistent capacity utilisation and better realisation, Company has able to achieve an EBITDA of ₹9,103.86 Lacs as against ₹ 6,912.64 Lacs for the last year.

For the period under review, finance cost has been provided amounting to ₹2,692.78 Lacs as against ₹ 3,250.05 Lacs in the last year. The company has a net profit of ₹ 3,507.42 Lacs (as against a net profit of ₹ 354.08 Lacs in the previous year).

FUTURE OUTLOOK

Despite of the disastrous outbreak of the pandemic, the world crude steel production has increased to around 1877.5 Million Tonnes (MT) in the Calendar Year (CY) 2020. Further, India gained second position among the major steel producing countries with a crude steel production of 100.3 MT in the CY 2020 and based on the growth patterns in the industry over the years, it is expected to become the first largest producer of crude steel soon.

The outbreak of first wave of COVID-19 pandemic has led to unprecedented disruption worldwide. The nationwide stringent lockdown imposed from 25th March, 2020, brought the economic activities to a stand still. The Company’s operations were affected substantially from 24th March, 2020 wherein in view of adhering to guidelines issued by the Government of India, the Company has suspended its operations from 1st April, 2020 to 30th April, 2020. This unproductive lockdown has adversely affected the business and overall operations of the Company.

The outlook for the steel industry looks reasonable, since India has good iron ore deposits, skilled manpower and growing demand for steel. The improved demand is expected to continue in the current year as well on the back of ongoing government funded infrastructure projects. In spite of a downturn in the Global Steel demand, Indian steel demand could survive showing an upward trend, setting a road ahead for the growth of the domestic steel industry in the long run. The upward trend is expected to be continued on account of fiscal measures taken by the Government such as infusion of funds for development of infrastructure sector, introduction of stimulus packages for revival of industry besides factors like increase in consumption and production of steel, upcoming infrastructure and Greenfield projects, stabilization of prices etc.

At Shreeyam Power and Steel Industries, the first and foremost priority is the health and safety of the employees and the communities in which the Company operates while managing any impact for its customers and suppliers.

[Source/reference: Media reports, Press releases and Press Information Bureau (PIB)]

VARIATION IN RIGHTS ATTACHED TO PREFERENCE SHAREHOLDERS

On request of the Company, the holders of 0.01% Redeemable, Non-Cumulative, Non- Participating and Non- Convertible Preference Shares, ("Preference Shares") have agreed to waive their accrued and unpaid dividends in the Company and to modify the terms of the issue of Preference Shares by reducing the rate of dividend to 0% (zero percent).

ALTERATION OF MEMORANDUM OF ASSOCIATION

The Company has altered its Object Clause of Memorandum of Association(MOA) by inserting an object to enter into any scheme of arrangement, amalgamation, merger, demerger or any type of restructuring at its Extra Ordinary General Meeting held on 17th June, 2021.

DIVIDEND

In view of accumulated losses, your Board of Directors does not recommend any dividend on Equity Shares and Preference Shares for the year under review.

TRANSFER TO RESERVE, IF ANY

In view of accumulated losses, the Company does not propose to transfer any amount to Reserves for the year under review.

DIRECTORS AND KMP

During the year under review, pursuant to Section 152(6) of the Companies Act, 2013 (hereinafter shall be referred as 'the Act') and Articles of Association of the Company Mr. Vishesh Shahra appointed as Director liable to retire by rotation at the Annual General Meeting (AGM).

Mr. Santosh Shahra – Chairperson resigned w.e.f 30th July, 2020 and further re-appointed as an Additional Director designated as Non-executive Chairperson in the Promoter category w.e.f 19th November, 2020 in terms of provision of Section 149, 152, 161 and other applicable provisions of Companies Act, 2013 and rules made thereunder.

Mr. Vijay Bhaskar Unde – Chief Financial Officer relinquished his office w.e.f 16th January, 2021. Mr. Ashish Dineshbhai Desai has been appointed as Chief Financial Officer of the Company w.e.f 20th January, 2021.

Mr. Santosh Shahra - Chairperson has resigned w.e.f 15th June, 2021. Your Directors wish to record their gratitude and appreciation for the services rendered by him to the Company and his invaluable suggestions/ contribution to the Board in running the Company especially during the difficult time and supports the Company to sail through.

Accordingly, Mr. Vishesh Shahra – Whole time director of the Company appointed as Chairperson w.e.f. 15th June, 2021.

Independent Director(s) have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150 (1) of the Act and applicable rules there under) of all Independent Directors on the Board. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have under taken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

In pursuance of Section 152(6) of the Act and Articles of Association of the Company Mrs. Bhavna Goel (DIN: 00376727), retires by rotation and being eligible, offers herself, for reappointment at ensuing AGM.

BOARD EVALUATION

Pursuant to the provisions of the Act on the recommendation of Independent Director(s), the Board has carried out an annual performance evaluation of its own performance, its Committees and the Directors.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as appropriate composition of the Board, manner in which Board Meetings are conducted, adequate information to the Board Members to consider the matter, overall effectiveness of the Board etc.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as preparedness for the Board Meetings, utilisation to their knowledge, experience & expertise, new ideas/insights on business issues etc.

A separate exercise was carried out to evaluate the Committees of the Board, which were evaluated on parameters such as objectives of the Committee are well defined, Committee is delivering on the defined objectives, Committee has the right composition to deliver its objectives etc.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Director(s), Senior Management Personnel and their remuneration. The salient features of the Policy are:

- It acts as a guideline for matters relating to appointment, remuneration, removal and evaluation of Directors, Key Managerial Personnel and Senior Management Personnel.

- It contains guidelines for determining qualifications, positive attributes of Directors, and independence of a Director. It lays down the criteria for Board Membership and the approach of the Company on board diversity.
- It lays down the criteria for determining independence of a Director, in case of appointment of an Independent Director.
- It lays down the parameters based on which payment of remuneration (including sitting fees and remuneration) should be made to Independent Directors (IDs) and Non-Executive Directors (NEDs).
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, bonus / performance linked incentive, commission, retirement benefits) should be given to whole-time directors, KMPs and Senior Management.

During the year under review there were no changes in the Policy and the same is available on the website of the Company at http://spsil.in/dcm/Nomination%20and%20Remuneration%20Policy.pdf. The composition of the Nomination & Remuneration Committee has complied with the requirements of the provisions of Section 178 of the Companies Act, 2013.

BOARD MEETINGS

During the year under review, seven Board Meetings were held on 6th July, 2020, 30th July, 2020, 3rd November, 2020, 9th November, 2020, 19th November, 2020, 20th January, 2021 and 31st March, 2021.

The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013.

Number of Board Meetings attended by Directors during the year under review is as under:

Name of Directors	No. of Board Meeting Attended
Mr. Santosh Shahra	4
Mr. Davesh Khandelwal	7
Mr. Vishesh Shahra	7
Mrs. Bhavna Goel	2
Mr. Atul Kumar Gupta	7
Mr. Aditya Upadhyay	7

AUDIT COMMITTEE

The constitution of the Audit Committee was as under:

1. Mr. Aditya Upadhyay - Chairperson
2. Mr. Atul Kumar Gupta - Member
3. Mr. Davesh Khandelwal - Member

There are no recommendations of the Audit Committee which have not been accepted by the Board during the period under review.

During the year four Audit Committee Meetings were held on 30th July, 2020, 9th November, 2020, 19th November, 2020 and 31st March, 2021.

Number of Audit Committee Meetings attended by Directors during the year under review is as under:

Name of Directors	No. of Audit Committee Meeting Attended
Mr. Aditya Upadhyay	4
Mr. Atul Kumar Gupta	4
Mr. Davesh Khandelwal	4

EXECUTIVE COMMITTEE

During the year under review, three Executive Committee Meetings were held on 6th August, 2020, 5th October, 2020 and 5th November, 2020.

Number of Executive Committee Meeting attended by Directors during the year under review is as under:

Name of Directors	No. of Executive Committee Meeting Attended
Mr. Davesh Khandelwal	3
Mr. Vishesh Shahra	3

NOMINATION AND REMUNERATION COMMITTEE

The constitution of the Nomination & Remuneration Committee (NRC) was as under:

1. Mr. Aditya Upadhyay - Chairperson
2. Mr. Atul Kumar Gupta - Member
3. Mr. Santosh Shahra - Member

During the year under review, two meetings of NRC were held on 6th July, 2020 and 20th January, 2021.

Number of NRC Meeting attended by Directors during the year under review is as under:

Name of Directors	No. of NRC Meeting Attended
Mr. Aditya Upadhyay	2
Mr. Atul Kumar Gupta	2
Mr. Santosh Shahra	2

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Act, your Directors confirm that:

a. in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. the accounting policies had been selected and applied 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 on 31st March, 2021 and of the profit of the Company for that period;

c. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts had been prepared on a going concern basis;

e. proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control systems over the affairs of the Company during the year under review.

WHISTLE BLOWER / VIGIL MECHANISM POLICY

Your Company has formulated a mechanism called 'Whistle Blower / Vigil Mechanism Policy' for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and provided a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

The policy permits all the directors and employees to report their concerns to the Competent Authority, Managing Director of the Company and if the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee.

The policy with the name and address of the Competent Authority, Managing Director of the Company and Chairman of the Audit Committee has been available to the employees of the Company.

RELATED PARTY TRANSACTIONS

The transactions entered into with all the related parties during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee as also the Board, pursuant to applicable provisions of the Act.

Further, the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material. In view of the above, disclosure in Form AOC-2 is not applicable.

CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the Company is not required to spend towards Corporate Social Responsibility (CSR). However, as part of its initiatives under "Corporate Philanthropy", the Company has spent ₹ 25.22 Lakh towards the health of the people.

The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as "Annexure A" forming part of this report.

AUDITORS

(a) Statutory Auditors:

In accordance with the provisions of Section 139 of the Companies, Act, 2013 and the Rules made there under, the members of the Company at their 22nd Annual General Meeting (AGM) held on 29th September, 2017 had appointed M/s. Rupali Chandak & Co., Chartered Accountants, Indore (Existing Auditor bearing FRN 015279C) to hold office from conclusion of 22nd AGM till conclusion of 27th AGM. However, the Existing Auditor has tendered their resignation, expressing their inability due to pre-occupation in other assignments, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. 31st March, 2021 as per section 139(8) of the Companies, Act, 2013.

In accordance with the provisions of the Act, the members of the Company at the Extra- Ordinary General Meeting held on 14th May, 2021 has approved the appointment of M/s. B. K. Khare and Company, Chartered Accountants (FRN: 105102W), Mumbai to fill the casual vacancy caused due to resignation of the existing Auditor, to examine and audit the accounts of the Company for the financial year 2020-21 and to hold office until the conclusion of the Ensuing Annual General Meeting.

The Board, further has recommended to the members for the appointment of M/s. B K Khare & Co., Chartered Accountants (FRN: 105102W), Mumbai, as the Statutory Auditors of the Company for a period of five years from the conclusion of the 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company. M/s. B K Khare & Co., Chartered Accountants (FRN: 105102W), Mumbai has confirmed their eligibility to act as the Statutory Auditors of the Company.

The Auditors' Report to the Shareholders for the year under review read alongwith notes to the accounts are self explanatory therefore needs no further comments.

(b) Cost Auditors:

The Board has re-appointed M/s. M. Goyal & Co., Cost Accountants, as the Cost Auditor of the Company for the Financial Year 2020-21 pursuant to provisions of Section 148 of the Act. The said Auditors have confirmed that their appointment, if made, shall be within the limits as prescribed under Section 141(3) of the Act. The Cost Audit Report shall be submitted along with full information and explanation on every reservation or qualification contained therein, if any, and Annexure to the Central Government within stipulated time period.

The Cost Audit Report for the Financial Year ended 31st March, 2020 has been furnished to Central Government vide SRN R51302503 dated 25th August, 2020.

(c) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Shri Ajit Jain, Company Secretary in Practice (CP No. 3933) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure B". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer. Observations are self explanatory needs no further comments.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as “Annexure C”.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company’s existence is very minimal.

EXTRACT OF ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company’s website at http://spsil.in/dcm/DRAFT%20ANNUAL%20RETURN%20FY%202020-21.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments if covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements and are within the limits.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture Company or Associate Companies.

DETAILS AS PER SECTION 143(12) OF THE ACT

There is no detail required to be given in terms of provisions of Sub Section 12 of Section 143 of the Act.

DEPOSITS

Your Company did not accept any deposit from the Public during the year under review.

During the year under review, the Company has received Rs. 1,00,00,000/- as unsecured loan from Smt. Bhavna Goel - Director and Member of the Company for a period of three years. Further, a declaration in writing has been received from Smt. Bhavna Goel that the amount is not being given out of funds acquired or by borrowing or accepting loans or deposits from others.

INSURANCE

The Company’s assets are adequately insured during the year under review.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Directors state that the Company has complied with provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there was no complaint filed pursuant to the said Act.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Directors wish to place on record their deep appreciation to employees at all levels for their all-round efforts, dedication, commitment and loyal services during the period under review. The Company is privileged to have an excellent pool of human resources working with it. Communication exercises are treated as continuous process to keep the employees informed of the challenges being faced by the Company and also motivate them to take up higher responsibilities, in tune with the requirements of the Company.

During the period under review, the Company maintained healthy, cordial and harmonious industrial relations at all level. Your Directors wish to place on record their appreciation of the co-operation, valuable contributions, enthusiasm and unstinting efforts made by the employees and workers of the Company at all levels in the organization.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees as specified in the said rules are provided in "Annexure D" forming part of this report.

MATERIAL CHANGES AND COMMITMENTS

There is no material change and commitment has occurred, affecting the financial position of the Company, between the end of the financial year of the Company i.e. 31st March, 2021 and the date of this report except:

- The outbreak of second wave of COVID-19 and ensuing mobility restrictions severely impacted industrial activity and consumer sentiment;
- The Company is closely monitoring the situation and taking appropriate actions as per the directions issued by the regulatory authorities from time to time keeping in view the health and safety of its employees and the community and the interests of its customers and other stakeholders.

SIGNIFICANT AND MATERIAL ORDERS

There is no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The report on the Internal Financial Control issued by M/s. B. K. Khare and Company, the Statutory Auditors of the Company in view of the provisions under the Companies Act, 2013 is given elsewhere in this report.

COST RECORDS

The Cost records and accounts as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are made and maintained by the Company.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

During the year under review, no application was made or pending under the Insolvency and Bankruptcy Code, 2016 (IBC) by/against the Company and no proceeding is pending under IBC.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year under review, the Company has not undertaken any loans/one-time settlement with the banks or financial institutions.

SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

CAUTIONARY STATEMENT

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the Central, State Government and Local Authorities, Financial Institutions, Banks, Customers, Dealers, Vendors and all the stakeholders who have extended their valuable support and encouragement during the year under review.

Your Directors also take the opportunity to place on record their deep appreciation of the committed services rendered by the executives, staff and workers of the Company who have contributed significantly to the Company's performance.

For and on behalf of the Board

Place : Gandhidham
Date : 14th July, 2021

Vishesh Shahra
Whole-time Director
(DIN: 00203546)

Davesh Khandelwal
(Managing Director)
(DIN: 02997266)

Annexure – A to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   One of the deep-rooted philosophies that Shreeyam Power and Steel Industries Limited (SPSIL) has professed right from its inception is to positively impact the lives of people in its close surrounding, to build an inclusive & harmonious neighborhood. We acknowledge that as our organisation has gained and grown from the resources and people in the vicinity, it is our responsibility to return to the society, as a responsible corporate citizen.

   - Education, enhancing vocational skills, sustainable livelihood, gender equality and empowering women;
   - Eradicating hunger, poverty and malnutrition, promoting preventive health care & sanitation and rural development; and
   - Environmental sustainability, etc.

   For Company's CSR policy and details of various programs, please visit Company's website i.e. www.spsil.in

2. **Composition of CSR Committee:**

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Davesh Khandelwal	Executive, Chairman	2	2
Mr. Vishesh Shahra	Executive, Member	2	2
Mr. Aditya Upadhyay	Non-executive, Independent Member	2	2

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

Composition	http://spsil.in/dcm/CSR_Committee.pdf
CSR Policy	http://spsil.in/dcm/CSR_Policy_Shreeyam%20Power.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.: **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NIL**
6. Average net profit/(loss) of the Company as per Section 135(5) : ₹ (5,597.03) Lacs

   * While computing the Average Net Profit for the purpose of spending amount towards Corporate Social Responsibility in terms of Section 135 of the Companies Act, 2013 (“the Act”) for the Financial Year 2019-20, the Company has inadvertently incurred a miscalculation. Accordingly, the Company has taken requisite steps as per the applicable provisions of the Act for rectifying the same.

   In order to ascertain the liability for the Financial Year 2020-21, the rectified figures have been taken.
7. a. Two percent of average net profit/loss of the Company as per Section 135(5) : ₹ (111.94) Lacs

   b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

   c. Amount required to be set off for the financial year, if any : NIL

   d. Total CSR obligation for the financial year (7a+7b- 7c) : NIL
8. a. CSR amount spent or unspent for the financial year : ₹ 25.22 Lacs

   b. Details of CSR amount spent against ongoing projects for the financial year : Not Applicable

   c. Details of CSR amount spent against other than ongoing projects for the financial year : Not Applicable

   d. Amount spent in Administrative Overheads : Not Applicable

   e. Amount spent on Impact Assessment, if applicable : Not Applicable

   f. Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 25.22 Lacs

   g. Excess amount for set off, if any : Not Applicable
9. a. Details of Unspent CSR amount for the preceding three financial years : Not Applicable

   b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **Not Applicable**
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : **Not Applicable**

Davesh Khandelwal	**Vishesh Shahra**
Chairperson of the CSR Committee	Whole-time Director

Annexure – B to Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

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

To,
The Members,
SHREEYAM POWER AND STEEL INDUSTRIES LIMITED
(CIN: U45200MH1995PLC090807)
Office No. 103, Floor 1st, Plot No. 211,
Dalamal Tower, Free Press Journal Marg,
Nariman Point, Mumbai (MH) - 400021 IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shreeyam Power and Steel Industries 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 our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Shreeyam Power and Steel Industries Limited ("the Company") for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(not applicable during the audit period)**;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(so far as made applicable during the audit period)**;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(so far as made applicable during the audit period)**;

(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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**(not applicable during the audit period)**;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(so far as made applicable during the audit period)**;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable during the audit period);**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(not applicable during the audit period)**;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(so far as made applicable during the audit period)**;

(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 **(not applicable during the audit period);**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable during the audit period)**;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable during the audit period)**;

(i) The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**(so far as made applicable during the audit period)**;

(vi) We further report that having regard to adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, environment laws on examination of the relevant documents and records in pursuance thereof, on test check basis and as represented by the Company and its officers, the company has complied with the following general laws applicable to the company:

(a) Electricity Act, 2003 and the rules thereto;

(b) The Environment (Protection) Act, 1986 and other laws as prescribed thereunder;

(c) Factories Act, 1948;

(d) The Payment of Wages Act, 1936;

(e) The Payment of Bonus Act, 1965;

(f) The Payment of Gratuity Act, 1972;

(g) Employees' State Insurance Act, 1948;

(h) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;

(i) Industrial Disputes Act, 1947;

(j) The Contract Labour (Regulation and Abolition) Act, 1970;

(k) The Workmen Compensation Act, 1923;

(l) Equal Remuneration Act, 1976;

(m) Prevention of Money Laundering Act, 2002;

(n) Water (Prevention and Control of Pollution) Act, 1974;

(o) The Air (Prevention and Control of Pollution) Act, 1981;

(p) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

We have also examined compliance with the applicable clauses of Secretarial Standards issued by "The Institute of Company Secretaries of India".

We further report that as per explanations and representations made by the management and subject to clarification given to us, the company has complied with the provisions of the act, rules, regulations, guidelines.

I further report that the Company has:-

1. Provisions of the Central Sales Tax Act, 1956, Income Tax Act, 1961, VAT Act have been duly complied by the management except the liabilities undisputed, the details of which are mentioned in Independent Auditors' Report for the Financial Year ended on 31st March, 2021;
2. Some of the Forms are filed with Registrar of Companies with Additional Fees.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per provision of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

(i) Public/Rights/sweat equity;

(ii) Redemption/ buy-back of Securities;

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

(iv) Merger/ amalgamation/ reconstruction etc.;

(v) Foreign technical collaborations.

For Ajit Jain & Company
(Company Secretary)

Place : Indore
Date : 14th July, 2021

Ajit Jain
Proprietor
FCS No.: 3933; C P No.: 2876
UDIN : F003933C00034343
Peer Review Certificate No.:767/2020
PCS Unique ID NO.: S1998MP023400

This report is to be read with our letter of even date which is annexed as **"Annexure I"** and forms an integral part of this report.

Annexure I to Secretarial Audit Report

To,
The Members,
SHREEYAM POWER AND STEEL INDUSTRIES LIMITED
(CIN: U45200MH1995PLC090807)
Office No. 103, Floor 1st, Plot No. 211,
Dalamal Tower, Free Press Journal Marg,
Nariman Point, Mumbai (MH) - 400021 IN

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

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

For Ajit Jain & Company
(Company Secretary)

Place : Indore
Date : 14th July, 2021

Ajit Jain
Proprietor
FCS No.: 3933; C P No.: 2876
UDIN : F003933C00034343
Peer Review Certificate No.:767/2020
PCS Unique ID NO.: S1998MP023400

Annexure – C to Board's Report

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

[Pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

The steps taken or impact on conservation of energy:

The Company has established the energy conservation practices as a continual improvement process in all manufacturing units. The results have been encouraging. Energy Audit of all utilities was carried out by BEE approved/ Government approved Auditors. In-house training programme on Energy conservation was organized and participated by plant engineers.

Following energy conservation steps have been taken during the year:

In Thermal Power Plant (TPP):

i. Increase in the usage of byproduct from Sponge iron plant reduces the generation cost and Land pollution;

ii. Effective maintenance and routine inspection led to reduction in the breakdown period of Boiler and other equipment's;

iii. Installation of Vector surge relay in switch-yard to Grid Connecting system, reducing the blackout conditions;

iv. As a continual improvement, in process developed in-house Diffuser for coal firing leads reduction in Un-burnt and Nox;

v. Further as a continual improvement, reduction in power consumption in air compressors by optimum usage of service air;

vi. Attended steam leakages and passing for improvement in thermal efficiency, passing equipments are identified as per frequency of thermal audit;

vii. Structural shed made in Bag filter house for reduction of air pollution and also for reuse of Dust collected;

viii. As an environmental measure, the tree plantation area in TPP has been increased.

The steps taken by the Company for utilising alternate sources of energy :

During the year under review no alternate source of energy has been utilised.

Capital investment on energy conservation equipments

NIL

(B) TECHNOLOGY ABSORPTION

1) RESEARCH & DEVELOPMENT

The Company undertakes on a continuous basis, various activities such as the development of new products and processes, cost reduction, improvement in quality and productivity and import substitution.

During the year under review the Company has made improvement in the plant. Sponge Iron plant is using various types of coal and the results are encouraging.

Development is underway for feasibility of feeding and rolling of HOT billets directly from casting machine.

Automation for some of existing system are implemented in order improve plant stability.

2) TECHNOLOGY ABSORPTION

The Company has adopted Indian technology for all its manufacturing units which have been fully absorbed. All the machines are supplied by renowned Indian Suppliers; The Company is having policy of providing training and induction to employees and all shift supervision is done by qualified Engineers, the Technology is well transmitted and absorbed by Operational and Maintenance (O&M) staff. The Thermal Power Plant O&M staff is fully trained & Chinese equipment technology is fully absorbed, training was given by Chinese Engineers &Indian consultants.

C) FOREIGN CURRENCY EARNINGS AND OUTGO

During the year, Company has earned ₹ 21,941.17 Lacs (in previous year ₹ 3,791.55 Lacs) towards foreign exchange. The Company imported certain components and raw material of ₹ 2,207.27 Lacs as against previous year of ₹ 8.38 Lacs.

Annexure – D to Board's Report

PARTICULARS OF EMPLOYEES

(A) Particulars of Employees as per [Rule-5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(i) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2020-21.

S. No.	Name of Director	Ratio of remuneration of each Director / to median remuneration of employees
1	Mr. Vishesh Shahra	36.87
2	Mr. Davesh Khandelwal	15.01

(ii) The percentage increase in remuneration of each Executive Director, Chief Financial Officer and Company Secretary in the financial year 2020-21:

S. No.	Name of Director / KMPs	Designation	% increase in remuneration
1	Mr. Vishesh Shahra	Whole-time Director	-
2	Mr. Davesh Khandelwal	Managing Director	-
3	Mr. Vijay Unde	Chief Financial Officer[1]	-
4	Mr. Raj kumar Bhawsar	Company Secretary	-
5	Mr. Ashish Dineshbhai Desai	Chief Financial Officer[2]	-

[1]Mr. Vijay Unde has ceased w.e.f. 16th January, 2021.

[2]Mr. Ashish Dineshbhai Desai appointed Chief Financial Officer w.e.f. 20th January, 2021.

(iii) The percentage increase in the median remuneration of employees in the financial year 2020-21 was 7.73%.

(iv) There were 691 permanent employees on the rolls of the Company as on 31st March, 2021.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

% increase in Average salary of employees other than KMPs for Financial Year 2019-20 has given in point no. (A) (iii) above.

The increase in the salary of KMPs for Financial Year 2020-21 has given in point no. (A) (ii) above.

The increment, in the salary of employees other than KMPs, was on the basis of the performance of the Company as well as employees' individual performance.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

(B) STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Name of the Employee	Designation	Remuneration CTC (₹ in Lacs)	Nature of employment	Qualification and Experience	Date of Commencement of Employment	Age in years	Last Employment held before joining the Company	% of Equity Shares held by the employee of the Company within meaning of Clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014	whether such employee is a relative of any director or manager of the Company
1	Mr. Vishesh Shahra	Whole-time Director	104.92	Contractual	BBA (U.K.) and B.Com. having rich and wast experience of more than 1 decade.	02-04-2019	37	NSIL Exports Pvt. Limited	-	Mr. Shahra is relative of Mr. Santosh Shahra and Mrs. Bhavna Goel, Directors
2	Mr. Davesh Khandelwal	Managing Director	42.72	Contractual	BE having rich and vast experience of more than 1 decade	01-02-2013	36	Hindustan Unilever Limited	-	-
3	Mr. Ram Kishor Sachan	President Administrative	35.20	Contractual	BE having rich and vast experience of 4 decades	16-04-2019	61	Preet Mech Limited	-	-
4	Mr. A.K. Singh	General Manager	23.00	Contractual	M.Sc. having rich and vast experience of more than 2 decades	17-10-2006	47	Sanghi Industries Limited	-	-
5	Mr. Yogendra Singh	Foreman	18.48	Contractual	Higher Secon-dary and having rich experience of more than 1 decade	10-10-2019	51	Hans Ispat Kutch	-	-
6	Mr. Ashish Dineshbhai Desai	Chief Financial Officer	17.53	Contractual	C.A. and B.Com. Graduate having experience of more than 2 decades	19-03-2020	53	Gautam General Trading LLC in Dubai, UAE	-	-
7	Mr. Vijay Unde	General Manager	14.73	Contractual	M.Com. having rich and vast experience of more than 3 decades	01-12-2006	55	National Steel and Agro Industries Limited	-	-

S. No.	Name of the Employee	Designation	Remuneration CTC (₹ in Lacs)	Nature of employment	Qualification and Experience	Date of Commencement of Employment	Age in years	Last Employment held before joining the Company	% of Equity Shares held by the employee of the Company within meaning of Clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014	whether such employee is a relative of any director or manager of the Company
8	Mr. Manish Pandit	General Manager	14.78	Contractual	Commerce Graduate having rich and vast experience of more than 2 decades	09-03-2019	50	Sfurna Global Limited, Nigeria	-	-
9	Mr. Siddharth Neema	Manager	14.17	Contractual	MBA (Marketing) having rich and vast experience of more than one decade	28-11-2016	39	Natsi Ventures Private Limited	-	-
10	Mr. Sanjay Kumar Modi	Senior Manager	13.25	Contractual	BE having rich and vast experience of more than 2 decades	14-05-2015	43	Welspun Steel Limited	-	-

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHREEYAM POWER AND STEEL INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Shreeyam Power and Steel Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("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 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the 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 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matter

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

Revenue Recognition	
Key Audit Matter	Revenue is measured at the fair value of the consideration received or receivable as reduced by estimated customer returns, rebates, discounts and other similar allowances. Accumulated experience is used to estimate and provide for the discounts and returns, the volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership.

	The application of the new revenue accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.
Principal Audit Procedures	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. • Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives, and rebates. • Selected a sample of continuing and new contracts and performed the following procedures: (a) Read, analysed and identified the distinct performance obligations in these contracts. (b) Compared such performance obligations with that identified and recorded by the Company. • Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. • Performing operations cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognized at the moment the related goods or services actually took place. • Analysing other adjustments and credit notes issued after the reporting date. Performing analytical procedures on entries in the ledger related to revenue.

Information Other than the Financial Statements and Auditor's Report Thereupon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

Responsibility of the Management's for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

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

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

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

Auditor's Responsibility for the audit of the Financial Statements

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

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

We also:

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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

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 year and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to Financial Statements.
   g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
   h) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 34 to the Financial Statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(FRN-105102W)

Place : Gandhidham
Date : 14th July, 2021

Aniruddha Joshi
(Partner)
(Membership No. 040852)

Unique Document Identification Number (UDIN) : 21040852AAACR3947

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Shreeyam Power and Steel Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
(FRN-105102W)

Place : Gandhidham
Date : 14th July, 2021

Aniruddha Joshi
(Partner)
(Membership No. 040852)

Unique Document Identification Number (UDIN) : 21040852AAACR3947

ANNEXURE "B" TO THE AUDITORS' REPORT

[Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the financial statements of **Shreeyam Power and Steel Industries Limited** for the year ended March 31, 2021**]**

<u>Annexure to the Auditor's Report referred to in our report of even date:</u>

1) i) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

ii) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

iii) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

2) According to the information and explanations given to us, the inventory comprising of raw materials, finished goods and stores and spare parts has been physically verified at reasonable intervals by the management during the year. In our opinion, coverage and procedure of such verification is appropriate and no material discrepancies for each class of inventory were noticed on such verification between the physical inventory and the book records. We have relied on confirmations and representations from third parties in case of inventory lying in their locations, wherever applicable.

3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting under Clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.

4) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7) i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it. According to information and explanation given to us, no undisputed amounts in respect of the above were outstanding, as on March 31, 2021 for a period of more than 6 months from the date they become payable.

ii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute are as under:

Name of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount unpaid (₹ in Lacs)	Amount paid under protest (₹ in Lacs)
The Customs Act, 1962	Customs Duty	Commissioner of Customs, Kachchh		85.19	-
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax, (Appeals), Mumbai	2013-14	108.45#	23.21
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax, (Appeals), Mumbai	2015-16	61.55#	12.31
The Central Excise Act, 1944	CENVAT Credit	Supreme Court	June 2008 to June 2010	1,311.30**	-

Company has preferred appeals against the order on ground of various reason, both factual and technical

** Company has filed Review Petition against the order of Supreme Court.

8) The company has not defaulted in repayment of loans or borrowing to a financial institution or debenture holders, except an instalment of ₹3,00,00,000/- due on 30.06.2020 to Edelweiss Assets Reconstruction Company Limited and monthly interest amounting to ₹ 5,29,29,746/- due for the period of 30th April, 2020 to 30th June, 2020 and ₹ 34,25,635/- due on 31st July, 2020 to 4 Debenture holders. The Company sought moratorium of six months from March, 2020 to August, 2020 from its Debenture holders and EARC which was duly received by the Company. However, company has paid instalment amounting to ₹ 3,00,00,000/- in the month of August, 2020 to Edelweiss Assets Reconstruction Company Limited, and monthly interest amounting to ₹5,29,29,746/- during the month of July, 2021 and ₹ 34,25,635/- on 05 August, 2021 to 4 Debenture holders.

9) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

11) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 2(g) of Independent Auditors' Report.

12) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures or Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act.

14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting under Clause 3(xiv) of the Order is not applicable to the Company.

15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence, the provisions of para 3(xv) are not applicable to the Company.

16) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(FRN-105102W)

Place : Gandhidham
Date : 14th July, 2021

Aniruddha Joshi
(Partner)
(Membership No. 040852)
Unique Document Identification Number (UDIN) : 21040852AAACR3947

BALANCE SHEET AS AT 31ST MARCH, 2021

	Particulars	Note No.	As At 31.03.2021 (₹ in Lacs)	As At 31.03.2020 (₹ in Lacs)
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	2	**46,360.65**	48,894.30
	(b) Intangible Assets	2	**30.26**	31.17
	(c) Capital Work-in-Progress	2	**960.85**	735.87
	(d) Other Non-Current Assets	3	**552.14**	564.22
	Total Non-Current Assets		**47,903.90**	50,225.56
2	**CURRENT ASSETS**			
	(a) Inventories	4	**5,616.53**	8,940.43
	(b) Financial Assets			
	(i) Current Investments	5	**-**	71.14
	(ii) Trade Receivables	6	**3,715.43**	2,976.46
	(iii) Cash and Cash Equivalents	7	**783.96**	723.01
	(iv) Bank balances Other than (iii) above	8	**214.47**	408.34
	(v) Loan	9	**152.88**	129.49
	(c) Current Tax Assets (Net)	10	**29.78**	8.62
	(d) Other Current Assets	11	**1,820.53**	1,731.57
	Total Current Assets		**12,333.57**	14,989.07
	TOTAL ASSETS		**60,237.47**	65,214.63
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	12	**17,545.70**	17,545.70
	(b) Other Equity	13	**18,855.55**	15,335.87
	Total Equity		**36,401.25**	32,881.57
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Long Terms Borrowings	14	**11,181.67**	15,348.22
	(b) Deferred Tax Liabilities (Net)	15	**-**	-
	(c) Long Term non-current Liabilities	16	**49.43**	-
	Total Non-Current Liabilities		**11,231.10**	15,348.22
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Shot Term Borrowings	17	**90.00**	90.00
	(ii) Trade Payables	18		
	(a) Total outstanding dues of Micro & Small Enterprises		**49.00**	0.95
	(b) Total outstanding dues of Creditors other then Micro & Small Enterprises		**6,884.64**	12,559.35
	(iii) Other Financial Liabilities	19	**3,150.61**	1,128.17
	(b) Provisions	20	**120.25**	93.64
	(c) Current Tax Liability (Net)	21	**2,310.62**	3,112.74
	Total Current Liabilities		**12,605.12**	16,984.85
	TOTAL EQUITY AND LIABILITIES		**60,237.47**	65,214.63
	Accounting Policies and notes on Accounts	1 to 43		

As per our report of even date attached

For **B.K. Khare & Co.**
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
(Partner)
Membership No. 040852

Place : Gandhidham
Dated : 14th July, 2021

For and on behalf of the Board

Davesh Khandelwal
(Managing Director)
DIN - 02997266

Vishesh Shahra
(Whole-time Director)
DIN - 00203546

Ashish Dineshbhai Desai
(Chief Financial Officer)

Anurag Gangrade
(Company Secretary)
Membership No. FCS9187

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

	Note No.	Year ended 31.03.2021 (₹in Lacs)	Year ended 31.03.2020 (₹ in Lacs)
REVENUE			
Revenue from Operations	22	**85,466.84**	77,425.18
Other Income	23	**277.10**	155.24
	TOTAL	**85,743.94**	77,580.42
EXPENSES			
Cost of Materials Consumed	24	**64,010.02**	61,364.93
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade (Decrease/Increase)	25	**1,020.37**	(2,027.76)
Employee Benefit expenses	26	**2,761.67**	2,703.25
Finance Costs	27	**2,692.78**	3,250.05
Depreciation and Amortization expense	2	**2,903.66**	3,308.51
Other Expenses	28	**8,848.01**	8,627.37
	TOTAL	**82,236.52**	77,226.34
Profit/(Loss) before exceptional items and tax		**3,507.42**	354.08
Exceptional items		**-**	-
Profit/(Loss) before Tax		**3,507.42**	354.08
Tax Expenses			
(i) Current Tax		**-**	-
(ii) Deferred Tax		**-**	-
Profit/(Loss) for the year from Operations		**3,507.42**	354.08
Other Comprehensive Income/(Expenses)	29		
(A) (i) Items that will not be reclassified to profit or loss		**12.26**	(86.71)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		**-**	-
(B) (i) Items that will not be reclassified to profit or loss		**-**	-
(ii) Income Tax relating to items that will not be reclassified to profit or loss		**-**	-
Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Period for the period		**3,519.68**	267.37
Earning Per Equity Share (for Continuing Operations) (face value of ₹ 10 each)			
Basic		**1.84**	0.15
Diluted		**1.84**	0.15
Earning Per Equity Share (for Discontinued Operations) (face value of ₹ 10 each)			
Basic		**-**	-
Diluted		**-**	-
Earning Per Equity Share (for Continuing Operations and Discontinued) (face value of ₹ 10 each)			
Basic		**1.84**	0.15
Diluted		**1.84**	0.15
Significant Accounting Policies and notes on Financial Statements	1 to 43		

As per our report of even date attached

For and on behalf of the Board

For **B.K. Khare & Co.**
Chartered Accountants
FRN : 105102W

Davesh Khandelwal
(Managing Director)
DIN - 02997266

Vishesh Shahra
(Whole-time Director)
DIN - 00203546

Aniruddha Joshi
(Partner)
Membership No. 040852

Ashish Dineshbhai Desai
(Chief Financial Officer)

Anurag Gangrade
(Company Secretary)
Membership No. FCS9187

Place : Gandhidham
Dated : 14th July, 2021

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

(₹ in Lacs)

		Year ended 31.03.2021	Year ended 31.03.2020
A. Cash Flow from Operating Activities :			
a) Net Profit / (Loss) before Tax & Extraordinary items		**3507.42**	354.08
Adjustments for:			
Depreciation & Amortisation expense		**2,903.66**	3,308.51
Interest Expenses		**2,692.78**	3,250.05
Fair Value gain on Investment		**(0.87)**	(2.98)
Remeasurement of gain on actuarial valuation		**12.26**	(86.71)
Interest Income		**(50.52)**	(56.06)
(Loss)/Profit on sale of Property, Plant and Equipment		**(5.92)**	-
		9,058.82	6,766.89
b) Operating Profit before Working Capital Changes			
Adjustment for :			
Trade and other Receivables		**(839.24)**	405.08
Inventories		**3,323.90**	(3,631.71)
Trade Payable and Other Payable		**(6,330.30)**	1,012.90
		(3,845.63)	(2,213.72)
c) Cash Generated from Operations			
Income Tax Paid (Net)		**(21.16)**	(7.11)
d) Cash Flow before Extraordinary Items		**5,192.03**	4,546.06
Extraordinary Item		**-**	-
Net Cash Generated from Operating Activities	**(A)**	**5,192.03**	4,546.06
B. Cash Flow from Investing Activities :			
Interest received		**51.39**	56.06
Investment		**71.14**	-
Purchase of Fixed Assets including Capital Work-in-Progress		**(594.08)**	(1,584.47)
Sale of Fixed Assets		**5.92**	-
Net Cash used in Investing Activities	**(B)**	**(465.62)**	(1,528.40)
C. Cash Flow from Financing Activities :			
Receipt/(Repayment) of NCDs		**(1,169.67)**	(1,330.96)
Repayment of Long Term Borrowings		**(900.00)**	(900.00)
Unsecured Loan		**100.00**	-
Interest & Financial charges paid		**(2,889.66)**	(2,572.91)
Net Cash from Financing Activities	**(C)**	**(4,859.33)**	(4,803.87)
D. Net increase / (decrease) in Cash and Cash equivalent (A+B+C)		**(132.93)**	(1,786.21)
Cash and Cash equivalent at beginning of the year		**1,131.36**	2,917.57
Cash and Cash equivalent at end of the year		**998.43**	1,131.36
		(132.93)	(1,786.21)

Note :

The Cash Flow Statement has been prepared under the "Indirect Method" set out in Ind AS 7 'Cash Flow Statement'.

Disclosure with regards to change in liabilities arising from Financing activities set out in Ind AS 7 'Cash Flow Statement'.

As per our report of even date attached | For and on behalf of the Board

For **B.K. Khare & Co.**
Chartered Accountants
FRN : 105102W

Davesh Khandelwal
(Managing Director)
DIN - 02997266

Vishesh Shahra
(Whole-time Director)
DIN - 00203546

Aniruddha Joshi
(Partner)
Membership No. 040852

Ashish Dineshbhai Desai
(Chief Financial Officer)

Anurag Gangrade
(Company Secretary)
Membership No. FCS9187

Place : Gandhidham
Dated : 14th July, 2021

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the period ended 31st March, 2021

A. Equity Share Capital

(₹ in Lacs)

Balance as at 1st April 2020	Changes in Equity share capital during the year 2020-21	Balance as at 31st March, 2021	Balance as at 1st April, 2019	Changes in Equity share capital during the year 2019-20	Balance as at 31st March, 2020
17,545.70	-	17,545.70	17,545.70	-	17,545.70

B. Other Equity

	Equity Component of Compound Financial Instruments	Reserve and Surplus				Total
		Capital Reserve	Securities Premium	General Reserve	Surplus/(deficit) in the statement of Profit and Loss	
Balance at the beginning of Reporting Period 1st April, 2019	14,548.07	-	16,516.99	849.85	(16,846.42)	(15,068.49)
Add : Profit/(Loss) for the year 2019-20	-	-	-	-	354.08	354
Add : Other comprehensive income/(loss) for the year 2019-20	-	-	-	-	(86.71)	(87)
Dividends	-	-	-	-	-	-
Issued during the year	-	-	-	-	-	-
Transferred from Retained earnings	-	-	-	-	-	-
Balance as at 31st March, 2020	**14,548.07**	**-**	**16,516.99**	**849.85**	**(16,581.04)**	**15,336.87**
Balance at the beginning of Reporting Period 1st April, 2020	14,548.07	-	16,516.99	849.85	(16,581.04)	15,336.87
Add : Profit/(Loss) for the year 2020-21	-	-	-	-	3,507.42	3,507.42
Add : Other comprehensive income/(loss) for the year 2020-21	-	-	-	-	12.26	12.26
Dividends	-	-	-	-	-	-
Issued during the year	-	-	-	-	-	-
Transferred from Retained earnings	-	-	-	-	-	-
Balance as at 31st March, 2021	**14,548.07**	**-**	**16,516.99**	**849.85**	**(13,061.36)**	**18,853.55**

SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

SHREEYAM POWER AND STEEL INDUSTRIES LIMITED, ('the Company') CIN NO. U45200MH1995PLC090807 was incorporated on 19th July, 1995, having registered office at Office No. 103, Floor 1st, Plot No. 211, Dalamal Tower, Free Press Journal Marg, Nariman Point, Mumbai - 400021, is working through its two manufacturing plants at Gandhidham (Gujarat) and Pithampur (Dhar) (M.P.) with manufacturing, trading and other incidental & related activities.

1.2 BASIS OF PREPARATION AND PRESENTATION

a. Statement of Compliance

The Company's financial statements for the year ended 31st March 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified, under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

b. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

c. Basis of measurement

The financial statements have been prepared on the basis of going concern under the historical cost basis convention using the accrual method of accounting except for certain financial assets and liabilities and defined benefit plan assets measured at fair value.

d. Use of Estimates

The preparation of financial statements requires management to make estimates assumptions and judgements that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expenditure for the periods presented. Actual results may differ from the estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on ongoing basis. Impact on account of revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

e. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes: -

Note No.	Particulars
2.1 (a) (iv) & (v) and (e)	Useful life of Property, plant and equipment
2.1 (j)	Defined benefit obligation
1.2 (f)	Estimated Fair Values of Unlisted Shares
2.1 (k) iii	Recognition of Deferred taxes

f. Measurement of Fair Values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described below. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

i. Property, plant and equipment (PPE) are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

ii. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

iii. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

iv. Depreciation on property, plant and equipment is charged using straight line method, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to the total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.

v. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

vi. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

vii. Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as “stores & spares” forming part of the inventory.

b. Intangible assets

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

ii. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other expenditure on internally generated goodwill and brands, is recognized in the Statement of Profit or Loss as incurred.

iii. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c. Capital Work in Progress

i. Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprise purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii. Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under “Capital works in progress” and subsequently allocated on systematic basis over major assets, other than land, on commissioning of projects.

iii. Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under “Capital work in progress” and subsequently allocated on systematic basis over major assets, other than land, on commissioning of projects, keeping in view the “attributability” and the “Unit of Measure” concepts in Ind AS 16- “Property, Plant & Equipment”. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

d. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

1. the Company as a lessee has the right to operate the asset; or
2. the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

- This policy is applied to contracts entered into, or modified, on or after 1 April, 2019

<u>As a lessee</u>

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortized cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

<u>Short-term leases and leases of low-value assets</u>

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

e. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Building :		
i) Factory	30 Years	30 Years
ii) Other than Factory Building	60 Years	60 Years
Plant & Machinery :		
i) Use in Steel Manufacturing	20 Years	20 Years
ii) Power Generation, Transmission and Distribution	40 Years	40 Years
iii) Continues Process Plant not covered under special Plant & Machinery	25 Years	25 Years
iv) Other than continuous Process Plant not covered under special Plant & Machinery	15 Years	15 Years
v) Pipelines	12 Years	12 Years
Office Equipment's	5 Years	5 Years
Computer Equipment's	6 Years	6 Years
Furniture and Fixtures	10 Years	10 Years
Vehicles	8 Years	8 Years
Intangible Assets: Computer Software	3 Years	3 Years

f. Inventories

i. Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

ii. Cost of raw materials, stores and spares, packing materials, trading and other products are determined at Cost, with moving average price basis

g. Financial Instruments

I. Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at fair value through the profit and loss (FVTPL).

C. Investment in subsidiaries, Associates and Joint Ventures

Investment in Equity shares & Mutual Funds etc., are classified at FVTPL.

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

II. Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instruments and Hedge Accounting

The Company plans to use various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices, as and when such transactions are entered into. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

C. Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Company plans to designate derivative contracts or non-derivative financial assets/ liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions, as and when such transactions are entered. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the Statement of Profit and Loss.

b) Fair Value hedge

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

D. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 Financial Instruments. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss.

h. Foreign currencies transactions and translation

i. Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

ii. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

iii. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

i. Revenue recognition

Sale of Goods

The Company derives revenues primarily from sale of steel, iron and other products.

For sale of goods, revenue is recognised when control of the goods has been transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery).

Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, and adjusted for discounts and GST (net).

As per the provisions of Ind AS 115 revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2 (a) and there is no material impact of adoption of Ind AS 115 on financial statements.

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest Income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted to the extent that there is no uncertainty in receiving the claims.

Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

j. Employee Benefits Expense

Short Term Employee Benefits

i The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

ii. A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Super annuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

iii. The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv. The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

v. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

vi. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

vii. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Employee Separation Costs

viii Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

k. Income Taxes

i. The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

ii. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

iii. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

iv. 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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

l. Provisions, Contingent Liabilities and Contingent Assets and Commitments

i. Provisions are recognised 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

ii. 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 recognised as a finance cost.

iii. Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

iv. Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

m. Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n. Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

o. Statement of Cash Flows

i. Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

p. Finance Cost

i. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

ii. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

iii. All other borrowing costs are expensed in the period in which they occur.

q. Impairment of non-financial assets - property, plant and equipment and intangible assets

i. The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called

Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

ii. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

iii. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

r. Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is :

a. Expected to be realized or intended to be sold or consumed in normal operating cycle;

b. Held primarily for the purpose of trading;

c. Expected to be realized within twelve months after the reporting period, or

d. 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:

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period, or

d. 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

Notes annexed to and forming part of the Financial statements

NOTE 2 PROPERTY, PLANT AND EQUIPMENT **(₹ in Lacs)**

S. No.	Name of Assets	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
		As at 01.04.2020	Additions during the year	Deductions during the year	As at 31.03.2021	Up to 31.03.2020	For the Year	Deductions	Depreciation of Assets	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
	Property, Plant & Equipment											
1.	**Land**											
	(a) Land Other	446.50	50.63	-	**497.14**	-	-	-	-	-	**497.14**	446.50
	(b) Land on Lease	1,214.89	-	-	**1,214.89**	210.32	19.19	-	-	229.52	**985.38**	1,004.57
2.	Buildings	10,944.35	24.23	-	**10,968.58**	4,124.56	334.92	-	-	**4,459.48**	**6,509.10**	6,819.79
3.	Plant and Machinery	75,507.98	268.72	11.00	**75,765.70**	35,063.27	2,507.68	9.06	-	**37,561.88**	**38,203.82**	40,444.71
4.	Furniture	161.37	1.44	-	**162.81**	136.24	2.41	-	-	**138.64**	**24.17**	25.13
5.	Vehicles	268.69	6.58	9.34	**265.92**	158.05	19.18	9.34	-	**167.89**	**98.03**	110.63
6.	Office Equipments	187.77	7.41	-	**195.19**	151.90	10.72	-	-	**162.62**	**32.56**	35.87
7.	Computer	135.57	12.03	-	**147.60**	128.49	8.66	-	-	137.15	10.45	7.08
	Total	**88,867.13**	**371.04**	**20.34**	**89,217.82**	**39,972.83**	**2,902.75**	**18.41**	-	**42,857.18**	**46,360.65**	**48,894.30**
	Other Intengible Assets											
	Computer Software	59.48	-	-	**59.48**	28.31	0.91	-	-	**29.22**	**30.26**	31.17
	Total	**59.48**	**-**	**-**	**59.48**	**28.31**	**0.91**	**-**	-	**29.22**	**30.26**	**31.17**
	Total	**88,926.71**	**371.04**	**20.34**	**89,277.31**	**40,001.14**	**2,903.66**	**18.41**	-	**42,886.40**	**46,390.91**	**48,925.47**
	Capital Work-in-Progress											
	Capital Work-in-Progress	735.87	224.98	-	**960.85**	-	-	-	-	-	**960.85**	735.87
	Grand Total	**89,662.48**	**596.02**	**20.34**	**90,238.16**	**40,001.14**	**2,903.66**	**18.41**	-	**42,886.40**	**47,351.76**	**49,661.34**

Note :

01. Property, Plant and Equipment hypothecated / mortgaged as security for borrowings are disclosed under note no. 14

NOTE 3. OTHER NON-CURRENT ASSETS

		As At 31.03.2021	As At 31.03.2020
Advance for Capital Goods		**-**	27.20
Security Deposits		**552.14**	537.02
	TOTAL	**552.14**	564.22

NOTE 4. INVENTORIES

Raw Materials		**845.21**	3,101.77
Finished Goods		**3,762.88**	4,853.71
Reliasable By Product		**186.70**	116.25
Stores and Spares		**816.49**	860.53
Fuel		**5.24**	8.17
	TOTAL	**5,616.53**	8,940.43

Note : Inventories hypothecated as security for borrowings under Note No. 14

(₹ in Lacs)

		As At 31.03.2021	As At 31.03.2020
NOTE 5. INVESTMENTS			
1. Investment in Mutual Funds			
Quoted			
Investment in quoted mutual fund		**-**	47.51
2. Other Investments			
Scheme Dual Advantage Fund Series-III Regular Growth		**-**	23.64
	TOTAL	**-**	71.14
NOTE 6. TRADE RECEIVABLES (UNSECURED)			
Unsecured, Considered good		**3,902.73**	3,139.74
Less: Allowance for Expected Credit Loss		**(187.30)**	(163.28)
	TOTAL	**3,715.43**	2,976.46
NOTE 7. CASH AND CASH EQUIVALENTS			
Balances with Banks in Current Account		**782.39**	716.77
Cash in Hand		**1.57**	6.25
	TOTAL	**783.96**	723.01
NOTE 8. OTHER BANK BALANCES			
In deposit account with more than 3 but less than 12 months maturity		**214.47**	408.34
	TOTAL	**214.47**	408.34
NOTE 9. LOANS			
Loans to Employee		**152.88**	129.49
	TOTAL	**152.88**	129.49
NOTE 10. CURRENT TAX ASSETS (NET)			
Income Tax Refundable		**29.78**	8.62
	TOTAL	**29.78**	8.62
NOTE 11. OTHER CURRENT ASSETS			
Advances other than Capital Advances			
Advances to Suppliers		**1,619.84**	1,349.93
Other			
Balances with Tax Authorities		**140.19**	319.19
Prepaid Expenses		**60.50**	62.46
	TOTAL	**1,820.50**	1,731.57

NOTE 12. SHARE CAPITAL

(₹ in Lacs)

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**Amount**	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 10/- each	**3,000.00**	**30,000.00**	3,000.00	30,000.00
Redeemable Preference Shares of ₹ 100/- each	**200.00**	**20,000.00**	200.00	20,000.00
Issued				
Equity Shares of ₹ 10/- each fully paid	**1,754.57**	**17,545.70**	1,943.25	19,432.48
Subscribed & fully paid up				
Equity Shares of ₹ 10/- each fully paid	**1,754.57**	**17,545.70**	1,754.57	17,545.70
	1,754.57	**17,545.70**	1,754.57	17,545.70

Reconciliation of the number of equity Shares outstanding at the beginning and at the end of the year :

	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	**1,754.57**	**17,545.70**	1,754.57	17,545.70
Add : Shares issued during the year	**---**	**---**	---	---
Shares outstanding at the end of the year	**1,754.57**	**17,545.70**	1,754.57	17,545.70

Shares held by shareholders holding more than 5% Shares in the Company :

Name of the Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of shares held	% of holding	No. of Shares held	% of holding
Equity Shares				
Benco Finance and Investment Pvt. Ltd.	**455.97**	**25.99**	455.97	25.99
Soucano Holdings Co. Ltd.	**445.91**	**25.41**	445.91	25.41
NSIL Infotech Private Limited#	**593.84**	**33.85**	593.84	33.85
Shriyam Industries Pvt. Ltd.	**89.32**	**5.09**	89.32	5.09
Bhavna Goel	**111.32**	**6.34**	111.32	6.34

NSIL Finance Limited and NSIL Power Limited have been merged with NSIL Infotech Private Limited (Formerly known as NSIL Infotech Limited) by the order dated 24th April, 2019 of Hon'ble National Company Law Tribunal, Mumbai Bench. The appointed date in the scheme is 1st April, 2018. However, as on the date of this report shares in demat are in name of NSIL Finance Limited and NSIL Power Limited.

Terms / Rights to Shareholders :

(i) Equity Shares

Voting

1 The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

2 In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(₹ in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE 13. RESERVES AND SURPLUS		
Securities Premium Accounts	**16,516.99**	16,516.99
	16,516.99	16,516.99
General Reserve	**939.92**	939.92
Less: Depreciation in respect assets whose useful life is over (Pursuant to enactment of Schedule II of the Companies Act, 2013)	**(90.07)**	(90.07)
	849.85	849.85
Equity Component of Compound Financial Instruments	**14,548.07**	14,548.07
	14,548.07	14,548.07
Profit & Loss Account		
As per last Balance Sheet	**(16,579.04)**	(16,846.42)
Add: Net Profit/(Loss) for the year	**3,507.42**	354.08
Add: Movement in OCI (net) during the year	**12.26**	(86.71)
Less: Dividend on Redeemable Preference Shares	**-**	-
Less: Tax on Dividend	**-**	-
	(13,059.36)	(16,579.04)
TOTAL	**18,855.55**	15,335.87

(₹ in Lacs)

Particulars		As at 31.03.2021	As at 31.03.2020
NOTE 14. BORROWINGS			
Secured			
Bonds & Debentures			
18% Non Convertible Debentures#		**10,199.37**	11,369.04
Less : Current maturities of long term debt###		**2,500.00**	-
	Sub Total	**7,699.37**	11,369.04
Term Loans			
Term Loan from EARC ##		**900.00**	1,800.00
Less: Current maturities of long term debt###		**400.00**	900.00
	Sub Total	**500.00**	900.00
Debt Component of Compound Financial Instruments		**2,149.34**	1,919.05
Interest Provision on EARC Loan		**-**	214.73
Interest Provision on NCDs		**146.96**	359.39
	Total Secured Loan	**10,495.67**	14,762.22
Unsecured			
From Related Parties		**686.00**	586.00
	Total Unsecured Loans	**686.00**	586.00
	TOTAL	**11,181.67**	15,348.22

Nature of Security :

 # Non Convertible Debentures (NCDs) : -

01. First pari passu charge on current assets
02. First pari passu charge on Fixed Assets
03. Pledge of Equity Shares held by Promoter
04. Personal Guarantee of Shri Vishesh Shahra, Mrs. Bhavna Goel
05. Corporate Guarantee of NSIL Finance Ltd., NSIL Infotech Pvt. Ltd., NSIL Power Ltd., Shriyam Industries Pvt. Ltd., Benco Finance and Investment Pvt. Ltd.

 # # Restructured Loan : -

01. Restructured Working Capital : First pari passu charge on current assets and Second pari passu charge on Fixed Assets
02. Restructured Term Loan : First pari passu charge on Fixed Assets and Second Pari passu charge on Current Assets
03. Personal Guarantee of Shri Santosh Shahra

Installments falling due in respect of all the above loans up to 31.03.2021, have been grouped under "Current Maturities of Long Term Debt" Refer Note No. 19.

(₹ in Lacs)

		As at 31.03.2021	As at 31.03.2020
NOTE 15. DEFERRED TAX LIABILITY			
DEFERRED TAX LIABILITY			
The Movement on the deferred tax account is as follows			
Deferred Tax Liabilities on account of Taxable Temporary differences			
At the start of the year		**427.03**	427.03
Deductible Temporary Difference		**-**	-
	Sub Total	**427.03**	427.03
Deferred Tax Assets			
Opening Balances		**-**	-
MAT Credit Available		**427.03**	427.03
	Sub Total	**427.03**	427.03
	Net DTL	-	-
Deferred Tax Liabilities / (Assets) in relation to :			
Property, Plant & Equipment		**-**	-
	Total	**-**	-

		As at 31.03.2021	As at 31.03.2020
NOTE 16. NON CURRENT LIABILTIES / PROVISION			
Provision for compensated absences (Leave Encashment)		**49.43**	-
	TOTAL	**49.43**	-

		As at 31.03.2021	As at 31.03.2020
NOTE 17. SHORT TERM BORROWINGS			
From Banks			
Cash Credit from Bank		**-**	-
Unsecured			
Short term loan		**90.00**	90.00
	TOTAL	**90.00**	90.00

(₹ in Lacs)

		As at 31.03.2021	As at 31.03.2020
NOTE 18. TRADE PAYABLES			
(a) Total Outstanding dues of Micro & Small enterprises		**49.00**	0.95
(b) Total Outstanding dues of Creditors Other than micro & Small enterprises		**6,884.64**	12,559.35
	TOTAL	**6,933.64**	12,560.30
NOTE 19. OTHER FINANCIAL LIABILITIES			
Current maturities of long-term debt (Restructured Loan)		**400.00**	900.00
Current maturities of long-term debt (NCDs)		**2,500.00**	-
Provision for other employee benefits (Salary)		**250.61**	228.17
	TOTAL	**3,150.61**	1,128.17
NOTE 20. PROVISION (CURRENT)			
Provision for Gratuity		**115.45**	77.87
Provision for compensated absences (Leave Encashment)		**4.80**	15.77
	TOTAL	**120.25**	93.64
NOTE 21. OTHER CURRENT LIABILITES			
Revenue received in advance			
Advance from customers		**179.10**	1,010.28
Others			
Expenses Payable		**1,961.07**	1,653.63
Statutory Dues Payable		**105.69**	386.92
Bonus Payable		**64.75**	61.91
	TOTAL	**2,310.62**	3,112.74

		(₹ in Lacs)	
		Year ended 31.03.2021	Year ended 31.03.2020
NOTE 22. REVENUE FROM OPERATIONS			
Sale of Products			
Manufactured Goods			
Sponge Iron		**1,295.39**	2,558.54
Mild Steel Billets		**50,296.45**	42,934.12
TMT Bars		**40,759.17**	38,170.73
Sale of Power		**185.88**	99.33
Other Misc Item		**3,750.70**	5,843.58
	TOTAL	**96,287.59**	89,606.30
Less : CGST/SGST & IGST		**10,820.75**	12,181.12
Net Revenue from Operation		**85,466.84**	77,425.18
NOTE 23. OTHER INCOME			
Interest Received (Deposits)		**50.52**	56.06
Interest Received (Others)		**70.33**	81.39
Net Profit/ (Loss) on Foreign Currency Transactions		**36.55**	-
Profit/ (Loss) on Sale of Fixed Assets		**5.92**	-
Other Non Operating Incomes		**112.90**	11.64
Gain on Fair value of Investments		**0.87**	2.98
	TOTAL	**277.10**	155.24
NOTE 24. COST OF MATERIAL CONSUMED			
Opening Stock		**3,10.77**	1,563.74
Add: Purchases		**61,753.43**	62,902.96
Less: Closing Stock		**845.21**	3,101.77
Cost of Material Consumed		**64,010.02**	61,364.93
Details of Raw Material Consumed			
Iron Ore Pellets/Iron Ore		**25,463.88**	19,844.04
Coal		**12,639.47**	14,115.21
Heavy Melting Scrap		**18,597.90**	15,819.41
M.S. Billets		**2,492.93**	-
Other Misc Items		**4,815.85**	11,586.27
	TOTAL	**64,010.02**	61,364.93

(₹ in Lacs)

		Year ended 31.03.2021	Year ended 31.03.2020
NOTE 25. CHANGES IN INVENTORIES OF FINISHED GOODS			
Less: Opening Stock : of WIP and Finished Goods		**4,969.95**	2,942.19
	TOTAL (A)	**4,969.95**	2,942.19
Closing Stock : of WIP and Finished Goods		**3,949.59**	4,969.95
	TOTAL (B)	**3,949.59**	4,969.95
Net (Increase) / Decrease in Stock	**(A-B)**	**1,020.37**	(2,027.76)
NOTE 26. EMPLOYEE BENEFITS EXPENSES			
Salary		**2,571.44**	2,494.37
Staff Welfare		**48.01**	71.53
Contribution to Provident and Other Fund		**141.62**	136.89
Staff Insurance		**0.61**	0.45
	TOTAL	**2,761.67**	2,703.25
NOTE 27. FINANCE COSTS			
Interest on Term Loan		**25.85**	112.24
Interest to NCDs		**2,436.65**	2,932.20
Interest on Debt Component of CFI		**230.29**	206.61
	TOTAL	**2,692.78**	3,250.05
NOTE 28. OTHER EXPENSES			
Expenses for Export		**662.48**	231.80
Manufacturing Expenses		**1,332.09**	1,263.71
Repairs & Maintenance		**124.36**	126.26
Other Selling Expenses		**1,596.14**	1,518.97
Rates & Taxes		**1,140.53**	1,082.46
Rent		**110.04**	112.21
Insurance Charges		**139.25**	157.30
Stores and Spares Consumed		**1,803.04**	1,964.25
Power, Fuel & Electricity		**884.18**	1,107.41
Registration and License Fees		**5.125**	27.06

(₹ in Lacs)

		Year ended 31.03.2021	Year ended 31.03.2020
Legal & Professional Charges		**164.69**	521.57
Travelling Expenses		**19.71**	50.74
Conveyance Expenses		**143.87**	121.49
Postage, Telegram & Telephone Expenses		**11.47**	13.50
Miscellaneous & Other Establishment Expenses		**316.13**	176.76
Security Charges		**57.31**	45.74
Printing & Stationery		**2.51**	3.80
Audit Fees		**17.00**	2.5
Testing & Analysis Charges		**11.27**	13.05
Net loss/(Profit) on foreign currency transactions		**-**	27.63
Provision for Expected Credit Loss		**24.02**	22.38
Provision for Doubtful Creditor Advances		**265.57**	-
Bank Commission & Charges		**17.25**	37.05
	TOTAL	**8,848.01**	8,627.37

NOTE 29. OTHER COMPREHENSIVE INCOME

(A) Items that will not be reclassified into profit or loss

(i) Change in Revaluation surplus		**-**	-
(ii) Remeasurement of defined benefit plans		**12.26**	(86.71)
(iii) Equity instruments through other comprehensive Income		**-**	-
(iv) Fair Value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss		**-**	-
(v) Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss		**-**	-
(vi) Others		**-**	-
	TOTAL (A)	**12.26**	(86.71)

(₹ in Lacs)

		Year ended 31.03.2021	Year ended 31.03.2020
(B)	**Items that will be reclassified to profit or loss**		
(i)	Exchange differences in translating the financial statements of foreign operation	-	-
(ii)	Debt instruments through other comprehensive Income	-	-
(iii)	The effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-
(iv)	Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss	-	-
(v)	Others		
	TOTAL (B)	**-**	-

NOTE 30. AS PER IND AS 19 "EMPLOYEES BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW :

Defined Contribution Plan :

Contribution to Defined Contribution Plans, recognized as expense for the year is as under :

(₹ in Lacs)

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	**141.62**	136.88

Defined Benefit Plan :

I. Reconciliation of opening and closing Balances of Defined Benefit Obligation

	Gratuity (Non-Funded)	
	2020-21	2019-20
Defined Benefit Obligation at beginning of the year	237.51	114.46
Current Service Cost	44.91	22.27
Interest Cost	16.24	8.91
Benefits Paid during the years	(8.44)	(3.66)
Actuarial (Gain)/Loss	(17.03)	95.51
Defined Benefit Obligation at year end	**273.18**	**237.51**

	Gratuity (Non-Funded)	
	2020-21	2019-20
II. Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	157.73	159.64
Present Value of Obligation	(273.18)	(237.51)
Amount recognised in Balance Sheet [Surplus/(Deficit)]	(115.44)	(77.86)

(₹ in Lacs)

	Year ended 31.03.2021	Year ended 31.03.2020
	Gratuity (Non-Funded)	
	2020-21	2019-20
Expenses recognised during the year		
In Income Statement		
Current Service Cost	44.91	22.27
Interest Cost	5.32	8.91
Past Service Cost	-	-
Net Cost	50.23	31.19
In Other Comprehensive Income		
Actuarial (Gain)/Loss	(17.03)	95.51
Return on Plan Assets	4.37	(8.80)
Net (Income)/Expenses for the period recognised in OCI	(12.66)	86.70

	Gratuity (Non-Funded)	
	2020-21	2019-20
Actuarial Assumptions		
Indian Assured Lives Mortality (2006-08)		
Discount rate (per annum)	6.84%	7.79%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%
Expected Average remaining working lives of employees Years	17	17
Employee Turnover	2%	2%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflations, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employment turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	As at 31st March, 2021		As at 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	0.95%	-	0.07%	-
Change in rate of salary Escalation	-	-	-	-

(All above figures as per the acturial valuation report)

(₹ in Lacs)

		2020-21	2019-20
NOTE 31	**Payments to Auditors As :**		
(a)	Auditors		
	Statutory Auditors Fees	**15.00**	1.75
	Tax Audit Fees	**2.00**	0.50
(b)	Certification and Consultation Fees	**-**	-
	TOTAL	**17.00**	2.25
NOTE 32	**EARNING PER SHARES (EPS)**		
(i)	Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders (in lacs)	**3,519.68**	267.37
(ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS (in lacs)	**1,754.57**	1,754.57
(iii)	Weighted Average Potential Equity Shares	**-**	-
(iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS (in lacs)	**1,754.57**	1,754.57
(v)	Basic Earnings Per Share (₹)	**1.84**	0.15
(vi)	Diluted Earnings Per Share (₹)	**1.84**	0.15
(vii)	Face Value per Equity Share (₹)	**10.00**	10.00

NOTE 33 RELATED PARTIES DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(i) Disclosure of related parties where control exits and with whom transactions entered as per Ind AS-24

Key Management Personnel and their relatives :

Shri Santosh Shahra - Non-Executive Chairperson

(Resigned w.e.f. 15.06.2021)

Shri Vishesh Shahra - Whole Time Director

(Appointed w.e.f. 02.04.2019)

Shri Davesh Khandelwal - Managing Director

Smt. Bhavna Goel - Director

(Appointed w.e.f. 24.06.2019)

Shri Atul Kumar Gupta - Director

Shri Aditya Upadhyay - Director

(Appointed w.e.f. 02.04.2019)

Smt. Usha Devi Shahra wife of Shri Santosh Shahra

Shri Ashish Dineshbhai Desai - CFO

(Appointed w.e.f. 20.01.2021)

Shri Vijay Bhaskar Unde - CFO

(Resigned w.e.f. 16.01.2021)

Shri Raj Kumar Bhawsar - Company Secretary

(Resigned w.e.f. 01.07.2021)

Other Related Parties :

National Steel and Agro Industries Ltd.

NSIL Infotech Private Limited

(Formerly known as NSIL Infotech Limited)

NSIL Exports Private Limited

(Formerly known as NSIL Exports Limited)

Benco Finance and Investments Pvt. Ltd.

Smiro International DMCC, Dubai, UAE

The Company does not have any Subsidiary, Joint venture Company or Associate Companies.

(ii) **Transaction during the year with related parties:**

Related Party Transactions

(Previous year's Figures are mention in ( ) below current year's figures

(₹ in Lacs)

Related Party Transactions	Subsidiary/ Associates	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Enterprises where KMP or their relatives hold significant influence
Office Rent					
Shri Vishesh Shahra	-	-	**36.00** (36.00)	**-**	-
Salary					
Smt. Usha Devi Shahra	-	-	-	**3.00** (NIL)	-
Purchase*					
NSIL Exports Pvt. Ltd. (Formerly known as NSIL Exports Limited)	**-**	**-**	**-**	**-**	**NIL** (327.47)

* Note : Purchases of 1477.410 Mt Imported Scrap From NSIL Exports Private Limited.

Sales (Export)#					
Smiro International DMCC, Dubai	-	-	-	-	**NIL** 2,216.21

Note : Sales (Direct Export) of 8074.07Mt MS Billets to Smiro International DMCC, Dubai, UAE.

(₹ in Lacs)

Related Party Transactions	Subsidiary/ Associates	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial	Enterprises where KMP or their relatives hold significant influence
Remuneration					
Shri Vishesh Shahra	-	-	**104.91** (110.62)	-	-
Shri Davesh Khandelwal	-	-	**42.72** (45.88)	- -	- -
Shri Manoj Khetan*	-	-	**9.22** (41.32)	-	-
Shri Ashish Dineshbhai Desai**	-	-	**4.54** (NIL)	-	-
Shri Vijay Bhaskar Unde***	-	-	**10.64** (16.36)	-	-
Shri Santosh Shahra#	-	-	**0.08** (0.12)	-	-
Smt. Bhavna Goel	-	-	**0.04** (0.02)	-	-
Shri Atul Kumar Gupta	-	-	**0.22** (0.16)	-	-
Shri Aditya Upadhyay	-	-	**0.22** (0.16)	-	-
Shri Rajkumar Bhawsar##	-	-	**10.95** (11.60)	-	-

* Shri Manoj Khetan, resigned from the position of Director (F&A) w.e.f. 30.12.2019, details of payment include towards his full and final settlement.

** Shri Ashish Dineshbhai Desai, appointed as CFO w.e.f. 20.01.2021, details of remuneration provided from the month of January, 2021 to March, 2021.

*** Shri Vijay Bhaskar Unde, resigned from the position of CFO w.e.f. 16.01.2021, details of remuneration provided from the month of April, 20 to January, 21.

\# Shri Santosh Shahra, resigned from the position of Director designated as 'Non- Executive Chairperson' w.e.f. 15th June, 2021.

\## Shri Rajkumar Bhawsar, resigned from the position of Company Secretary w.e.f. 01.07.2021.

(₹in Lacs)

Particulars	Subsidiary/ Associates	Joint Venture	Key Managerial Person	Relatives of Key Managerial	Enterprises where KMP or their relatives hold significant influence
Guarantees in respect of NCDs					
Shri Vishesh Shahra	-	-	-		
Smt. Bhavna Goel	-	-	-		
NSIL Infotech Private Limited	-	-	-	12,700.00	
Shriyam Industries Pvt. Ltd.	-	-	-		
Benco Finance and Investments Pvt. Ltd.	-	-	-		

Outstanding Balances:

(₹in Lacs)

	Debit/(Credit) 31st March, 2021	Debit/(Credit) 31st March, 2020
Key Managerial Personnel and their relatives	**(686.00)**	(586.00)
Other Related Parties	**(1,948.27)**	(1,948.27)

		As at 31.03.2021	As at 31.03.2020
34.	**CONTINGENT LIABILITIES AND COMMITMENTS**		
	Income Tax Demand from Income Tax Mumbai AY 2014-15	**85.24**	85.24
	Income Tax Demand from Income Tax Mumbai AY 2015-16	**49.24**	49.24
	Lease Rent demand of GIDC, Gandhidham	**156.83**	156.83
	GAIL India Limited	**-**	150.00
	Demand of re-credit Excise duty	**1,311.31**	1,311 .31
	Bank Guarantees credit aggregating to various Central Government (Income Tax)	**151.50**	151.50
	The Company imported Raw Materials under advance license scheme, against which the Company needs to fulfill the export obligation. The duty saved amount on such imports.	**564.06**	2,924.71
	The Company purchased / imported capital goods under EPCG scheme of DGFT against which the Company is required to do export of products of the Company as per the provisions of Foreign Trade Policy/Customs Act 1962.	-	-

35. CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

a) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

b) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows.

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Non-Current Liabilities (Other than DTL)	**-**	-
Current maturities of Long Term debts	**2,900.00**	900.00
Short-term Borrowings	**90.00**	90.00
Gross Debt	**2,990.00**	990.00
Cash and Cash Equivalents	**783.96**	723.01
Net Debt (A)	**2,206.03**	266.99
Total Equity (As per Balance Sheet) (B)	**36,401.24**	32,881.57
Net Gearing (A/B)	**0.060**	0.008

36. FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

Fair Value measurement hierarchy:

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Financial Assets		
At Amortised Cost		
Trade Receivables	**3,715.42**	2,976.46
Cash and Bank Balances	**998.43**	1,131.36
Loans	**152.88**	129.49
At FVTPL		
Investments	**NIL**	71.14
At FVTOCI		
Investments	**-**	-
Financial Liabilities		
Borrowings	**11,181.66**	15,348.22
Trade Payables	**6,933.63**	12,560.29
Other Financial Liabilities	**3,150.61**	1,128.16

Foreign Currency Risk:

No Exposure to Foreign Currency

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises mainly from the outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities. The Company maintains adequate cash and cash equivalents along with the need-based credit limits to meet the liquidity needs.

37. PAYMENT TO EDELWEISS ASSETS RECONSTRUCTION COMPANY LIMITED (EARC) AND DEBENTURE HOLDER

Due to the outbreak of Novel Coronavirus (Covid-19) pandemic and nationwide lockdown since March 23, 2020 to contain the same, though enough liquidity, the Company, with a view to conserve liquidity / resources for unforeseen situation, has not paid an installment of ₹ 3,00,00,000/- due on 31/03/2020 to EARC and monthly interest amounting to ₹ 1,73,80,515/- due on 31/03/2020 to its four (4) Debenture holders. The Company sought moratorium of six months from March, 2020 to August, 2020 from its Debenture holders and EARC which was duly received by the Company on a later date.

Meanwhile, the Company has paid interest to Debenture holders on July 16, 2020 and installment of ₹ 3,00,00,000/- along with Interest to the Edelweiss Assets Reconstruction Company Limited during July, 2020 to August, 2020.

38. EVENTS AFTER THE REPORTING PERIOD

Due to the second wave of Novel Coronavirus (Covid-19) pandemic to contain the same, production was effected several time during the month of April, 21 and May, 21. Production was then started in phased manner from the month of May, 21 with restricted movement of manpower as prescribed, taking all necessary steps for ensuring complete sanitization and social distancing norms, and fully operational by the month of July, 20. However, the environment is fluid and uncertain making it difficult to predict the likely path of economic activity.

39. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issuing by the Board of Directors in its meeting held on 14^{th} July, 2021.

40. As per Ind AS 108-"Operating Segment", Company does not have any other operating segment.

41. OTHER NOTES

The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

42. DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

To the extent, the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

Particulars	**As at 31.03.2021**	As at 31.03.2020
Principal amount remaining unpaid	**48.99**	0.94
Interest due thereon remaining unpaid	**-**	-
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**-**	-
Interest accrued and remaining unpaid (net of tax deducted at source)	**-**	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	**-**	-

43. COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has considered internal and external information while finalising estimates in relation to its financial statement up to the date of approval of financial statements by the Board of directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and durations. Due to the nature of the pandemic, the Company will continue to monitor development and shall take appropriate actions as appropriate, based on any material changes in the future economic conditions.

As per our report of even date attached

For **B.K. Khare & Co.**
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
(Partner)
Membership No. 040852

Place : Gandhidham
Dated : 14th July, 2021

For and on behalf of the Board

Davesh Khandelwal
(Managing Director)
DIN - 02997266

Vishesh Shahra
(Whole-time Director)
DIN - 00203546

Ashish Dineshbhai Desai
(Chief Financial Officer)

Anurag Gangrade
(Company Secretary)
Membership No. FCS9187

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Shreeyam Power And Steel Industries Ltd.

Primary Steel Producer

(An ISO 9001:2015, 14001:2015, 45001:2018 Certified Company)

Works & Admin Office : Plot No -332, New GIDC Industrial Estate, Phase ll, Village - Mithirohar, Taluka - Gandhidham -370201, Dist. Kutch, Gujarat, (India)

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