



**INDUCTO**

STEEL LTD

2021-22

34<sup>TH</sup>

ANNUAL

REPORT

**Go Green Initiative - Electronic Mode of service of documents:**

We as a responsible corporate citizen welcome and support the “Go Green Initiative in Corporate Governance” by the Ministry of Corporate Affairs (‘MCA’) which enables the Company to do paperless compliances. The above initiative will go a long way in conserving paper which is a natural resource and also result in substantial savings on printing and posting of Annual Reports to the shareholders of the Company.

In this regard, we seek your whole-hearted support for this initiative. We would request you update your email address with the respective Depository Participants in case of electronic shareholding or register your email addresses with the Company’s Registrar and Transfer Agents in case of physical shareholding, to get Annual Reports and other communications through e-mail instead of paper mode.

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| <b>COMPANY DETAILS</b> |
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**INDUCTO STEEL LIMITED****CIN: L27100MH1988PLC194523**

Registered Office: 156, Maker Chambers VI,

220 Jammalal Bajaj Marg,

Nariman Point, Mumbai-400021

Tel: 022 - 22043211; Fax- 22043215

E-mail: [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com)Website: [www.hariyanagroup.com](http://www.hariyanagroup.com)**Board of Directors**

Mr. Rajeev Reniwal

Chairman &amp; Managing Director

Mr. Yogesh Thakkar

Independent &amp; Non-Executive Director

Mrs. Sweety Reniwal

Non-Executive Director

Mr. Bhushanlal Behl

Independent &amp; Non- Executive Director

**Key Managerial Personnel**

Mr. Rajeev Reniwal

Managing Director

Mr. Dilip Kaushik

Chief Financial Officer

Ms. Bhoomi Vijay Rathod

(Appointed w.e.f 03.05.2021)

Company Secretary and Compliance Officer

|   |  |  |
|---|--|--|
| <b>Joint Statutory Auditors</b>           | M/s. P. D. Goplani & Associates<br>Chartered Accountant<br>(ICAI Registration No. 118023W)               | M/s. L S M & Co. (Formerly known as<br>Lahoti Navneet & Co.)<br>Chartered Accountants<br>(ICAI Registration No.:116870W) |
| <b>Secretarial Auditors</b>               | M/s. Dilip Bharadiya & Associates, Company Secretaries<br>{ICSI Firm Registration Number: P2005MH091600} |  |
| <b>Registrar and Share Transfer Agent</b> | Link Intime India Private Limited  |  |

**BANKER(S)**

Punjab National Bank

**BRANCH OFFICE**Hariyana House, 2165/ A-2, 2<sup>nd</sup> Floor, Sanskar Mandal Chowk, Bhavnagar - 364 002With effect from July 1, 2020, Company's branch office has been shifted to:  
Hariyana Ship Breakers Limited, Atlanta Building, Plot No. 2171-72/C, Opp. Joggers Park, G-1  
Attabhai Road, Bhavnagar- 364991, Gujarat**SHIP BREAKING YARD**

Plot No.14, Ship Breaking Yard, Alang, District Bhavnagar, Gujarat- 364001.

**INDUCTO STEEL LIMITED  
(CIN: L27100MH1988PLC194523)**

156, Maker Chambers VI, 220, Jammalal Bajaj Marg, Nariman Point, Mumbai- 400021

Website: [www.hariyanagroup.com](http://www.hariyanagroup.com); Email: [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com)

Tel: 022-22043211; Fax: 22043215

**E-COMMUNICATION REGISTRATION FORM**

Dear Members,

The Ministry of Corporate Affairs and the Securities and Exchange Board of India have commenced Green Initiative by allowing paperless compliances by Companies. The Companies can send Annual Reports and General Notices in electronic mode to Members who have registered their e-mail addresses for the purpose.

It is a welcome move for the society at large as this will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This is a golden opportunity for every Shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

We therefore invite all our members to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the enclosed registration form which is available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com)

**Let's be part of this 'Green Initiative'!**

**Please note that as a Member of the Company you will be entitled to receive all such communication in physical form, upon request.**

**Best Regards,  
Rajeev Reniwal  
Chairman**

**E - COMMUNICATION REGISTRATION FORM**

Folio No. / DP ID and Client ID:

.....

Name of 1st Registered Holder:

.....

Name of Joint Holder(s):

.....

Registered Address:

.....  
.....

E-mail ID (to be registered):

.....

I/ We Member(s) of INDUCTO STEEL LIMITED agree to receive communication from the Company in electronic mode.

Please register my above e-mail address in your records for sending communication through E-mail.

Date: .....

Signature: .....

**Note:** Member(s) are requested to provide the e-mail ID very carefully, as all the communication from the Company shall be sent to the e-mail ID provided through this form. The Shareholders are also requested to keep the Company informed as and when there is any change in the registered E-mail address.

## NOTICE

**NOTICE** is hereby given that the **THIRTY-FOURTH ANNUAL GENERAL MEETING** of the Members of **INDUCTO STEEL LIMITED** ('the Company') is scheduled and will be held on **Friday, September 30, 2022 at 10.00 a.m. (IST)** through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Statutory Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Statutory Auditors thereon.
2. To appoint a Director in place of Mrs. Sweety Reniwal (DIN: 00041853), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. S. N. Shah & Associates, Chartered Accountants (Firm Registration Number 109782W) as the Joint Statutory Auditor of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. N. Shah & Associates, Chartered Accountants (Firm Registration Number 109782W), be and is hereby appointed as one of the Joint Statutory Auditors of the Company, in place of the retiring Statutory Auditors, M/s. P.D. Goplani & Associates, Chartered Accountants (Firm Registration No.: 118023W), to hold office for a first term of five consecutive years from the conclusion of 34<sup>th</sup> Annual General Meeting till the conclusion of 39<sup>th</sup> Annual General Meeting of the Company, at a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit of the Company for the financial year 2022-23, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To re-appoint M/s. L S M & Co., Chartered Accountants (ICAI Registration No.: 1168770W) {Formerly known as Lahoti Navneet & Co.} as the Joint Statutory Auditor of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. L S M & Co., Chartered Accountants (Firm Registration No.:1168770W) {Formerly known as Lahoti Navneet & Co.}, be and is hereby re-appointed as one of the Joint Statutory Auditors of the Company, to hold office for a second term of three consecutive years from the conclusion of 34<sup>th</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting of the Company at a remuneration, at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit of the Company for the financial year 2022-23 as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **SPECIAL BUSINESS**

5. To re-appoint Mr. Rajeev Shantisarup Reniwal as a Managing Director of the Company for a period of three consecutive years with effect from October 01, 2022

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read with Schedule V of the Companies Act, 2013 in the event of no profits/inadequate profits (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is hereby accorded for re-appointment of Mr. Rajeev Shantisarup Reniwal (DIN: 00034264) as Managing Director ('MD') of the Company for three years commencing from October 01, 2022 to September 30, 2025, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including payment of monthly remuneration not exceeding Rs. 5,00,000 (Rupees Five Lakhs Only) with effect from October 01, 2022.

**RESOLVED FURTHER THAT** the board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and for matters

connected therewith or incidental thereto and to sign & execute any deed/  
document/undertaking/ agreement/ paper/ writing, as may be required in this regard  
and to delegate all or any of these powers to any of the Directors and/or Key  
Managerial Personnel and/or officers of the Company”

On behalf of the Board of Directors  
For **INDUCTO STEEL LIMITED**

**RAJEEV RENIWAL**  
**MANAGING DIRECTOR**  
**(DIN: 00034264)**

**SWEETY RENIWAL**  
**DIRECTOR**  
**(DIN: 00041853)**

Date: September 05, 2022

Place: Mumbai



**NOTES**

1. In view of the continued outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 5, 2022 and all other relevant circulars issued from time to time (hereinafter referred as "MCA Circulars"), physical attendance of the Members to the AGM venue is not required and the Meeting may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In view of the continued outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 5, 2022 and all other relevant circulars issued from time to time (hereinafter referred as "MCA Circulars"), physical attendance of the Members to the AGM venue is not required and the Meeting may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include Large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended, from time to time) and Regulation 44 of LODR (as amended, from time to time), and MCA circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into

an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by NSDL.

7. In line with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 and May 13, 2022, the Notice calling the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL ("Depositories"). The Notice along with the Annual Report 2021-22 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and at the website of the Company at [www.hariyanagroup.com](http://www.hariyanagroup.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at [dilipbcs@gmail.com](mailto:dilipbcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and the Company at [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login
9. In terms of the MCA Circulars and in the view of the Board of Directors, all matters included in this Notice are unavoidable and hence are proposed to be approved at this AGM. Relevant documents referred to in the accompanying Notice calling the AGM will be made available for electronic inspection by the Members upon sending the email to the Company at [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com) upto the date of the AGM.
10. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 22, 2022 to Friday, September 30, 2022 (both days inclusive)**.
12. Members holding shares in physical form are requested to furnish bank details, e-mail address, change of address, etc. to the Company's Registrar & Share Transfer Agents: Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083, so as to reach them latest by **Friday, September 23, 2022**, in order to take note of the same. In respect of Members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.
13. SEBI has mandated securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialize shares that are held by them in physical form.

14. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
15. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode. Members can inspect the same by sending an e-mail to [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com).
16. **Process for those shareholders whose email ids are not registered with the Depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**
  - In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) with a copy marked to the Company at [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com).
  - In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) with a copy marked to the Company at [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) below i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
  - Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
17. The remote e-voting period begins on Tuesday, September 27, 2022 at 9:00 A.M. and ends on Thursday, September 29, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 23, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 23, 2022.
18. The Company has appointed Mr. Dilip Bharadiya, Practicing Company Secretary (Membership No. FCS 7956) of M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
19. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the AGM shall be announced by the

Chairman or any other person authorized by him immediately after the results are declared.

20. Based on the report received from the Scrutinizer, the Company will submit within two working days of the conclusion of the Meeting to the stock exchange i.e BSE Limited, details of the voting results as required under Regulation 44(3) of the LODR.
21. The results declared along with the Scrutinizer's report, will be posted on the website of the Company at [www.hariyanagroup.com](http://www.hariyanagroup.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the result by the Chairman or any person authorised by him in writing and will be communicated to the Stock Exchange.

1. **The details of the process and manner for remote e-voting are explained below:**

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





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

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

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

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by</li> </ol> |

|  |   |
|--|---|
|  | <p>typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <p> </p> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>         |

|  |  |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

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

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |



|   |  |
|---|--|
| c) For Members holding shares in Physical Form. | <p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p> |
|---|--|

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

#### **How to cast your vote electronically during the AGM on NSDL e-Voting system?**

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

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

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

**Instructions for Members for E-voting and Attending the AGM through VC/OAVM are as under:**



- A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of Friday, September 23, 2022 shall be entitled to avail either the facility of remote e-voting prior to the AGM or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purposes only.
- Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date i.e. of Friday, September 23, 2022 may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Non-Resident Indian Members are requested to immediately inform the Company Link Intime India Private Limited or to the concerned Depository Participant(s), regarding:
  - ❖ the change in the residential status on return to India for permanent settlement; and/or
  - ❖ the particulars of the NRE Account with a Bank in India, if not furnished earlier.
- Shareholders who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or Link Intime India Private Limited, quoting their Folio No. or DP ID-Client ID, as the case may be. In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held

by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.hariyanagroup.com](http://www.hariyanagroup.com). Members holding shares in dematerialised form are requested to submit the said details to their Depository Participant(s) and the Members holding shares in physical form, are requested to submit the said details to the Company or Link Intime India Private Limited.

- All the Members are requested to intimate changes, if any, pertaining to their name, postal address, E-mail address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.), with necessary documentary evidence, to their Depository Participants - in case the shares are held by them in dematerialised form and to the Company in case the shares are held by them in physical form.
- SEBI has mandated submission of PAN by every participant in the Securities Market. Accordingly, Members holding shares in dematerialised form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime India Private Limited.
- Also, in terms of the Circular dated April 20, 2018 issued by SEBI, Members holding securities in physical form are advised to register their PAN and Bank Account Details with the Company or Link Intime India Private Limited, by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. Alternatively, the Members may submit a copy of bank passbook/ statement, duly attested by the Bank. Members holding shares in dematerialised form are requested to ensure that the aforesaid information is submitted/ updated with their respective Depository Participant.
- Further, in terms of the SEBI Listing Regulations, it is mandatory to furnish a copy of PAN card to the Company or Link Intime India Private Limited with respect to all requests pertaining to transfer of shares, deletion of name, transmission of shares and transposition of shares.
- Shareholders who would like to express their views/ have questions may send their speaker registration/ questions at least seven days prior to the date of AGM, mentioning their name demat account number/ folio number, email id, mobile number at [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com). Only those Members who register themselves as Speaker will be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Sagar Ghosalkar at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- SEBI has vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3rd November 2021 read with SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/687 dated 14th December 2021, mandated furnishing of details of PAN, e-mail address, mobile number, bank account and nomination by holders of physical securities. Further, it is stated that folios wherein any one of the cited document/ details including linking of PAN with Aadhaar are not furnished or made available on or after 1st April 2023, the relevant folio(s) shall be frozen by the Registrars and Transfer Agent of the Company (RTA). After 31st December 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. The requisite forms are available on the website of the Company [www.hariyanagroup.com](http://www.hariyanagroup.com). Members are requested to get in touch with RTA in this regard.

On behalf of the Board of Directors  
For **INDUCTO STEEL LIMITED**

**RAJEEV RENIWAL**  
**MANAGING DIRECTOR**  
**(DIN: 00034264)**

**SWEETY RENIWAL**  
**DIRECTOR**  
**(DIN: 00041853)**

Date: September 05, 2022  
Place: Mumbai

**EXPLANATORY STATEMENT**

**(As required by Section 102(1) of the Companies Act, 2013 the following Explanatory Statement sets out material facts relating to the business under Item No. 3, Item No. 4 and Item No. 5 of the accompanying Notice dated September 05, 2022)**

**Item No. 3**

In accordance with Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. P. D. Goplani & Associates, Chartered Accountants, Bhavnagar, having Firm Registration No. 118023W, Statutory Auditors of the Company shall retire at the conclusion of the 34<sup>th</sup> AGM of the Company.

The Board of Directors of the Company at their meeting held on September 05, 2022, on the recommendation of the Audit Committee, have recommended the appointment of M/s. S. N. Shah & Associates, Chartered Accountants (Firm Registration Number 109782W) as the Statutory Auditors of the Company, by the members at the 34<sup>th</sup> AGM of the Company for a term of five consecutive years from the conclusion of 34<sup>th</sup> AGM till the conclusion of 39<sup>th</sup> AGM of the Company, Rs. 2 Lakhs (Rupees Two Lakhs Only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit of the Company for the financial year 2022-23. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., M/s. S. N. Shah & Associates has been recommended to be appointed as the Statutory Auditors of the Company.

M/s. S. N. Shah & Associates is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India 1983 and has been providing consultancy, auditing, accounting and taxation services for more than 35 years. The firm is situated in Ahmedabad and has affiliate networks in Rajkot, Surat, Mumbai & Delhi, thereby having a presence across Gujarat and important cities of India.

Pursuant to Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company has received written consent from M/s. S. N. Shah & Associates and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. S. N. Shah & Associates has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI. Further, there is no material change in fees payable to M/s. S. N. Shah & Associates in comparison to the fees paid to outgoing auditor.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, in the resolution set out at Item No. 3 of the Notice.

**Item No. 4**

In accordance with Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, first term of M/s. L S M & Co. (Formerly known as Lahoti Navneet & Co.), Chartered Accountants (ICAI Registration No.:1168770W), Statutory Auditors of the Company shall retire at the conclusion of the 34<sup>th</sup> AGM of the Company.

The Board of Directors of the Company at their meeting held on September 05, 2022, on the recommendation of the Audit Committee, have recommended the re-appointment of M/s. L S M & Co. (Formerly known as Lahoti Navneet & Co.), Chartered Accountants (ICAI Registration No.:1168770W) as the Statutory Auditors of the Company, by the members at the 34<sup>th</sup> AGM of the Company for second term of three consecutive years from the conclusion of 34<sup>th</sup> AGM till the conclusion of 37<sup>th</sup> AGM of the Company, at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit of the Company for the financial year 2022-23. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., M/s. L S M & Co. has been recommended the re-appointment as the Statutory Auditors of the Company.

M/s. L S M & Co. (Formerly known as Lahoti Navneet & Co.), Chartered Accountants (ICAI Registration No.:1168770W) is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1997 and has been providing services finance and accounting outsourcing, audit and assurance, tax and regulatory, corporate advisory and corporate financing for domestic and global businesses of all sizes.

Pursuant to Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company has received written consent from M/s. L S M & Co. and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. L S M & Co. has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, in the resolution set out at Item No. 4 of the Notice.

**Item No. 5**

The Members of the Company at the 30<sup>th</sup> Annual General Meeting of the Company held on September 29, 2018 had re-appointed Mr. Rajeev Reniwal (DIN: 00034264) as Managing Director of the Company, not liable to retire by rotation for a period of 5 (five) years with effect from October 01, 2017 under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the

present term of Mr. Rajeev Reniwal (DIN: 00034264) as Managing Director comes to an end. Therefore, the Board of Directors of the Company at its meeting held on September 05, 2022 has, subject to the approval of members re-appointed Mr. Rajeev Reniwal (DIN: 00034264) as Managing Director for a further period of three years from the expiry of his present term and payment of monthly remuneration not exceeding Rs. 5,00,000 (Rupees Five Lakhs Only) with effect from October 01, 2022 on the terms and conditions as recommended by the Nomination and Remuneration Committee of the Board and approved by Board. It is proposed to seek member's approval for the re-appointment to Mr. Rajeev Reniwal (DIN: 00034264) as Managing Director. The Broad particulars of the remuneration payable to, Mr. Rajeev Shantisarup Reniwal are as under:

### **Salary & Perquisites:**

- I. Salary to the maximum: Rs. 5,00,000/- per month w.e.f. October 01, 2022
- II. Increments: Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 1,00,000/- to Rs. 1,50,000/- per month
- III. Bonus for the financial year, at the discretion of the Company
- IV. Commission: Not exceeding 1.5 (one and half) percent of net profit in an accounting year of the Company subject to availability of profit and applicable provisions of law.
- V. Provident Fund: Company's contribution not to exceed 12% of salary
- VI. Housing: The Company to provide rent free partially furnished, air-conditioned, residential accommodation with telephone, gas and electricity, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- VII. Medical Aid: Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed Rs. 1,00,000/- per year.
- VIII. Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum as per the Income-tax Rules, 1962
- IX. Free use of the Company's car and fuel expenses for use on the Company's business as well as for own use. If car is leased from an external agency or from spouse, lease rental and fuel expenses will be paid as per rules of the Company.
- X. Reimbursement of salary of driver and his meal coupons as per rules of the Company.
- XI. Reimbursement of medical expenses incurred in India or abroad including hospitalisation, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
- XII. The Company to pay the premium for the Group Insurance Policy taken for Rajeev Shantisarup Reniwal as per rules of the Company.
- XIII. The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- XIV. Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company
- XV. Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed as per Company policy from time to time.
- XVI. Reimbursement of expenses on mobile phone and landline phone at residence as per rules of the Company.
- XVII. Reimbursement of expenses incurred by him in purchase of newspapers, magazines, books and periodicals in accordance with the Company's policy.
- XVIII. Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company's policy.
- XIX. Other benefits like Gratuity, Provident Fund, leave etc. as applicable to the employees of the Company.

All the above prerequisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, prerequisites shall be evaluated at actual cost.

**Other Terms and Conditions:**

Sitting fees, if any paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof shall be as per the company rules and as permissible at law.

Mr. Rajeev Reniwal has furnished the consents/declarations for his appointment as required under the Act, Rules and Listing Regulations. He satisfies all the conditions as set out in Part I of Schedule V and also under Section 196 of the Act for being eligible to be appointed as a Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Relevant details relating to appointment of Mr. Rajeev Reniwal as the Managing Director including his profile as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Mr. Rajeev Shantisarup Reniwal is interested in the resolution set out at Item No.5 of the Notice. Mrs. Sweety Rajeev Reniwal, being related to Mr. Rajeev Shantisarup Reniwal may be deemed to be interested in the said resolution. The other relatives of Mr. Rajeev Shantisarup Reniwal may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for the approval by the Members. Mr. Rajeev Shantisarup Reniwal is interested in the resolution set out at Item No. 5 of the Notice. Mrs. Sweety Rajeev Reniwal, being related to Mr. Rajeev Shantisarup Reniwal may be deemed to be interested in the said resolution.

The other relatives of Mr. Rajeev Shantisarup Reniwal may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

**(ANNEXURE TO NOTICE DATED SEPTEMBER 05, 2022)**  
**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE**  
**FORTHCOMING ANNUAL GENERAL MEETING**  
**[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing**  
**Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2**  
**on General Meetings (SS-2)]**

**A. Brief resume of Mr. Rajeev Reniwal and Mrs. Sweety Rajeev Reniwal including qualification, experience and expertise in specific functional area:**

**Mr. Rajeev Reniwal:**

Mr. Rajeev Reniwal has experience of over 29 years in the field of business administration, finance, management and sales. He has taken very pro-active efforts in the operations and management of the Company since his association with the Company. Further, he declared that he is not debarred from holding office of director by virtue of any SEBI order or any such authority.

**Mrs. Sweety Rajeev Reniwal:**

Mrs. Sweety Rajeev Reniwal is a Commerce graduate and has experience of over 25 years in the field of business administration, finance, management, sales, marketing and corporate governance. He is the Non-Executive Non-Independent Director of the Company. Her contribution in the growth of the Company is commendable. Mrs. Sweety Rajeev Reniwal is the member of the Nomination and Remuneration committee, Audit committee, Stakeholder's Relationship Committee and the Corporate Social Responsibility Committee. Further, she declared that she is not debarred from holding office of director by virtue of any SEBI order or any such authority.

**B. Other Details**

| <b>Name of Director</b>                                    | <b>Mr. Rajeev Reniwal</b>  | <b>Mrs. Sweety Rajeev Reniwal</b>  |
|--|--|--|
| <b>Director Identification Number (DIN)</b>                | 00034264   | 00041853   |
| <b>Date of Birth</b>                                       | 10/10/1968 (53 years)  | 21/10/1973 (48 years)  |
| <b>Date of First Appointment</b>                           | 01/04/1993   | 09/03/2002   |
| <b>Experience</b>  | 29 years   | 25 years   |
| <b>Nature of expertise in specific functional areas</b>    | Business administration, finance, management   | Sales and marketing  |
| <b>Terms and conditions of appointment/ re-appointment</b> | Executive Director not liable to retire by rotation; Other details as per the explanatory note | Non-Executive Director liable to retire by rotation; Other details as per the explanatory note |
| <b>Past Remuneration drawn from the Company</b>            | NIL  | NIL  |
| <b>Shareholding in the Company as on March 31, 2022</b>    | 3,37,526 Equity Shares<br>Beneficial Owner:<br>1,93,900 Equity Shares                          | 4,07,745 Equity Shares   |
| <b>Relationship with other</b>                             | Husband of Mrs. Sweety   | Wife of Mr. Rajeev   |



|  |   |   |
|--|---|---|
| <b>Directors, Manager and other Key Managerial Personnel of the company</b>  | Renial and not related to any other Director / Key Managerial Personnel | Renial and not related to any other Director / Key Managerial Personnel |
| <b>No. of Board Meetings attended during the Financial Year 2021-22</b>  | 11  | 11  |
| <b>List of other Indian Public Limited Companies in which Directorships held<sup>(1)</sup></b>   | None  | None  |
| <b>Chairperson/ Member of Committee(s) of Board of Directorsof the Company<sup>(2)</sup></b>   | Nil   | 2   |
| <b>Chairperson/ Member of the Committee(s) of Board of Directors of other Companies in which he is a Member/ Chairperson<sup>(2)</sup></b> | Nil   | Nil   |

**Notes:**

- 1) This excludes directorships in the Company, Foreign Companies, Private Companies, Companies incorporated under Section 25 of the erstwhile Companies Act, 1956 and Companies incorporated under Section 8 of the Act.
- 2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Memberships/ Chairmanships in only two committees' viz. Audit Committee and Stakeholder's Relationship Committee of Public Limited Companies are considered.

**REPORT OF THE BOARD OF DIRECTORS**

Dear Members,

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report along with the Audited Financial Statements (Consolidated and Standalone) for the year ended March 31, 2022.

**1. FINANCIAL RESULTS**

Your Company's financial performance for the financial year ended 31<sup>st</sup> March 2022, is summarised below

(In Lakhs)

| Particular  | Standalone                              |   | Consolidated                            |   |
|---|---|---|---|---|
|   | For the financial year ended 31.03.2022 | For the financial year ended 31.03.2021 | For the financial year ended 31.03.2022 | For the financial year ended 31.03.2021 |
| Revenue from operations   | 5,745.60                                | 293.08                                  | 5,745.60                                | 293.08                                  |
| Other Income  | 22.85                                   | 15.99                                   | 22.85                                   | 15.99                                   |
| <b>Total Revenue</b>  | <b>5,768.46</b>                         | <b>309.07</b>                           | <b>5,768.46</b>                         | <b>309.07</b>                           |
| Cost of raw materials consumed  | 3,624.69                                | 4.97                                    | 3,624.69                                | 4.97                                    |
| Purchase of Stock - in - trade  | 1,694.92                                | 219.11                                  | 1,694.92                                | 219.11                                  |
| Changes in inventories of finished goods, stock - in - trade, work - in - process | (280.28)                                | -                                       | (280.28)                                | -                                       |
| Employee benefits expenses  | 121.85                                  | 22.39                                   | 121.85                                  | 22.39                                   |
| Finance costs   | 30.85                                   | 22.44                                   | 30.85                                   | 22.44                                   |
| Excise Duty   | -                                       | -                                       | -                                       | -                                       |
| Depreciation and amortization expenses  | 20.24                                   | 24.45                                   | 20.24                                   | 24.45                                   |
| Other expenses  | 299.74                                  | 154.10                                  | 296.66                                  | 81.72                                   |
| <b>Total Expenses</b>   | <b>5,512.01</b>                         | <b>447.46</b>                           | <b>5,508.93</b>                         | <b>375.08</b>                           |
| Share of profit/ (loss) from associates   | -                                       | -                                       | (3.08)                                  | (72.38)                                 |
| <b>Profit / (Loss) before tax</b>   | <b>256.44</b>                           | <b>(138.39)</b>                         | <b>256.44</b>                           | <b>(138.39)</b>                         |
| Less: Current Tax   | 33.21                                   | -                                       | 33.21                                   | -                                       |
| Less: Deferred Tax  | (2.67)                                  | 0.47                                    | (2.67)                                  | 0.47                                    |
| <b>Profit / (Loss) after tax</b>  | <b>225.91</b>                           | <b>(138.86)</b>                         | <b>225.91</b>                           | <b>(138.86)</b>                         |
| <b>Other Comprehensive Income</b>   | <b>0.78</b>                             | <b>(0.30)</b>                           | <b>0.78</b>                             | <b>(0.30)</b>                           |
| <b>Total Comprehensive Income for the year</b>                                    | <b>226.69</b>                           | <b>(139.16)</b>                         | <b>226.69</b>                           | <b>(139.16)</b>                         |
| <b>Earnings Per Share (Face Value of ₹ 10/- each)</b>                             |   |   |   |   |
| -Basic  | 5.62                                    | (3.46)                                  | 5.62                                    | (3.46)                                  |
| -Diluted  | 5.62                                    | (3.46)                                  | 5.62                                    | (3.46)                                  |

**RESULTS OF OPERATIONS & STATE OF AFFAIRS OF THE COMPANY****Turnover**

Gross Turnover including other incomes for the financial year 2021-22 stood at ₹ 5768.46 Lakhs in comparison to ₹ 309.07 Lakhs for the financial year 2020-2021.

**Revenue**

The Company reported Revenue of ₹ 5745.60 Lakhs for the financial year 2021-2022 in comparison to ₹ 293.08 Lakhs for the financial year 2020-2021.

**Finance Cost**

Finance cost stood at ₹ 30.85 Lakhs for the financial year 2021-2022 in comparison to ₹ 22.44 Lakhs for the financial year 2020-2021.

**Depreciation**

Depreciation stood at ₹ 20.24 Lakhs for the financial year 2021-2022 in comparison to ₹ 24.45 Lakhs for the financial year 2020-2021.

**Segmental Review**

The company's business segments are identified based on the geographic locations of its units and the internal business reporting system as per Ind AS 108. Business segments of the company are primarily categorized as: Mumbai (Trading & Investment) and Bhavnagar (Ship Breaking & Trading).

**Segment-wise Standalone Ind AS Financial Results** **In Lakhs**

| Particulars                               | Mumbai   | Bhavnagar | Total    |
|---|----------|-----------|----------|
| Segment Assets                            | 4404.41  | 3849.48   | 8253.89  |
| Segment Liabilities                       | 570.91   | 3436.32   | 4007.22  |
| Revenue from External Source              | 1,085.40 | 4,660.20  | 5,745.60 |
| Segment Results Before Interest and Taxes | 42.72    | 244.57    | 287.30   |

**COVID 19 UPDATE**

The COVID-19 pandemic has led to the unprecedented health crisis and has disrupted economic activities and global trade while weighing on consumer sentiments. During the year under review, the nation experienced high severity and mortality of citizens brought by the second wave of the ongoing COVID-19 pandemic. With intermittent nationwide lockdowns and disruption in regular economic activities, there was price volatility of raw materials and sluggish market demand during first half of the year under review. However, the Company dealt with the pandemic by continuing to focus on operational excellence, marketing strategies, and keeping its employees and community at the core of it. The health and safety of employees and the communities in which the Company operates continue to be the foremost priority of the Company. To mitigate the risks and challenges faced by the Company during the pandemic, the Company enhanced safety and hygiene norms at offices, implemented work from home, staggered shift timings for safety of employees and leveraged digital platforms for its day-to-day operations.

**2. CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, Listing Regulations, the Audited Consolidated Financial Statements forms integral part of this Annual Report.

**3. TRANSFER TO RESERVES:**

The Company has not transferred any amount to the reserves during the current financial year.

**4. DIVIDEND**

The Directors have considered it financially prudent to re-invest profits into the business

of the Company and therefore do not intend to recommend dividend for the financial year ended March 31, 2022.

**5. CHANGE IN NATURE OF BUSINESS**

During the financial year ended March 31, 2022, there was no change in the nature of business of the Company.

**6. MATERIAL CHANGES AND COMMITMENTS**

Other than stated elsewhere in this Report, there are no material changes and commitments affecting the financial position of the Company between the end of the current financial year and the date of this report.

**7. MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed report on the Management Discussion & Analysis as required in terms of the SEBI Listing Regulations is provided as a separate section as Annexure A in the Annual Report.

**8. CAPITAL STRUCTURE**

The authorized share capital of the Company is ₹ 5,50,00,000/- (Rupees Five Crore Fifty Lakhs only) divided into 55,00,000 (Fifty-Five Lakhs) equity shares face value ₹ 10/- each, fully paid up.

As on March 31, 2022, the total paid up equity share capital of the Company was ₹ 4,01,72,540/- (Rupees Four Crore One Lakh Seventy-Two Thousand Five Hundred and Forty only) consisting of 40,17,254 (Forty Lakhs Seventeen Thousand Two Hundred and Fifty Four) equity shares of face value ₹ 10/- each, fully paid up.

During the year under review, the Company has not issued any shares/ sweat equity shares/ stock options / shares with differential voting rights.

**9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

There were no such funds which were required to be transferred to Investor Education and Protection Fund (IEPF) during the financial year ended March 31, 2022.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

**a. APPOINTED/RESIGNED DURING THE YEAR**

During the year under review, there has been no change in the composition of Board of Directors of the Company. As on March 31, 2022, the Board comprises of four Directors: -

| Sr.No. | Name of Director               | Designation                            |
|--------|--------------------------------|--|
| 1      | Mr. Rajeev Shantisarup Reniwal | Managing Director                      |
| 2      | Mrs. Sweety Rajeev Reniwal     | Non-Executive Non-Independent Director |
| 3      | Mr. Yogesh Anantraï Thakkar    | Non-Executive Independent Director     |
| 4      | Mr. Bhushanlal Chamanlal Behl  | Non-Executive Independent Director     |

**b. KEY MANAGERIAL PERSONNEL**

Mr. Rajeev Shantisarup Reniwal, Managing Director, Mr. Dilip Vimal Kaushik, Chief Financial Officer and Ms. Bhoomi Vijay Rathod, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provision of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with SEBI (LODR) Regulations, 2015.

Ms. Bhoomi Vijay Rathod (Membership No. A62304) was appointed as the Company Secretary and Compliance Officer of the Company with effect from May 03, 2021.

**c. RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT**

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mrs. Sweety Reniwal (DIN: 00041853), Non-Executive Non-Independent Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible have offered herself for re-appointment.

**d. STATEMENT OF DECLARATION BY INDEPENDENT DIRECTOR**

All the Independent Directors of the Company have given their respective declarations stating that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an independent director during the year. During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. They have registered themselves with the Independent Director's Database maintained by the IICA.

The Board opines that all the Independent Directors on the Board possess integrity, necessary expertise and experience for performing their functions diligently.

**11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the year, 11 (Eleven) Board meetings were convened and held. The details of the meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**12. COMMITTEES OF THE BOARD**

As on 31st March, 2022, the Board has 4 committee i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

**Audit Committee:**

Audit Committee is constituted as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. Composition of Audit Committee is as per Section 177 (8) of Companies Act, 2013. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

Composition, Terms of reference and Details of Meeting of the Committee is explained in detail in the Corporate Governance Part of this Annual Report.

**Nomination and Remuneration Committee ('NRC'):**

The Board has set up a Nomination and Remuneration Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition, quorum, powers, role and scope are in line with the applicable provisions of the Act and SEBI Listing

Regulations. Composition, Terms of reference and Details of Meeting of the Committee is explained in detail in the Corporate Governance Part of this Annual Report.

#### **Stakeholder's Relationship Committee ('SRC'):**

The Board has constituted a Stakeholders Relationship Committee According to 178 (5) of the Companies Act 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Composition and Terms of Reference of the SRC is explained in detail in the Corporate Governance Part of this Annual Report.

#### **Corporate Social Responsibility Committee ('CSR'):**

The Board has constituted Corporate Social Responsibility Committee to comply the Section 135 of the Companies Act, 2013. Composition and terms of reference of which is explained in detail in the Corporate Governance Part of this Annual Report.

During the year under review, Corporate Social Responsibility is not applicable to the company.

### **13. COMPANY POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee (NRC) has adopted a term of reference which, inter alia, deals with the criteria for identification of members of the Board of Directors and selection/appointment of the Key Managerial Personnel/Senior Management Personnel of the Company. The NRC recommends appointment/Re-appointment of Director based on their qualifications, expertise, positive attributes and independence/ professional expertise in accordance with prescribed provisions of the Companies Act, 2013 and rules framed thereunder and Listing Regulations. The NRC, in addition to ensuring diversity of race and gender, also considers the impact the appointee would have on Board's balance of professional experience, background, viewpoints, skills and areas of expertise. In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of your Company had, on recommendation of the NRC, adopted a Nomination Policy, which inter alia enumerates the Company's policy on appointment of Directors and KMP. The policy is available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com)

### **14. PERFORMANCE EVALUATION OF THE BOARD**

In terms of the provisions of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Nomination Policy of the Company, NRC and the Board have approved a framework, which lays down a structured approach, guidelines and processes to be adopted for carrying out an evaluation of the performance of the Board, its Committees and individual Director

During the year under review, the Board carried out the evaluation of its own performance and that of its Committees and the individual Director

The evaluation process focused on various aspects of the functioning of the Board and its Committees, such as composition of the Board and Committees, attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of individual directors based on criteria

such as contribution of the director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

## **OUTCOME OF THE EVALUATION**

### **Board of Directors:**

The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairman along with assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The performance evaluation of the Board is carried out taking into account the various parameters like composition of Board, process of appointment to the Board, common understanding amongst Directors of their role and responsibilities, timelines and content of Board papers, strategic directions, advice and decision making, etc. The Board also notes the actions undertaken, pursuant to the outcome of previous evaluation exercises.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the independent director being evaluated.

The Chairman of the respective Committees shared the report on evaluation with the respective Committee member. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Director

### **Committees of the Board:**

The Committee's self-assessment is carried out based on degree of fulfilment of key responsibilities, adequacy of Committee composition, effectiveness of meetings, Committee dynamics and quality of relationship of the Committee with the Board and the Management.

The Independent Director(s) also evaluated the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole at the meeting of Independent Director(s) held on February 13, 2022. The outcome and feedback from Directors was discussed at the respective meetings of Board, Committees of Board and meetings of Independent Director

The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and necessary steps will be taken going forward.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this Annual Report.

## **15. PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1), 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Annexure B in this Report.

## **16. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state that:

- I. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- III. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV. the directors have prepared the annual accounts on a going concern basis;
- V. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- VI. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **17. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY**

Internal financial control systems of the Company are commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information and disclosures.

Systems and procedures are periodically reviewed and these are routinely tested by Statutory as well as Internal Auditors and cover all functions and business areas. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls

#### **18. AUDITORS AND AUDITORS' REPORT**

##### **JOINT STATUTORY AUDITORS**

M/s. P. D. Goplani & Associates, Chartered Accountants, Bhavnagar, having ICAI Firm Registration No. 118023W, were appointed as Auditors of the Company, at the Annual General Meeting held on September 30, 2017, for a term of 5 (five) consecutive years i.e. to hold office from the conclusion of 29<sup>th</sup> Annual General Meeting until the conclusion of 34<sup>th</sup> Annual General Meeting of the Company to be held in the financial year 2022 and M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 116870W) was appointed as Joint Statutory auditors at the 30<sup>th</sup> Annual General Meeting held on September 29, 2018 for a period of 4 years i.e. to hold office from the conclusion of 30<sup>th</sup> Annual General Meeting until the conclusion of 34<sup>th</sup> Annual General Meeting of the Company to be held in the financial year 2022.

M/s. P. D. Goplani & Associates, Chartered Accountants, the Company's Statutory Auditors would be completing their two terms, on conclusion of the ensuing 34<sup>th</sup> Annual General Meeting. Therefore, in their place, M/s. S. N. Shah & Associates,



Chartered Accountants (Firm Registration Number 109782W) are proposed to be appointed as the Statutory Auditors of the Company, to hold office from conclusion of the forthcoming 34<sup>th</sup> A.G.M. until the conclusion of 39<sup>th</sup> A.G.M. of the Company. Based on the recommendation of Audit Committee, the Board of Directors at their Meeting held on September 05, 2022 recommended the proposal for approval of the shareholders at the ensuing 34<sup>th</sup> Annual General Meeting.

M/s. L S M & Co. (Formerly known as Lahoti Navneet & Co.), Chartered Accountants (ICAI Registration No.:116870W) is eligible for the re-appointment for a period of three years. M/s. L S M & Co. (Formerly known as Lahoti Navneet & Co.), Chartered Accountants (ICAI Registration No.:116870W) is proposed to be appointed as the Statutory Auditors of the Company, to hold office from conclusion of the forthcoming 34<sup>th</sup> A.G.M. until the conclusion of 37<sup>th</sup> A.G.M. of the Company. Based on the recommendation of Audit Committee, the Board of Directors at their Meeting held on September 05, 2022 recommended the proposal for approval of the shareholders at the ensuing 34<sup>th</sup> Annual General Meeting.

Further, both the aforesaid Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company for financial year 2022-23.

**Observations of Statutory Auditors on Accounts for the year ended March 31, 2022:**

There are no observations in the Auditors report for the financial year ended March 31, 2022 therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**Fraud Reporting:**

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

**SECRETARIAL AUDITORS**

The Board had appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the FY 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith marked as **Annexure C** to this Report.

The Secretarial Audit Report is self-explanatory and do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Further, pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; the Board of the Company at its meeting held on August 14, 2022 has re-appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries (Certificate of Practice No. 7956), to undertake the Secretarial Audit of the Company for the financial year 2022-23.

**INTERNAL AUDITORS**

Pursuant to provisions of Section 138 of the Companies Act, 2013 the Board on recommendation of the Audit Committee has appointed Mr. Amol Shah, as Internal Auditor of the Company.

**19. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES**

The Company has no subsidiary, associate companies or joint venture companies within the meaning of Section 2(6) and 2(87) of the Act and thus, pursuant to the provisions of Section 129(3) of the Act, the statement containing the salient features of financial statements of the Company's subsidiaries/associate companies in Form AOC-1 is not required to be attached to the financial statements of the Company.

**20. DEPOSITS**

The Company has not accepted any deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2022, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon.

**21. PARTICULARS OF LOANS, GUARANTEE & INVESTMENTS**

The disclosure of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as on March 31, 2022, if any, forms part of the Notes to the Standalone Financial Statements provided in this Annual Report.

**22. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

As per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Listing Regulations, all contracts/arrangements/transactions entered by the Company with Related Parties were in ordinary course of business and at arm's length basis.

All Related Party Transactions entered into during the year under review were approved by the Audit Committee and the Board, from time to time and the same are disclosed in the Financial Statements of your Company for the year under review.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

Further during the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 for disclosure of details of Related Party Transactions which are "not at arm's length basis" and also which are "material and at arm's length basis", is not applicable to the Company.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure D and is attached to this report.

**24. RISK MANAGEMENT**

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging up to 180 days to 360 days. The Company is adopting policy of full hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary.

Though the Company is employing such measures, the Company is still exposed to the risk of any heavy foreign exchange fluctuation.

Likewise the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any up and down in the price of the iron and steel will affect the profitability of the Company.

**25. VIGIL MECHANISM**

The Vigil Mechanism/Whistleblower Policy has been approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations which provides a formal mechanism to the employees, business associates and stakeholders of the Company to, inter-alia, report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/ price sensitive information, unethical / unfair actions concerning Company vendors/ suppliers, malafide manipulation of company data/records, actual or suspected fraud or discrimination to the Company's Code of Conduct in an anonymous manner.

The policy of vigil mechanism is available on the Company's website i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com)

**26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status operations of the Company in future.

**27. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**28. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

The Company has neither filed any application under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), as amended from time to time, nor has availed one time settlement with respect to any loans from banks or financial institutions.

**29. ANNUAL RETURN**

Annual Return of the Company as per Section 92(3) of the Companies Act, 2013 is uploaded on website of the Company and the same can be accessed at the weblink [www.hariyanagroup.com](http://www.hariyanagroup.com)

**30. CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 read with Schedule V of the LODR, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming

compliance, is provided in Annexure 'E' and Annexure 'F' respectively forming part of this Board Report.

### **31. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company is committed towards providing a work environment that is professional and mature, free from animosity and one that reinforces our value of 'integrity' that includes respect for the individual. The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has adopted a Policy on Prevention of Sexual Harassment at Workplace. This policy is applicable to all employees, irrespective of their level and it also includes 'Third Party Harassment' cases i.e. where sexual harassment is committed by any person who is not an employee of the Company. The said policy is available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com). Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

The Company has not received any complaint of sexual harassment during the financial year 2021-22.

### **32. MAINTENANCE OF COST RECORDS**

The requirement of maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and the audit of its cost records conducted by a Cost Accountant is not applicable to the Company.

### **33. FRAUD REPORTED BY AUDITOR UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013**

There was no instance of fraud reported by the auditor in their report under Section 143 (12) of the Companies Act, 2013.

### **34. LISTING ON STOCK EXCHANGE:**

The Company's shares are listed on BSE Limited.

### **35. DEPOSITORY SERVICES:**

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No **INE146H01018**. Shareholders are, therefore requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

### **36. FAMILIARIZATION PROGRAMME**

The Company conducts Familiarization Programme for the Independent Directors to enable them to be familiarized with the Company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. They are provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole.

Further, when a new Director is inducted on the Board, they are provided with necessary documents/ brochures, reports, internal policies, strategy and such other

operational information to enable them to familiarize with the Company's procedures and practices. Site visits to various plant locations are organized for the Independent Directors to enable them to understand and acquaint with the operations of the Company.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments are made at the separate meetings of the Independent Directors from time to time.

The details of such familiarization programmes for Independent Directors are put up on the Company's website and can be accessed at <https://www.hariyanagroup.com/investor-relations-inducto.html>

### **37. OTHER DISCLOSURES**

In terms of the applicable provisions of the Act and SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- There is no plan to revise the Financial Statements or Director's' Report in respect of any previous financial year.

### **38. ACKNOWLEDGEMENT**

The Board of Directors would like to express their sincere gratitude for the assistance and co-operation received from the financial institutions, banks, Government authorities, business associates and members of the Company and look forward to their continued support in future.

The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors

**RAJEEV RENIWAL**  
**MANAGING DIRECTOR**  
**(DIN: 00034264)**

**SWEETY RENIWAL**  
**DIRECTOR**  
**(DIN: 00041853)**

Date: September 05, 2022

Place: Mumbai

## ANNEXURE A

## MANAGEMENT DISCUSSION AND ANALYSIS

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. Further, the ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption and the ongoing tension between Russia and Ukraine have limited the growth prospects.

Global growth is projected to slow-down from an estimated 6.1% in 2021 to 3.6% in 2022 – 0.8 percentage-point lower than what was envisioned in the last World Economic Outlook (WEO) of January 2022, largely reflecting forecast markdowns in USA and China. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow down to 3.6% in 2023.

According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is done through maritime transport. In November 2020, the Prime Minister, Mr. Narendra Modi renamed the Ministry of Shipping as the Ministry of Ports, Shipping and Waterways. Ship breaking is the process of dismantling decommissioned ships and similar vessels to extract scrap metal and demolish the huge ship structure. It is also known as ship demolition, ship cracking, or even ship recycling, at times. Global trade and shipping has consistently increased over the past years due to globalization and industrialization, which has led to substantial rise in ship building. However, the average life of a ship is quoted to be around 25 to 30 years. Post this age, the ship needs to be decommissioned for safety and economic concerns, may be sometimes due to accidents and mishaps of the ship. The process of decommissioning is usually followed by an auction of the ship, after which it is moved to the breaking yards to break it down. The breakdown is labour intensive, and the time required for breaking the ship down varies according to the size and type of vessel.

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly being used in engineering industries such as power generation, petrochemicals and fertilizers. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernization and up gradation of older plants, improving energy efficiency and backward integration into global raw material sources.

The Indian Shipping Industry plays a crucial role in Indian economy. As mentioned earlier, 90% of the Nations trade by volume is done by the sea. India has been largest merchant shipping fleet amongst the developing nations. The Indian shipping industry supports transportation of national and international cargoes and also provides various other facilities such as ship building, ship repairing, freight forwarding etc. Indian shipping industry with emergence of globalization and liberalization in early 90's has acquired new dimensions in terms of demand and infrastructural development.

➤ **Global Overview:**

The global steel industry has partially recovered with increase in global steel production by 3.7% during 2021, compared to 2020. This is primarily due to economies opening up after wide scale vaccinations, gradual commencement of economic activity, and significant change in retail consumer behaviour mainly in automotive and construction sectors. Further, increase in raw material prices mainly concerning coking coal, iron ore and oil & fuel have pushed the market prices of steel. Global crude steel production reached at 1,951 MnT in 2021, which was higher by 70 MnT than 2020. While China continued to be the largest global crude steel producer, there were moderate growth in steel production in countries such as India, Japan, USA, Germany and Brazil, amongst others, signifying normalcy in operations during the pandemic.

In 2012, roughly 1,250 ocean ships were broken down, and their average age was 26 years. In 2013, the world total of demolished ships amounted to 29,052,000 tonnes, 92% of which were demolished in Asia. As of January 2020, Alang Ship Breaking Yard (India) has the largest global share at 30% followed by Chittagong Ship Breaking Yard (Bangladesh), China and Gadani ship-breaking yard (Pakistan).

Total global crude steel production for 2021 stood at 1.033Bt, or 3% lower on the year. However, in second half of 2021, production was up by 11.6% compared to the same period in 2020. Chinese steel production mainly led this increase due to a continually recovering economy post COVID -19. However, in the later half of 2021, Chinese steel production declined due to efforts on decarbonisation.

➤ **Domestic Overview & Market Size:**

Indian Steel Industry:- Amidst the challenges brought by the COVID-19 pandemic leading to disruptions in supply chain and surging inflation rate, the Indian Government introduced various policies to cushion the impact on the domestic economy and in specific vulnerable sections of society and the business sector. Through its policies, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. With the vaccination programme having covered the majority of the population, recovering economic momentum and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of around 8.0%-8.5% in 2022-23.

The Short-Range Outlook ('SRO') by worldsteel had forecasted that steel demand will grow by 4.5% in 2021 and reach 1,855.4 MnT. It is expected that in 2022, the steel demand will see a further increase of 2.2% to 1,896.4 MnT. The Russia-Ukraine conflict has caused panic in the market about supply shortage with the result that prices have moved north radically, be it iron ore or coking coal. Prices of steel have also responded to the crisis but its northward movement so far has been limited. Increasing risk of procurement, constraints of financial approval, non-accessibility due to port blockage, growing uncertainty about availability,

rising safety and security concerns are among the major factors that have driven sentiments in the commodity markets around the world. To what extent, steel prices would be impacted hinges significantly on the extent of aggravation of the Russia-Ukraine crisis and its longevity. The automotive sector, which saw the sharpest decline among the steel using sectors during the first phase of pandemic saw a strong recovery subsequently. The residential sector has benefited from accumulated savings during the lockdown and the spread of working from home, which has resulted in rising demand for home space. However, the non-residential sector will see a sluggish recovery due to reduced demand for office space.

The raw materials market in the FY 2021-22 was markedly volatile driven by policy changes and a shift in global trade flows primarily in the coal markets.

#### ➤ **Government Initiatives**

Global downturn and rising competition have resulted in pressures on Indian ship building industry leading to a decline in its global share to >1. While India is one of the market leaders in ship recycling, ship repairs is a very nascent market. With the objective of propelling India to the fore-front of the global maritime sector, Ministry of Ports, Shipping and Waterways has formulated Maritime India Vision 2030 (MIV 2030), a blueprint to ensure coordinated and accelerated growth of India's maritime sector in the next decade.

The new shipbuilding policy announced by the Government of India granting financial assistance to the shipbuilding industry helps Indian Shipbuilders to be more cost competitive at a global level. The infrastructure status to the shipbuilding industry also facilitates various Government incentives and tax benefit. The RBI played an important role in complementing the government efforts. It adopted an expansive monetary policy and aimed at injecting liquidity into the system while announcing a series of rate cuts as part of its 'accommodative stance' on interest rates. The government and the RBI worked together to provide a moratorium on loan repayments and stressed-asset classifications, which protected lenders and borrowers alike. There were many other tactical measures such as relaxation on compliance, reduction of withholding tax rates to boost cash flow, increased focus on tax refunds, and direct benefits transfer to name a few.

#### **OPPORTUNITY AND THREAT**

The pandemic has disrupted traditional business models, creating new opportunities and business models that embed sustainability. With India's continued infrastructure push and low per capita steel consumption, demand for steel is likely to increase significantly going forward. Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for hotel accommodation and improved infrastructure. The Indian economy is likely to become the third largest economy by 2030, and the steel industry will play a pivotal role in this growth journey.

With large raw material reserves, strong base of technically skilled manpower and one of the fastest growing markets in the world, India has definite structural advantages for a successful steel industry. The National Steel Policy 2017 seeks to create a globally competitive steel industry in India with 300 million tonne steelmaking capacity and 158 kg per capita steel consumption by FY 2030-31. The growth in demand will come from traditional, as well as emerging consuming sectors focussing on changing needs of customers. Government-led investment in infrastructure, rapid urbanisation, rising preference for personal mobility, growth in capital goods sector, and government focus on making India 'Aatmanirbhar' are expected to



stimulate steel demand in India. The acceleration of the rural economy is also emerging as a potential demand driver for steel. The Government has taken an objective of increasing rural per capita consumption of steel from current 19.6 kg to 38 kg by FY 2030-31. Opportunities abound in growing economies and opening of economy in India has created opportunities for India enterprise to move beyond national boundaries as well to create productive assets. Presently, the Company is consolidating its gains out of creating additional production capabilities. While climate change is a key risk for a 'hard to abate' sector such as steel, it also provides an opportunity to take a leadership role in the steel industry by reducing our environmental footprint. Evolving consumer needs and growing focus on sustainability will require innovation in process, product, and business models supported by a strong technology management process. Organisations can create a differentiated position by focussing on creating the technology of tomorrow.

## SEGMENT WISE PERFORMANCE

### ➤ Segmental Review

The company's business segments are identified based on the geographic locations of its units and the internal business reporting system as per Ind AS 108. Business segments of the company are primarily categorized as: Mumbai (Trading & Investment) and Bhavnagar (Ship Breaking & Trading).

### ➤ Segment-wise Standalone Ind AS Financial Results

(Rs. In Lakhs)

| Particulars                               | Mumbai   | Bhavnagar | Total    |
|---|----------|-----------|----------|
| Segment Assets                            | 4404.41  | 3849.48   | 8253.89  |
| Segment Liabilities                       | 570.91   | 3436.32   | 4007.22  |
| Revenue from External Source              | 1,085.40 | 4,660.20  | 5,745.60 |
| Segment Results Before Interest and Taxes | 42.72    | 244.57    | 287.30   |

#### i. Bhavnagar:

During the financial year 2021-22, ship-breaking unit at Alang Ship Breaking Yard, Bhavnagar has performed well in term of sales turnover and net profit margin. In spite of volatile prices of old Ships, Iron and Steel products coupled with fluctuations in value of Indian Rupee vis-à-vis US Dollar during the year, this segment has achieved revenue of Rs. 4,660.20 Lakhs and result of Rs. 244.57 Lakhs. Though the year under review saw fluctuation in the international market of old ships coming for breaking, the management was very cautious and purchased ships at proper time and built a good level of inventories to earn better profits in coming years. During the year under review, Trading activities were also carried out in Bhavnagar. Moreover, the management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

#### ii. Mumbai:

During the year under review, the Mumbai Unit has achieved revenue of Rs. 1,085.40 Lakhs and result of Rs. 42.72 Lakhs.

## OUTLOOK

Elevated inflation is expected to persist longer, with ongoing supply chain disruptions and high energy prices continuing in 2022. Risks to the global baseline are tilted to the downside which is primarily brought by the new COVID-19 variant which may prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures have enhanced the uncertainty around inflation and policy paths. Other global risks may crystallize with the surging geopolitical tensions, and the ongoing adverse climate conditions leading to the probability for natural disasters. With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments have become essential to mitigate the risks posed by new variants of COVID-19. Monetary policy in many countries will need to curb inflationary pressures, while fiscal policy will need to prioritize health and social spending.

Your directors see a staying positive and are having bright future prospects ahead for the company looking to the prevailing upward trend in the Iron and Steel sector in India and internationally. The management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

### **RISK AND CONCERN**

Over and above the economic risks the shipping industry is impacted by numerous short term and regional factors, like weather changes, COVID 19 etc. This results in great amount of volatility in the freight market, which in turn impacts your Company's earnings. The global economy is in uncertain territory, and not showing signs of picking up sharply in shorter span of time. Global economic uncertainties have affected India's economy, Key risks synonymous to industry include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as, steel and labour etc., coupled with market fluctuations. The Company does not apprehend any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- shortage of Labour
- rising manpower and material costs,
- Approvals and procedural difficulties.
- Lack of adequate sources of finance.

Information regarding key risks facing the Company and their mitigation strategies is given here:

#### **Regulatory Risks**

The steel sector is subject to an extensive, complex and evolving regulatory framework that may have material impact on operations. Any deviation in compliance and adherence has the potential to not only impact the Company's operating performance but also impact its reputation adversely. Global disruptions, emerging trade patterns and evolving environmental & sustainability policies, etc. could influence business decisions and market footprint. The aim is to protect and enable business to generate value. The Company is constantly monitoring the regulatory landscape to proactively assess the impact of changing laws and policies and evolving government mindset on matters affecting Company's operations.

#### **Macroeconomic and Market risks**

Steel demand is affected by high inflation, especially for energy and commodities, trade barriers and protectionist policies. Re-imposition of mobility restrictions amidst spread of new variants may also affect demand and supply chains potentially impacting sales. Fast-paced technological changes and shifting customer preferences may necessitate adoption of newer grades of steel and alternate materials.

### **Safety Risks**

Inconsistent adherence to process & workforce safety requirements, safety laws and regulation may have adverse impact on business continuity and operation. The implications of the risks increase manifold with the growth and diversification of our business and operations at multiple locations that subjects the Company to various stringent safety laws and regulations. COVID-19 contagion poses risk to workforce health and safety and may lead to business disruptions.

### **Commodity Risks**

Volatility in raw material prices (mainly coal and iron ore) significantly impacts the input costs in steelmaking and therefore, profitability.

The risks for the Company arise from the inherent nature of the shipbuilding industry. The commercial shipbuilding industry prospects are dependent on world trade and the cyclicity of oil, natural gas, shipping, transportation and other trade related industries. Offshore Industry continues to be in the trough.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Internal financial control systems of the Company are commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information and disclosures.

Systems and procedures are periodically reviewed and these are routinely tested by Statutory as well as Internal Auditors and cover all functions and business areas. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

### **FINANCIAL PERFORMANCE & ANALYSIS**

The Company's financial performance for the year ended March 31, 2022 is summarized below:

#### **Standalone & Consolidated Ind AS Financial Results : Review and Analysis**

(Rs. In Lakhs)

| Particular | Standalone                   |                              | Consolidated                 |                              |
|------------|------------------------------|------------------------------|------------------------------|------------------------------|
|            | For the financial year ended | For the financial year ended | For the financial year ended | For the financial year ended |
|            |                              |                              |                              |                              |

|   | 31.03.2022      | 31.03.2021      | 31.03.2022      | 31.03.2021      |
|---|-----------------|-----------------|-----------------|-----------------|
| Revenue from operations   | 5,745.60        | 293.08          | 5,745.60        | 293.08          |
| Other Income  | 22.85           | 15.99           | 22.85           | 15.99           |
| <b>Total Revenue</b>  | <b>5,768.46</b> | <b>309.07</b>   | <b>5,768.46</b> | <b>309.07</b>   |
| Cost of raw materials consumed  | 3,624.69        | 4.97            | 3,624.69        | 4.97            |
| Purchase of Stock - in - trade  | 1,694.92        | 219.11          | 1,694.92        | 219.11          |
| Changes in inventories of finished goods, stock - in - trade, work - in - process | (280.28)        | -               | (280.28)        | -               |
| Employee benefits expenses  | 121.85          | 22.39           | 121.85          | 22.39           |
| Finance costs   | 30.85           | 22.44           | 30.85           | 22.44           |
| Excise Duty   | -               | -               | -               | -               |
| Depreciation and amortization expenses  | 20.24           | 24.45           | 20.24           | 24.45           |
| Other expenses  | 299.74          | 154.10          | 296.66          | 81.72           |
| <b>Total Expenses</b>   | <b>5,512.01</b> | <b>447.46</b>   | <b>5,508.93</b> | <b>375.08</b>   |
| Share of profit/ (loss) from associates   | -               | -               | (3.08)          | (72.38)         |
| <b>Profit/ (Loss) before tax</b>  | <b>256.44</b>   | <b>(138.39)</b> | <b>256.44</b>   | <b>(138.39)</b> |
| Less: Current Tax   | 33.21           | -               | 33.21           | -               |
| Less: Deferred Tax  | (2.67)          | 0.47            | (2.67)          | 0.47            |
| <b>Profit/ (Loss) after tax</b>   | <b>225.91</b>   | <b>(138.86)</b> | <b>225.91</b>   | <b>(138.86)</b> |
| <b>Other Comprehensive Income</b>   | <b>0.78</b>     | <b>(0.30)</b>   | <b>0.78</b>     | <b>(0.30)</b>   |
| <b>Total Comprehensive Income for the year</b>                                    | <b>226.69</b>   | <b>(139.16)</b> | <b>226.69</b>   | <b>(139.16)</b> |
| <b>Earnings Per Share (Face Value of ₹ 10/- each)</b>                             |                 |                 |                 |                 |
| -Basic  | 5.62            | (3.46)          | 5.62            | (3.46)          |
| -Diluted  | 5.62            | (3.46)          | 5.62            | (3.46)          |

➤ **Standalone Cash Flow Analysis**

(Rs. In Lakhs)

| Particular                                 | For the financial year ended 31.03.2022 | For the financial year ended 31.03.2021 |
|--|---|---|
| Net Cash Flow from Operating Activities    | (128.40)                                | 171.04                                  |
| Net Cash Outflow from Investing Activities | 1657.17                                 | (606.98)                                |
| Net Cash Outflow from Financing Activities | (480.85)                                | 427.56                                  |
| <b>Net Cash Inflow/(Outflow)</b>           | <b>1,047.91</b>                         | <b>(8.38)</b>                           |

➤ **Business Overview**

The company is in the business of ship breaking, trading and investment activities.

The sales turnover of the company for FY 2021-22 and FY 2020-21 were Rs. 5,745.60 and Rs. 293.08 Lakhs respectively. In spite of frequent fluctuation in the prices of old ship in the international market and also heavy dollar exchange rate fluctuations, the company was able to perform well in terms of sales turnover. However, the prices in Iron and steel industry are

gradually getting stabilized, but foreign currency and fluctuations in value of Indian Rupee vis-à-vis US Dollar remains a concerning area for the company even in the current year.

Whenever, there is no immediate payment liability against old ship purchased for breaking, the surplus funds available with the Company are given as loan on short term basis. The Company is hopeful that the Company can earn reasonable return on these loans/investments

Surplus funds are also invested in new avenues of earnings in the form of partnership with other entities like in Real Estate and Redeveloping firms. At present the Company has partnership with M/s. Calvin Divine Enterprises with 20% share and M/s. Shree Balaji Associates with 5% share. The management is hopeful that the Company can earn reasonable return on these investments.

### **Turnover**

Gross Turnover including other incomes for the financial year 2021-22 stood at ₹ 5768.46 Lakhs in comparison to ₹ 309.07 Lakhs for the financial year 2020-2021.

### **Revenue**

The Company reported Revenue of ₹ 5745.60 Lakhs for the financial year 2021-2022 in comparison to ₹ 293.08 Lakhs for the financial year 2020-2021.

### **Finance Cost**

Finance cost stood at ₹ 30.85 Lakhs for the financial year 2021-2022 in comparison to ₹ 22.44 Lakhs for the financial year 2020-2021.

### **Depreciation**

Depreciation stood at ₹ 20.24 Lakhs for the financial year 2021-2022 in comparison to ₹ 24.45 Lakhs for the financial year 2020-2021.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. We continuously invest in attraction, retention and development of talent on an ongoing basis. Our thrust is on the promotion of talent internally through job rotation and job enlargement. We believe in harnessing its leadership and people capabilities through sharp focus and initiatives on talent development. The total number of permanent employees as on 31.03.2021 was two.

We review our talent based on their performance and potential to assess their readiness for future roles of higher scale and complexity. We believe in developing our employees through multiple experiences requiring them to handle scale and complexity. We have instituted this through varied job rotation and project roles. We have put in place various recognition initiatives for our employees to reward them on their noteworthy performance and contribution. Social awareness and cultural/sports programmes are arranged regularly to create interest in living a meaningful life and release tensions

Our Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also dedicated at promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity. To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti Sexual Harassment Framework through which we address complaints of sexual harassment at the workplace. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. We have also constituted

Complaints Committee to consider and address sexual harassment complaints in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **SIGNIFICANT KEY FINANCIAL INDICATORS**

Not applicable as there are no changes of 25% or more in key financial indicators as compared to the immediately previous financial year.

### **CHANGE IN NET WORTH**

The Company's Net worth stood at Rs 4246.67 Lakhs for the financial year 2021-22 as compared to Net worth of Rs. 4,019.98 Lakhs for the previous financial year 2020-21. In the current year, the Company earned a profit and hence change in return on Networth of Company is 5.64% compared to previous financial year.

### **CAUTIONARY STATEMENT**

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in your Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which your Company conducts business and other factors such as litigation and your Company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise. The "Management's Discussion and Analysis" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's securities.

### **CONCLUSION**

At Inducto Steel Limited, innovation and responsibility have been at the core of building a sustainable enterprise and exploring possibilities towards creating a better future. We have focused on strengthening our balance sheet, upholding the highest standards in ethical and responsible business practices and striving towards a shared future of prosperity. In the recent Global crises, we stayed true to our core values and worked together with our stakeholders to embrace a new normal.

For and on behalf of the Board of Directors  
For **INDUCTO STEEL LIMITED**

**RAJEEV RENIWAL**  
**MANAGING DIRECTOR**  
(DIN: 00034264)

**SWEETY RENIWAL**  
**DIRECTOR**  
(DIN: 00041853)

Date: September 05, 2022  
Place: Mumbai

## ANNEXURE B

**DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- 1) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22; and
- 2) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, if any, for the Financial Year 2021-22:

(Rs. In Lakhs)

| Sr. No. | Name  | Designation             | Remuneration for the Financial Year 2021-22 | Percentage Increase/ (Decrease) in remuneration in the Financial Year 2021-22 (%) | Ratio of Remuneration of each Director to Median Remuneration of Employees |
|---------|---|-------------------------|---|---|--|
| 1.      | Dilip Vimal Kaushik                           | Chief Financial Officer | 7.82  | (2.05)  | Not Applicable   |
| 3.      | Bhoomi Rathod (Appointed w.e.f. May 03, 2021) | Company Secretary       | 3.60  | Not Applicable  | Not Applicable   |

- 3) Percentage decrease in the median remuneration of employees in the financial year:

The percentage decrease in the median remuneration of employees in the financial year is approximately (1477.22)

- 4) Number of permanent employees on the rolls of Company: 27
- 5) Average percentile increase/decrease 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:

There is a decrease of 2.05% in the remuneration paid to Chief Financial Officer of the Company. Since no remuneration is being paid to any Director of the Company, the information pertaining to comparison with percentile increase in managerial remuneration cannot be provided.

**Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid to Directors, KMP and members of Senior Management is as per Remuneration Policy of the Company and other employees of the Company is as per the Human Resource Philosophy of the Company.

On behalf of the Board of Directors  
For **INDUCTO STEEL LIMITED**

**RAJEEV RENIWAL**  
**MANAGING DIRECTOR**  
**(DIN: 00034264)**

**SWEETY RENIWAL**  
**DIRECTOR**  
**(DIN: 00041853)**

Date: September 05, 2022

Place: Mumbai

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## ANNEXURE C

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
 The Members,  
**INDUCTO STEEL LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Inducto Steel 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 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 **March 31, 2022** ("period under review"), 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure-I**, for the period under review, according to the applicable provisions of:
  - (i) The Companies Act, 2013 ("the Act") and the Companies Amendment Act, 2017 as amended from time to time and the rules made thereunder (*to the extent applicable*);
  - (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder (*to the extent applicable*);
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (*to the extent applicable*);
  - (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 (*to the extent applicable*);
  - (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;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and
    - (d) The Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015.

2. We have relied on the representations made by the Company and its officers and report of the Internal Auditor for systems and mechanism formed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company which are stated above very specifically.
3. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with BSE Limited ("BSE/ Stock Exchange"), from time to time and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent of compliance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for the quarter and nine months ended December 31, 2020 for delay in submission of the Consolidated Limited Review Report. The Company has paid the fine imposed by BSE for the delayed submission.

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 or Key Managerial Personnel ("KMP") 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 at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of all Directors at the meeting.

All Resolutions of the Board of Directors and its Committees are approved by the requisite majority and are duly recorded in the respective minutes. Majority decision is carried through, while the dissenting views of the Directors/ Members, if any, 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.

This report is to be read with our letter of even date, which is annexed as **Annexure - II** to this report.

For **DILIP BHARADIYA & ASSOCIATES**

**DILIP BHARADIYA**

**Partner**

**FCS No.: 7956, C P No.: 6740**

**UDIN: F007956D000424999**

Place: Mumbai

Date: May 30, 2022

**Annexure - I****List of documents verified**

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the Financial Year ended March 31, 2021.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee held during the financial year under review, alongwith the Attendance Registers;
4. Resolutions passed by way of circulation approved by the Board of Directors and its Committees from time to time.
5. Minutes of General Body Meeting held during the financial year under review;
6. Statutory Registers viz.
  - Register of Directors & KMP & Directors Shareholding
  - Register of loans, guarantees and security and acquisition made by the Company
  - Register of Charges
  - Register of Related Party Transaction- Transactions are in the Ordinary Course of Business at Arm's Length Basis.
  - Register of Members;
7. Agenda papers submitted to all the Directors/ Members for the Board and Committee Meetings;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013;
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956, if any and Companies Act, 2013, as amended from time to time along with the attachments thereof, during the financial year under review.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Annexure - II**

To,  
The Members,  
**INDUCTO STEEL LIMITED**

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 record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, 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 management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- 6) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

**DILIP BHARADIYA**  
**Partner**  
**FCS No.: 7956, C P No.: 6740**  
**UDIN: F007956D000424999**

Place: Mumbai  
Date: May 30, 2022

## ANNEXURE D

**The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022**

The Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The particulars as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is as follows

**Health, Safety and Environment:**

The Company aims to provide a safe and healthy workplace to our employees, visitors and contract workers and achieve high standards of environment protection. We are certified to the following:

| Certificate No./ Standard  | Description/Compliance/Requirement   |
|--|--|
| ISO 9001:2015<br>Quality Management System                           | The Quality Management System of the Inducto Steels Limited has been audited and has been found to be in accordance with the requirements of ISO 9001:2015                           |
| ISO 14001:2015<br>Environmental Management System                    | The Environmental Management System of the Inducto Steels Limited has been audited and has been found to be in accordance with the requirements of ISO 14001:2015                    |
| OHSAS 18001:2007<br>Occupational Health and Safety Management System | The Occupational Health and Safety Management System of the Inducto Steels Limited has been audited and has been found to be in accordance with the requirements of OHSAS 18001:2007 |

**Conservation of energy:**

- **the steps taken or impact on conservation of energy;**
- **the steps taken by the Company for utilising alternate sources of energy;**

In light of the global challenges concerning energy security, the Company considers energy management as one of the key components of its responsible business strategy. The Company recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has implemented various initiatives for the conservation of energy and all efforts are made to minimize energy costs. Company is engaged in Ship Breaking, trading in metal scrap, coals, graphite electrodes and other industrial inouts. No significant power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling

activities and the Company has taken various measures to control the consumption of fuel and energy.

➤ **the capital investment on energy conservation equipments;**

The Company is taking adequate steps to conserve energy though no such capital investment has been made.

**Technology absorption:**

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products. The Company's operations do not require significant absorption of technology. There has been no import of technology in FY 2021-22.

**Foreign exchange earnings and Outgo:**

| Particulars               | Current Year   |              |     | Previous Year |     |     |
|---------------------------|----------------|--------------|-----|---------------|-----|-----|
|                           | INR            | USD          | EUR | INR           | USD | EUR |
| Foreign Exchange Earnings | -              | -            | -   | -             | -   | -   |
| Foreign Exchange Outgo    | <b>1991.36</b> | <b>26.45</b> | -   | -             | -   | -   |

On behalf of the Board of Directors  
For **INDUCTO STEEL LIMITED**

**RAJEEV RЕНИWAL**  
**MANAGING DIRECTOR**  
**(DIN: 00034264)**

**SWEETY RЕНИWAL**  
**DIRECTOR**  
**(DIN: 00041853)**

Date: September 05, 2022  
Place: Mumbai

## ANNEXURE E

**CORPORATE GOVERNANCE REPORT**

(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended)

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and enhancing investor confidence. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

The governance philosophy of your Company rests on five basic tenets viz. Board's accountability to the Company and the Stakeholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment to all Stakeholders, as well as superior transparency and timely disclosure.

In line with the above philosophy, your Company continuously endeavours for excellence and focuses on enhancement of long-term Stakeholder's value through adoption of and adherence with the best governance practices, in true spirit at all times.

Following principles supplement the core of the Company's philosophy on Corporate Governance:

- **TRANSPARENCY** in all decision making processes;
- High levels of **DISCLOSURES**;
- High standards of **ETHICS**;
- Regular **REVIEW** of processes and management systems for improvement; and
- **APPROPRIATE CONTROL SYSTEM** to enable the Board to efficiently conduct the business and discharge its responsibilities to its Stakeholders.

During the year under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the Company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

Moreover, the Company undertakes to take an audit of its secretarial records and documents to ensure timely compliance with applicable laws to the Company.

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable laws.

Also, your Company shall ensure that its governance framework incorporates the amendments introduced by the Securities and Exchange Board of India (“SEBI”) in the SEBI Listing Regulations, pursuant to the recommendations made by the Kotak Committee on Corporate Governance and the same are complied with, on or before their effective date.

Your Company presents this report, prepared in terms of the SEBI Listing Regulations (including the amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company.

## **I. BOARD OF DIRECTORS**

The Board of Directors of your Company (“Board”) is at the core of the Corporate Governance system of the Company. The Board is responsible for and committed to sound principles of Corporate Governance in the Company and plays a crucial role in overseeing how the Management serves the short-term & long-term interests of Members and other Stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The Board provides and evaluates the Company’s strategic direction, management policies and their effectiveness, and ensures that shareholders’ long-term interests are being served.

Committees of the Board handling specific responsibilities mentioned under the applicable laws viz. Audit Committee, Stakeholder’s Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, empower the functioning of the Board through flow of information amongst each other and by delivering a focused approach and expedient resolution of diverse matters.

Also, while discharging its fiduciary duties and in ensuring effective functioning of your Company, the Board is duly supported by the Managing Director, Key Managerial Personnel (“KMP”) and the Senior Management. It operates within the framework of well-defined responsibility matrix, which enables it to oversee how the Management of the Company serves and protects the long-term interests of all the Members and other Stakeholders of the Company.

### **A. Composition of Board of Directors**

An independent and well-informed Board goes a long way in protecting the Stakeholder’s interest and simultaneously maximise long-term corporate values.

In compliance with the requirements under the relevant provisions of the Act & SEBI Listing Regulations and with a strong belief that the Board needs to have an appropriate blend of Directors to maintain its diversity and independence, the Board of your Company has an optimum combination of such number of Executive, Non-Executive and Independent Directors, including a Woman Director.

The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with the statutory as well as business requirements and it separates the roles of governance and management.

The composition of the Board is in conformity with Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations.



As on March 31, 2022, your Company's Board comprises of 4 (Four) Directors, categorised as below:

| Sr.No. | Name of Director               | Designation                            | DIN      |
|--------|--------------------------------|--|----------|
| 1      | Mr. Rajeev Shantisarup Reniwal | Executive- Director                    | 00034264 |
| 2      | Mrs. Sweety Rajeev Reniwal     | Non-Executive Non-Independent Director | 00041853 |
| 3      | Mr. Yogesh Anantrai Thakkar    | Independent Non-Executive Director     | 00043588 |
| 4      | Mr. Bhushanlal Chamanlal Behl  | Independent Non-Executive Director     | 03023697 |

Mrs. Sweety Reniwal retires by rotation in the ensuing 33<sup>rd</sup> Annual General Meeting of the Company. Details of the said Director retiring by rotation form part of the Notice of the said AGM.

The important and key decisions are taken after due discussion and deliberation with the Board and it is ensured that the relevant information prescribed to be provided under the SEBI Listing Regulations alongwith such other information, as may be deemed necessary for effective decision making, is presented to the Board.

In terms of the provisions of Section 184 of the Act and Regulation 26(2) of the SEBI Listing Regulations, the Directors present necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this Report, none of the Directors of your Company hold the office of Director OR holds Committee Chairmanship/Membership in more than the permissible number of Companies under section 165 of the Act or Regulation 17A of the SEBI Listing Regulations.

The details of each Director along with the number of Directorships/Committee Memberships/Chairmanships and their shareholding in the Company as on March 31, 2022, along with the date of joining the Board, are provided herein below:

| Name of the Director | Date of joining | Shareholding in the Company | Directorships in other Companies <sup>(1)</sup> | No. of other Companies Board Committees <sup>(2)</sup> in which Chairperson/Member |        |
|----------------------|-----------------|-----------------------------|---|--|--------|
|                      |                 |                             |   | Chairperson  | Member |
| Mr. Rajeev Reniwal   | 01/04/1993      | 3,37,526                    | Nil   | Nil  | Nil    |
| Mrs. Sweety Reniwal  | 09/03/2002      | 4,07,745                    | Nil   | Nil  | Nil    |
| Mr. Yogesh Thakkar   | 22/03/2004      | 0                           | Nil   | Nil  | Nil    |
| Mr. Bhushanlal Behl  | 12/04/2010      | 0                           | Nil   | Nil  | Nil    |

Notes:

- 1) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, total number of Directorships excludes Directorships in the Company, Foreign Companies, Private Limited Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and under Section 8 of the Act.
- 2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Chairmanship/ Membership of Committee only includes the Audit Committee and

Stakeholders Relationship Committee in other Indian Public Companies (Listed and Unlisted).

**B. Details of Meetings of the Board of Directors and Annual General Meeting held during the period under review, alongwith attendance of Directors at each meeting**

The Board meets at regular intervals to discuss and decide on strategies, policies and reviews the financial performance of the Company. The meetings of the Board are pre-scheduled and a tentative annual calendar of the meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions and the same are noted at the subsequent meeting of the Board and/or Committees.

The notice and detailed agenda alongwith the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board also reviews the performance of the Company vis-à-vis the budgets/targets.

Video-conferencing facilities are made available to facilitate Directors travelling abroad or present at other locations, in case they wish to participate in the meetings. The same is conducted in compliance with the applicable laws.

The Board meets at least 4 times in a year (one meeting in every calendar quarter) and the maximum gap between any two consecutive meetings is less than 120 days, as stipulated under Section 173(1) of the Act, Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India. Additional meetings are held as and when necessary. Mr. Rajeev Shantisarup Reniwal and Mrs. Sweety Rajeev Reniwal are husband and wife, apart from this, there are no inter-se relationships between our Board Members.

During the financial year 2021-22, 11 (Eleven) meetings of the Board were held during the year and the gap between two meetings did not exceed four months. The necessary quorum was present for all the meetings.

The dates on which the said meetings were held are as follows:

| <b>Sr. No.</b> | <b>Date of the Meeting</b> |
|----------------|----------------------------|
| 1.             | May 03, 2021               |
| 2.             | June 30, 2021              |
| 3.             | July 09, 2021              |
| 4.             | August 14, 2021            |
| 5.             | September 20, 2021         |
| 6.             | October 18, 2021           |
| 7.             | November 09, 2021          |
| 8.             | December 27, 2021          |
| 9.             | January 28, 2022           |
| 10.            | February 14, 2022          |
| 11.            | March 21, 2022             |

The details of attendance of Directors at each such meeting (each meeting being consecutively numbered from 1 to 11), of the Board and at the 33rd Annual General Meeting of the Company held on September 30, 2021, are provided herein below:

| Meetings of the Board for the Financial Year 2020-21 | Name of the Directors  |                     |                    |                     |
|--|------------------------|---------------------|--------------------|---------------------|
|  | Mr. Rajeev Reniwal     | Mrs. Sweety Reniwal | Mr. Yogesh Thakkar | Mr. Bhushanlal Behl |
|  | Held during the tenure |                     |                    |                     |
| 1  | P                      | P                   | A                  | A                   |
| 2  | P                      | P                   | P                  | P                   |
| 3  | P                      | P                   | P                  | P                   |
| 4  | P                      | P                   | P                  | P                   |
| 5  | P                      | P                   | A                  | A                   |
| 6  | P                      | P                   | A                  | A                   |
| 7  | P                      | P                   | P                  | P                   |
| 8  | P                      | P                   | A                  | A                   |
| 9  | P                      | P                   | A                  | A                   |
| 10   | P                      | P                   | P                  | P                   |
| 11   | P                      | P                   | A                  | A                   |
| 33 <sup>rd</sup> Annual General Meeting              | P                      | P                   | P                  | P                   |

Note: \*P: Present \*A: Absent

### C. Independent Directors

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In compliance with the SEBI Listing Regulations, the Directors of the Company do not serve as an Independent Director in more than seven listed companies.

The Independent Directors on the Board of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

Further, as provided in the Act, a formal letter of appointment has been issued to the Independent Directors and the same is also disclosed on website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

### **Separate meeting of Independent Directors**

The Independent Directors met once during the year, on February 14, 2022, without the presence of Executive Directors or Management representatives, inter alia, to discuss the performance of Non-Independent Directors & the Board as a whole and to assess the quality, quantity & timeliness of flow of information between the Management of the Company and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

Both the Independent Directors were present for the meeting.

### **D. Appointment and Tenure**

The Directors of the Company are appointed/re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the Annual General Meeting ("AGM"). In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed in terms of the provisions of the Act and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of the Independent Directors, the Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and the SEBI Listing Regulations.

### **E. Board Induction, Training and Familiarisation**

In terms of the provisions of Regulation 25 of the SEBI Listing Regulations, your Company has framed a Familiarisation Programme for Independent Directors of the Company, structured into two parts i.e. 'Induction' and 'Ongoing Interaction'. This Programme aims to provide insights into the business of the Company, to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business in depth and contribute significantly to the Company.

At the time of appointing an Independent Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, function, duties and responsibilities expected from him/ her as an Independent Director of the Company. The Directors are also provided with necessary documents, reports and internal policies of the Company, to enable them to familiarise with the Company's procedures and practices. The compliances applicable to them, in terms of the provisions of the Act, SEBI Listing Regulations and other applicable laws, are explained to them and an affirmation is obtained from them, in that regard.

Further, on an ongoing basis as a part of the agenda of meetings of the Board/ Committee(s), presentations are regularly made to the Independent Directors on various matters inter alia covering the Company's businesses & operations, strategy, risk management framework, industry & regulatory updates and other relevant matters.

These presentations enable one-on-one interaction between the Independent Directors and the Senior Management of the Company/ Statutory Auditor/ Internal Auditor of the

Company. Additionally, visits to the divisions and plant locations of the Company etc. are also arranged to apprise them of the actual operations of the Company.

The details of the Familiarisation Programmes for Independent Directors are also available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

#### **F. Board Confirmation regarding Independence of the Independent Directors**

All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under Section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board based on the disclosures received from all the Independent Directors, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the Listing Regulations and Section 149(6) of the Act and the Rules made thereunder and are independent of the Management as required under Regulation 25 of the Listing Regulations.

#### **G. Resignation of Independent Director(s)**

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

#### **H. The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

| <b>Sr. No.</b> | <b>Skills/Expertise/Competence</b> | <b>Particulars</b>   |
|----------------|------------------------------------|--|
| 1.             | Global Business                    | Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.  |
| 2.             | Strategy and Planning              | Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.  |
| 3.             | Governance                         | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.` |
| 4.             | Finance                            | An understanding of Finance and Financial Reporting Processes. Understanding and overseeing various risks faced by the Company and ensuring that appropriate policies and procedures are in place to effectively manage risks.                 |

#### **Skills/Expertise/Competence possessed by Directors of the Company:-**

| Name of Director    | Global Business | Strategy and Planning | Governance | Finance |
|---------------------|-----------------|-----------------------|------------|---------|
| Mr. Rajeev Reniwal  | √               | √                     | √          | √       |
| Mrs. Sweety Reniwal | √               | √                     | √          | √       |
| Mr. Yogesh Thakkar  | √               | √                     | √          | √       |
| Mr. Bhushanlal Behl | √               | √                     | √          | √       |

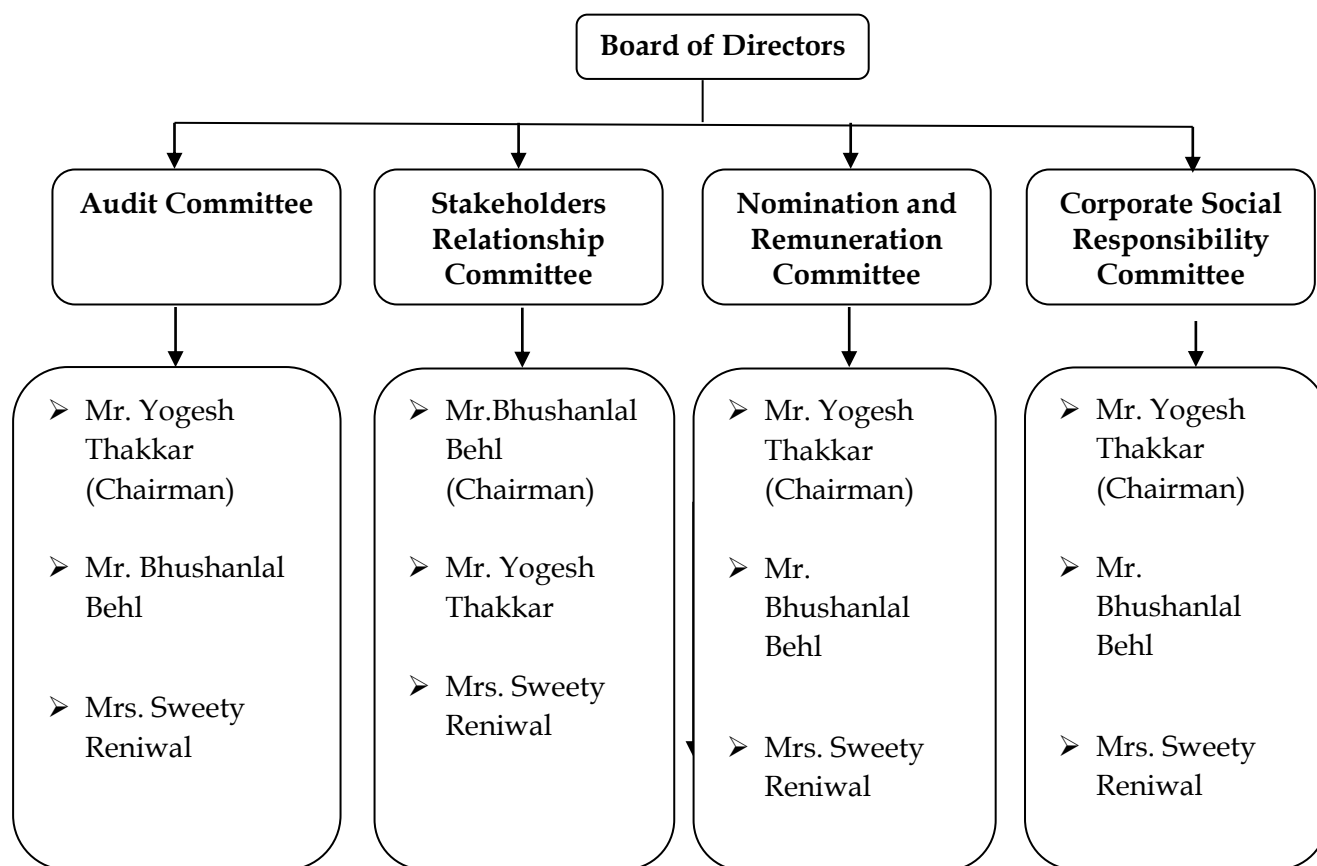
The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being an IT service provider, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

## II. COMMITTEES OF THE BOARD

The Committees of the Board ("Committees") play a crucial role in the governance structure of the Company. They have been constituted under the formal approval of the Board to carry out clearly defined roles. Members of the Committees possess expertise in relevant areas and functions, which enables better handling and expedient resolution of diverse matters. Terms of reference of all the committees are laid down in line with the requirements of the Act and the SEBI Listing Regulations, to deal with specific areas/activities which concern the Company and need a closer review and to carry out clearly defined roles.

The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. There is seamless flow of information between the Board and its Committees, as the Committees report their recommendations and opinions to the Board, which in turn supervises the execution of respective responsibilities by the Committees. The minutes of the meetings of all the Committees are placed before the Board for its review.

## Composition of Committees as on March 31, 2022



Ms. Bhoomi Vijay Rathod, Company Secretary and Compliance Officer of your Company, acts as the Secretary of all the Committees.

### ❖ Audit Committee

Your Company has a qualified and independent Audit Committee, which acts as a link between the management, the statutory and internal auditors and the Board. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the members of the Audit Committee are financially literate. The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

#### (i) Composition:

The Committee comprises three Directors as its Members, all of which are Non-Executive Directors and amongst them 2 are Independent Directors

Mr. Yogesh Thakkar, Independent Director, is the Chairman of the Audit Committee. Mr. Bhushanlal Behl and Mrs. Sweety Reniwal are the other members of the Committee.

#### (ii) Brief Description of Terms of Reference:

The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. In

fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

In terms of the applicable provisions of the Act and in terms of Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the Audit Committee inter alia cover the following matters:

**a. Financial Matters:**

- Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, sufficient and credible;
- Reviewing with the Management, the Quarterly Unaudited Financial Statements and Annual Audited Financial Statements alongwith Limited Review Report/Auditor's Report thereon before submission to the Board for the approval. Reviewing of Annual Financial Statements inter alia including reviewing changes in Accounting Policies, if any, major accounting entries involving estimates, significant adjustments made in Financial Statements, qualifications in draft Audit Report, if any etc.;
- Reviewing Management Discussion and Analysis of financial condition and results of operations; and
- Scrutinising the inter-corporate loans and investments.

**b. Internal Controls, Audit and Auditors:**

- Recommending the terms of appointment/re-appointment, remuneration and any other terms and conditions pertaining to the appointment/re-appointment, if required, replacement or removal of auditors, fixation of statutory audit fees and approval of payment for any other services rendered by the Statutory Auditors, as permitted under applicable laws;
- Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;
- Reviewing the adequacy of internal audit function and internal control systems including internal financial controls;
- Evaluating of Internal Financial Controls, Risk Management Systems of the Company;
- Discussing with the Internal Auditors of any significant findings and follow-up thereon; and
- Reviewing significant audit findings, if any, from the statutory and internal audits.

**c. Other Matters:**

- Approving all Related Party Transactions;
- Approving appointment of Chief Financial Officer of the Company; and
- Reviewing the functioning of Vigil/ Whistle Blower Mechanism.

**(iii) Meetings and Attendance during the year:**



The Committee met **6 (Six)** times during the year under review i.e. on May 03, 2021; June 30, 2021; July 09, 2021; October 18, 2021; November 09, 2021 and February 14, 2022 (each meeting being consecutively numbered from 1 to 6), to deliberate on various matters.

The details of attendance of the Members of the Committee at each meeting are provided herein below:

| Name of the Member  | Meetings of Committee for the Financial Year 2021-2022 |   |   |   |   |   |   |
|---------------------|--|---|---|---|---|---|---|
|                     | Held during the tenure                                 | 1 | 2 | 3 | 4 | 5 | 6 |
| Mr. Yogesh Thakkar  | 6  | P | P | P | P | P | P |
| Mr. Bhushanlal Behl | 6  | P | P | P | P | P | P |
| Mrs. Sweety Reniwal | 6  | A | P | P | A | P | P |

Note: \*P: Present \*A: Absent

Chief Financial Officer, representatives of the Statutory Auditors and Internal Auditors of your Company are also invited to the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Committee meeting from time to time, for providing such information as may be necessary.

#### ❖ **Nomination and Remuneration Committee**

The Board of your Company has constituted a Nomination and Remuneration Committee ("NRC") in terms of the provisions of Section 178 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

The Committee is inter alia entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, KMP and other employees. It also specifies the methodology for effective evaluation of performance of the Board, its Committees and individual Directors.

#### **(i) Composition:**

The Committee comprises 3 Directors as its Members, all of which are Non-Executive Directors and amongst them 2 are Independent Directors.

Mr.Yogesh Thakkar, Independent Director, is the Chairman of the said Committee. Mr.Bhushanlal Behl and Mrs. Sweety Reniwal are the other members of the Committee.

#### **(ii) Brief Description of Terms of Reference:**

The broad terms of reference of the NRC, as approved by the Board in terms of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, inter alia, include the following:

- a. Identifying persons who are qualified to become Directors and who may be appointed at Senior Management positions in accordance with the criteria laid down and recommending to the Board their appointment and removal;
- b. Recommending the remuneration/revision in remuneration of Managing Director and Executive Directors to the Board for approval and review;
- c. Formulating criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, KMP and other employees;
- d. Formulating criteria for evaluation of Board, its Committees and each Director and reviewing its implementation and compliance;
- e. Devising a policy on Board diversity; and
- f. Recommending to the Board the extension or continuation of term of appointment of the Independent Director, on the basis of the report of performance evaluation of the Independent Directors.

**(iii) Meetings and Attendance during the year:**

NRC met 4 times during the year under review i.e. on May 03, 2021; August 14, 2021; November 09, 2021 and February 14, 2022 (each meeting being consecutively numbered as 1 to 4), to deliberate on various matters.

The details of attendance of Members of the Committee at each meeting are provided herein below:

| Name of the Member  | Meetings of Committee for the Financial Year 2021-22 |   |   |   |   |
|---------------------|--|---|---|---|---|
|                     | Held during the tenure                               | 1 | 2 | 3 | 4 |
| Mr. Yogesh Thakkar  | 4  | P | P | P | P |
| Mr. Bhushanlal Behl | 4  | P | P | P | P |
| Mrs. Sweety Reniwal | 4  | A | P | A | A |

Note: \*P: Present \*A: Absent

**(iv) Performance Evaluation Criteria for Independent Directors:**

The performance of the Independent Directors of the Company is evaluated on the following criteria's, more particularly as to how an Independent Director:

- Invests time in understanding the Company and its unique requirements;
- Brings in external knowledge and perspective to the table for discussions at the meetings;
- Expresses his/ her views on the issues discussed at the Board; and
- Keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level.

**(v) Nomination Policy and Remuneration Philosophy/ Policy:**

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of your Company had, on recommendation of the NRC, adopted a Nomination Policy, which inter alia enumerates the Company's policy on appointment of Directors and KMP. Further, the Board has, on recommendation of NRC, also adopted a policy entailing

Remuneration Philosophy, which covers remuneration philosophy covering the Directors, KMP and employees included in Senior Management of the Company.

Both the aforesaid policies are available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

The Company's remuneration policy is intended to attract and retain the individuals in order to achieve the Company's objective. Further, the Company has a system where all the Directors and employees included in the Senior Management of the Company are required to disclose all pecuniary relationships or transactions with the Company. No severance fees are paid to the Directors of the Company.

**a. Remuneration to Non-Executive Directors:**

The Non-Executive Directors/Independent Directors were not paid any remuneration during the year under review.

The Non-Executive Directors/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

**b. Remuneration to Executive Directors:**

In terms of the provisions of the Act and in line with the Nomination Policy and Remuneration Philosophy/Policy of the Company, the appointment and remuneration of Executive Directors (i.e. Managing Director, in case of the Company) is approved by the Board and the Members of the Company, on recommendation of the NRC. The appointment of Executive Directors is subject to termination by either party by giving one month's notice of such termination in writing by either side or salary in lieu thereof or by mutual consent. The remuneration paid to the Managing Director comprises salary, allowances, perquisites, stock options, performance linked income/bonus and other Retirement Benefit Funds, as approved by the Members at the Annual General Meeting. No Remuneration is paid to the Executive Directors of the Company during the financial year ended 2021-22.

Annual increments are linked to performance and are decided by the NRC and recommended to the Board for approval thereof. The Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspirations with the organizational goals and objectives.

**c. Stock Options:**

The Company does not grant any Employee Stock Option Scheme.

**❖ Stakeholders Relationship Committee**

The Board of your Company has constituted a Stakeholder's Relationship Committee ("SRC") in terms of the provisions of Section 178 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

The Committee is inter alia entrusted with the responsibility of considering and resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, if any.

**(i) Composition:**

The Committee comprises of three Directors as its Members, all of which are Non-Executive Directors and amongst them 2 are Independent Directors.

Mr. Bhushanlal Behl, Independent Director, is the Chairman of the Committee. Mr. Yogesh Thakkar and Mrs. Sweety Reniwal are the members of the Committee.

Ms. Bhoomi Vijay Rathod, Company Secretary and Compliance officer of your Company acts as the Secretary to the Committee.

**(ii) Brief Description of Terms of Reference:**

In terms of the applicable provisions of the Act and Regulation 20(4) read with Part D of Schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the SRC inter alia cover the following matters:

- Reviewing of relating to transfer of shares, transmission of shares, issue of duplicate share certificates, non-receipt of Annual Report, non-receipt of declared dividends and any other shareholder related queries/complaints;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

**(iii) Meetings and Attendance during the year:**

SRC met 4 times during the year under review i.e. on May 03, 2021; August 14, 2021; November 09, 2021 and February 14, 2022 to deliberate on various matters with respect to Stakeholders of the Company. The details of attendance of Members of the Committee at each meeting are provided herein below:

| Name of the Member  | Meetings of Committee for the Financial Year 2021-22 |   |   |   |   |
|---------------------|--|---|---|---|---|
|                     | Held during the tenure                               | 1 | 2 | 3 | 4 |
| Mr. Bhushanlal Behl | 4  | P | P | P | P |
| Mr. Yogesh Thakkar  | 4  | P | P | P | P |
| Mrs. Sweety Reniwal | 4  | A | P | A | A |

**(iv) Shareholder's complaints:**

During the year under review, your Company did not receive any complaints from the Shareholders. Therefore, there are no pending complaints or unresolved complaints to the satisfaction of Shareholders.

**❖ Corporate Social Responsibility Committee**

The Board of your Company has constituted a Corporate Social Responsibility Committee (“CSR Committee”) in terms of the provisions of Section 135 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 135 of the Act.

The Committee is inter alia entrusted with the responsibility of monitoring and implementation of the CSR projects/programmes/activities of your Company and also for approving the annual CSR Budget, implementation of CSR projects and other related activities.

**(i) Composition:**

The Committee comprises 3 Directors as its Members, all of which are Non-Executive Directors and amongst them 2 are Independent Directors  
Mr. Yogesh Thakkar, Independent Director, is the Chairman of the Committee. Mr. Bhushanlal Behl and Mrs. Sweety Reniwal are the members of the Committee.

**(ii) Brief Description of Terms of Reference:**

The scope and functions of the CSR Committee are in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and terms of reference of CSR Committee inter alia includes following:

- i. To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ii. To recommend the amount of expenditure to be incurred on the activities in connection with corporate social responsibility to be undertaken by the Company in accordance with Section 135 of the Act; and
- iii. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

**(iii) Meetings and Attendance:**

CSR Committee met once in a year on June 30, 2021. The details of attendance of Members of the Committee at each meeting are provided herein below:

| Name of the Member  | Meetings of Committee for the Financial Year 2021-22 |   |
|---------------------|--|---|
|                     | Held during the tenure                               |   |
| Mr. Yogesh Thakkar  | 1  | P |
| Mr. Bhushanlal Behl | 1  | P |
| Mrs. Sweety Reniwal | 1  | A |

**III. GENERAL BODY MEETINGS**

• **Annual General Meetings**

Details of the last 3 AGMs of the Members of the Company along with the details of Special Resolutions passed at each such AGM, are tabled herein below:

| Financial year | AGM              | Date               | Location   | Time       | Particulars of Special Resolution(s) passed  |
|----------------|------------------|--------------------|--|------------|--|
| 2018-19        | 31 <sup>st</sup> | September 30, 2019 | 156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021 | 10.30 a.m. | None   |
| 2019-20        | 32 <sup>nd</sup> | September 30, 2020 | Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")             | 10.00 a.m. | None   |
| 2020-21        | 33 <sup>rd</sup> | September 30, 2021 | Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")             | 10.00 a.m. | <ol style="list-style-type: none"> <li>1. Remuneration to Mr. Rajeev Shantisarup Reniwal (DIN: 00034264) Managing Director of the Company</li> <li>2. Remuneration to Mrs. Sweety Rajeev Reniwal (DIN: 00041853) Non-Executive Non-Independent Director of the Company.</li> </ol> |

All Special Resolutions in the previous three AGMs of the Company were passed with requisite majority. All Resolutions were approved through remote e-voting.

- **Postal Ballot**

During the year, no resolutions were approved through postal ballot.

At present, there is no proposal for passing any Special Resolution through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

#### IV. MEANS OF COMMUNICATION

- **Results:**

The quarterly/ half yearly/annual results ("said results") alongwith the Limited Review/ Auditor's Report thereon are filed with the BSE Limited (referred to as "Stock Exchange") at its electronic platform i.e. BSE Corporate Compliance & Listing Centre, so as to enable it to display the same on its website. The said results are simultaneously uploaded on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com) for the ease of reference of the Members of the Company. The aforesaid results are also published in "Free Press Journal" and "Navshakti" (a regional daily newspaper published from Mumbai) within the stipulated timelines.

A separate dedicated “Investors section”, on the website of the Company, gives information on the aforesaid results, shareholding pattern and other relevant information of interest to the investors/ public.

In addition to the above, the Company has designated E-mail ID viz. [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com), for Investor Relations and Shareholders assistance and the same is prominently displayed on the website of the Company.

- Presentations made to institutional investors or to the analysts

During the year under review, Company did not made presentation to institutional investors.

## V. GENERAL SHAREHOLDER INFORMATION

In terms of the provisions of Point No. 9 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), General Information of your Company for reference of the Shareholders is provided as under:

- **Thirty Fourth Annual General Meeting:**

|   |   |
|---|---|
| <b>Thirty Fourth Annual General Meeting (Day, Date, Time and Venue)</b> | Friday, September 30, 2022 at 10.00 a.m through VC/ OAVM        |
| <b>Book Closure Date</b>  | Start Date: September 22, 2022<br>End Date : September 30, 2022 |
| <b>Cut-off date for e-voting</b>  | September 23, 2022  |

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/ re-appointment at Annual General Meeting (“AGM”) are given in the Annexure to the Notice of this AGM.

- **Financial Year:**

Your Company follows April-March as the Financial Year.

### **Tentative calendar for the Financial Year ending March 31, 2023:**

The tentative months for the quarterly meetings of the Board of Directors for consideration of quarterly/ half-yearly/ annual financial results for the Financial 2021-2022, are as under:

| <b>Sr. No.</b> | <b>Particulars of the Quarter</b>                               | <b>Tentative Months</b> |
|----------------|---|-------------------------|
| 1.             | Results for the quarter ended June 30, 2022                     | July/ August, 2022      |
| 2.             | Results for the quarter and six months ended September 30, 2022 | October/ November, 2022 |
| 3.             | Results for the quarter and nine months ended December 31, 2022 | January/ February, 2023 |
| 4.             | Results for the quarter and year ended March 31, 2023           | April/ May, 2023        |

Further, the tentative months for the Thirty Forth AGM of the Company for the Financial Year ending March 31, 2023 shall be August/ September, 2023.

- **Dividend Payment Date:** Not Applicable
- **Stock Exchanges where Securities of the Company are listed**  
Your Company's Shares are listed on the following Stock Exchange:

|                                  |   |
|----------------------------------|---|
| <b>Listing on Stock Exchange</b> | <b>BSE Limited (BSE)</b><br>PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400001 |
| <b>Stock Code &amp; ISIN</b>     | BSE:532001<br>Scrip Name : INDCTST<br>ISIN: INE146H01018                            |

- **Payment of Annual Listing/ Custody/ Issuer Fees:**

Annual Listing Fees for the Financial Year 2022-23 have been paid to the Stock Exchange. Annual Custody/ Issuer Fees have been paid to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for the Financial Year 2021-22.

Further, in terms of circular no. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018, issued by Securities and Exchange Board of India ("SEBI"), your Company has appointed NSDL as the "Designated Depository" for the purpose of monitoring of Foreign Investment limits on behalf of the Company.

- **Stock Market Price Data:**

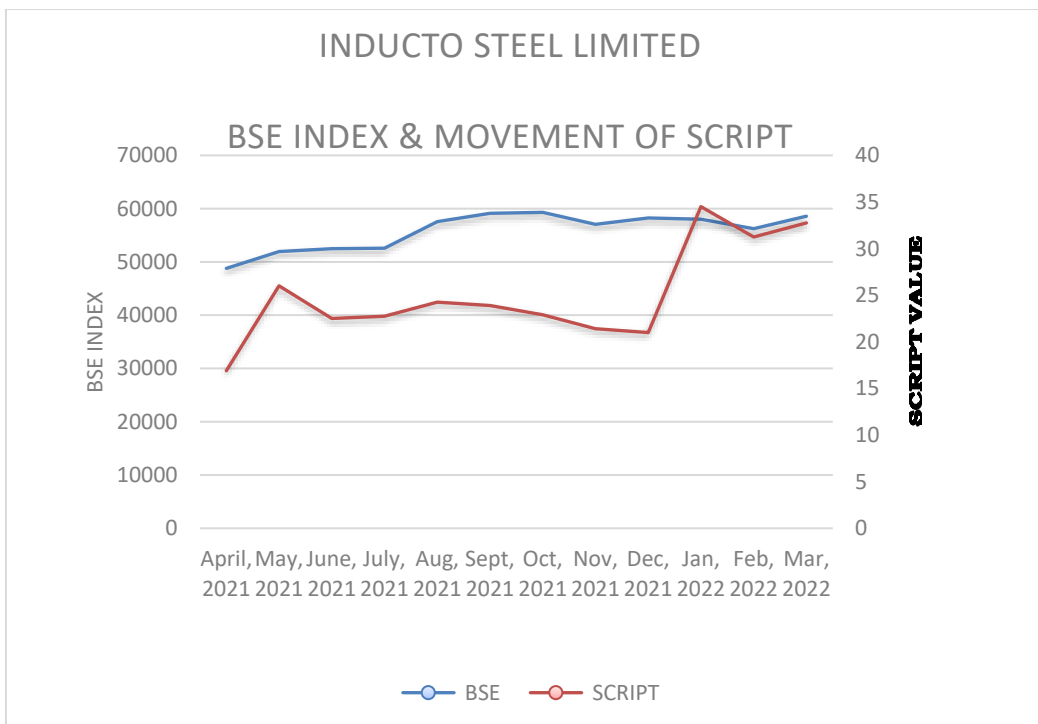
The stock market price data and volume of the Company's shares traded on the BSE during the Financial Year 2021-22 were as under:

| Month - Year   | High Price (in Rs.) | Low Price (in Rs.) | Close Price (in Rs.) | Total Traded Volume (No. of shares) |
|----------------|---------------------|--------------------|----------------------|-------------------------------------|
| April-2021     | 16.9                | 13.3               | 16.9                 | 4821                                |
| May-2021       | 27.85               | 17.4               | 26                   | 12904                               |
| June-2021      | 26                  | 19.55              | 22.5                 | 6528                                |
| July-2021      | 23.9                | 20.05              | 22.75                | 3942                                |
| August-2021    | 24.3                | 17.3               | 24.25                | 14759                               |
| September-2021 | 25.45               | 20.9               | 23.9                 | 670                                 |
| October-2021   | 23.85               | 20.9               | 22.9                 | 1920                                |
| November-2021  | 25.5                | 20.45              | 21.4                 | 7466                                |
| December-2021  | 23.55               | 20.45              | 21                   | 6088                                |
| January-2022   | 38                  | 22.05              | 34.5                 | 45327                               |
| February-2022  | 37.9                | 28.4               | 31.25                | 8117                                |
| March-2022     | 36                  | 29.7               | 32.75                | 5628                                |

- **Stock Performance:**

Performance in comparison to broad-based indices viz. BSE SENSEX during the Financial Year 2021-22 were as under:





- Registrar and Share Transfer Agents**

|                           |  |
|---------------------------|--|
| Name                      | <b>Link Intime India Private Limited</b>   |
| Registered Office Address | C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083                        |
| E-mail id                 | <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> |
| Tel No.                   | 022 - 49186270   |
| Website                   | <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>                   |
| SEBI Registration Number  | INR000004058   |

- Distribution of Shareholding as on March 31, 2022:**

| Distribution Schedule on Scrip Value as on March 31, 2022 |                   |     |                |              |             |
|---|-------------------|-----|----------------|--------------|-------------|
| Share of Nominal Value                                    | Number of Holders | of  | (%) of Holders | Total Amount | % of Amount |
| UPTO TO 5000  | 565               |     | 77.824         | 1095290      | 2.726       |
| 5001 TO 10000   | 70                |     | 9.642          | 562470       | 1.4         |
| 10001 TO 20000  | 41                |     | 5.647          | 604870       | 1.506       |
| 20001 TO 30000  | 9                 |     | 1.24           | 236180       | 0.588       |
| 30001 TO 40000  | 5                 |     | 0.689          | 177910       | 0.443       |
| 40001 TO 50000  | 8                 |     | 1.102          | 370630       | 0.923       |
| 50001 TO 100000   | 7                 |     | 0.964          | 462720       | 1.152       |
| 100001 TO ABOVE   | 21                |     | 2.893          | 36662470     | 91.263      |
| <b>TOTAL</b>  |                   | 726 | 100            | 40172540     | 100         |

| <b>Distribution Schedule on Number of Shares as on March 31, 2022</b> |                          |                       |                     |                    |
|---|--------------------------|-----------------------|---------------------|--------------------|
| <b>Share</b>  | <b>Number of Holders</b> | <b>(%) of Holders</b> | <b>Total Shares</b> | <b>% of Shares</b> |
| 1 TO 100  | 294                      | 40.50                 | 9948                | 0.25               |
| 101 TO 200  | 72                       | 9.92                  | 12732               | 0.32               |
| 201 TO 500  | 199                      | 27.41                 | 86849               | 2.16               |
| 501 TO 1000   | 70                       | 9.64                  | 56247               | 1.40               |
| 1001 TO 5000  | 63                       | 8.68                  | 138959              | 3.46               |
| 5001 TO 10000   | 7                        | 0.96                  | 46272               | 1.15               |
| 10001 TO 100000   | 12                       | 1.65                  | 380413              | 9.47               |
| 100001 TO ABOVE   | 9                        | 1.24                  | 3285834             | 81.79              |
| <b>TOTAL</b>  | <b>726</b>               | <b>100.00</b>         | <b>4017254</b>      | <b>100.00</b>      |

- **Category-wise Shareholding Pattern of the Company as on March 31, 2022:**

| <b>Sr. no.</b> | <b>Category</b>                                  | <b>No. of Shareholders</b> | <b>No. of Shares held</b> | <b>% of Share holding</b> |
|----------------|--|----------------------------|---------------------------|---------------------------|
| 1.             | Promoter and Promoter Group                      | 11                         | 27,84,774                 | 69.32                     |
| 2.             | Bodies Corporate                                 | 14                         | 1,05,143                  | 2.62                      |
| 3.             | NRI  | 4                          | 4,888                     | 0.12                      |
| 5.             | Individual share capital upto Rs. 2 Lacs         | 661                        | 3,47,990                  | 8.66                      |
| 6.             | Individual share capital in excess of Rs. 2 Lacs | 7                          | 7,39,490                  | 18.41                     |
| 7.             | HUF  | 29                         | 34,969                    | 0.87                      |
| <b>Total</b>   |  | <b>726</b>                 | <b>40,17,254</b>          | <b>100.00</b>             |

- **Details of Shares held by Directors as on March 31, 2022:**

| <b>Name of Directors</b> | <b>No. of Shares Held</b> |
|--------------------------|---------------------------|
| Mr. Rajeev Reniwal       | 3,37,526                  |
| Mrs. Sweety Reniwal      | 4,07,745                  |
| Mr. Yogesh Thakkar       | 0                         |
| Mr. Bhushanlal Behl      | 0                         |

- **Dematerialisation of Shares and Liquidity**

As on March 31, 2022, 98.76 % of the total Equity Share Capital of the Company was held in dematerialised form with NSDL and CDSL under International Securities Identification Number ("ISIN") -INE146H01018

- The break-up of Equity Shares held in dematerialised and physical mode as on March 31, 2022, is as under:

| <b>Particulars</b>                   | <b>No. of Shares</b> | <b>%</b> |
|--------------------------------------|----------------------|----------|
| Physical                             | 49,800               | 1.24     |
| Dematerialised Mode <sup>(1)</sup> : |                      |          |
| CDSL                                 | 17,32,046            | 43.12    |

|              |                  |       |
|--------------|------------------|-------|
| NSDL         | 22,35,408        | 55.65 |
| <b>Total</b> | <b>40,17,254</b> | 100   |

Note:

(1) Entire shareholding of the Promoter and Promoter Group is in Dematerialised form.

- **Reconciliation of Share Capital Audit:**

As stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 1996, M/s. Dilip Bharadiya & Associates, Company Secretaries, carry out a quarterly audit for the purpose of reconciliation of the total issued capital, listed capital and the capital held by the depositories in dematerialised form, the details of changes in the Share Capital during each quarter.

Further, an audit report issued in that regard is submitted to the Stock Exchange on quarterly basis and the same is also placed before the Board.

- **Outstanding Global Depository Receipts (“GDRs”)/ American Depository Receipts (“ADRs”)/ Warrants or any convertible instruments, conversion date and likely impact on equity:**

Your Company has not issued any GDRs/ ADRs/ Warrants/ convertible instruments and hence, there are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments pending for conversion as on March 31, 2022.

- **Commodity Price Risk/ Foreign Exchange Risk and Hedging Activities:**

Your Company does not engage in commodity hedging activities. The foreign currency exposure of the Company, in respect of its imports, borrowings and export receivables, if any, is hedged as per the Forex Policy of the Company. The Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all.

- **Share Transfer System:**

Your Company has an appropriate share transfer system. Requests for transfer of shares held in physical form can be lodged with the RTA of the Company. If documents are complete in all aspects then the request is generally processed within 15 days of the receipt of the documents.

Transfers in electronic form are much simpler and quicker as the Shareholders have to approach their respective Depository Participants and the transfers are processed by NSDL/CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

RTA of your Company ensures compliance with all the procedural requirements with respect to transfer, transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates. Further, as stipulated under Regulation 40(9) of the SEBI Listing Regulations, the RTA also obtains a half yearly certificate in that regard from M/s. Dilip Bharadiya & Associates, Company Secretaries and the same is filed with the stock exchange.

- **Investor Service and Grievance Handling Mechanism:**

A robust mechanism is established by your Company which ensures efficient service to the investors, pro-active handling of investor correspondences and redressal of grievances in an

expeditious manner. This mechanism is handled by the Company Secretary and Compliance Officer of your Company and the RTA.

During the Financial Year 2021-22, the Company did not receive any complaints.

## **VI. Company's Recommendations to the Shareholders**

### **a. Open Demat Account and Dematerialise your shares**

Shareholders may consider converting their physical holdings into dematerialised form and avail the benefits of dealing in Shares in demat form. There are various other benefits such as immediate transfer of shares, no stamp duty payable on transfer of shares held in dematerialised form and avoidance of risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries.

### **b. Consolidation of folios and avoidance of multiple mailing**

In order to enable the Company to reduce costs and duplicity of efforts for providing services, Shareholders who have more than one folio/demat account in the same order of names, are requested to consolidate their holdings under one folio/demat account. They may write to the RTA/ Depository Participant ("DP") in that regard. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor and service multiple folios/demat accounts.

### **c. Submit Nomination Form**

Shareholders shall register their nominations with the Company, in case of physical shares and with their DP, in case of dematerialised shares, to ensure that their shares are transmitted to their respective nominees without any hassles. They must ensure that nomination made is in the prescribed form and must be witnessed by two witnesses in order to be effective. The said form is available for download from the "Investor Relations" section on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

### **d. Furnish/ update bank account particulars with the Company/ DP**

Shareholders holding the shares in physical form shall furnish/update their latest bank account number and other details with the Company and those holding the shares in dematerialised form should ensure that correct and updated particulars of their bank account are available with the DP. This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid events such as postal delays and loss in transit.

### **e. Intimate/ update contact details**

In order to receive communications on corporate actions and other information of the Company, the Investors may consider intimating their contact details (including address) and changes therein, if any, to the Company/ RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode.

### **f. Service of documents through electronic means**

Your Company holds its Green Initiative in high regard. Pursuant to Section 101 and Section 136 of the Act, Companies can serve Annual Reports and other communications through electronic mode to those Shareholders who have registered their E-mail address either with the Company or with the DPs.

Accordingly, Shareholders who have not registered their e-mail addresses so far, are requested to register their E-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically, by submitting a duly filled E-Communication Registration Form available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com), to RTA or to the Company on its designated E-mail Id i.e. [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com)

**g. Exercise caution**

Shareholders shall keep the Company/ DP updated on any change with respect to their holdings, to avoid likelihood of fraudulent transfers in case of folios with no movement or where the shareholder has either expired or is not residing at the address registered with the Company.

**h. Deal with Registered Intermediaries**

Shareholders should transact through a registered intermediary, who is subject to regulatory discipline of SEBI, as it will be responsible for its activities and in case the intermediary does not act professionally, the matter can be taken up with SEBI/ Stock Exchanges.

**i. Monitor holdings regularly**

Demat account should not be kept dormant for a long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the Shareholder is likely to be away for a long period of time and where the securities are held in electronic form, the Shareholder can make a request to the DP to keep the account frozen, so that there can be no debit to the account till the instruction for freezing the account is countermanded by the Shareholder.

**j. Mode of Postage**

Share certificates and high value dividend/interest warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that such instruments are by registered post or courier.

**Plants/ Divisions of the Company with their locations:**

**1. Ship Breaking Yard**

Plot No.14, Ship Breaking Yard, Alang, Dist. Bhavnagar, Gujarat - 364001

**2. Bhavnagar Division:**

Hariyana House, 2165/A-2, 2nd Floor, Sanskar Mandal Chowk, Bhavnagar - 364 002

Branch Office : Hariyana Ship Breakers Limited, Atlanta Building, Plot No 2171-72/C, Opp Joggers Park, G-1 Attabhai Road, Bhavnagar- 364991, Gujarat.

**• Address for Correspondence:**

All Member's correspondence should be forwarded to Link Intime India Private Limited, the Registrar and Transfer Agent of the Company or to the Company Secretary at the Registered Office of the Company at the addresses mentioned below.

The Company's dedicated e-mail address for Members' Complaints and other communications is [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com)

As stated in the SEBI circular dated March 26, 2018, whereby SEBI has issued new policy measures with respect to SEBI Complaints Redress System (SCORES), Members are requested to approach the Company directly at the first instance for their grievances.

Registrar and Share Transfer Agents (RTA)  
Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083

Ph: 022 - 49186270;  
Fax: 022 - 49186060;  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Registered Office  
Inducto Steels Limited  
156, Maker Chambers VI,  
220 Jamnalal Bajaj Marg,  
Nariman Point, Mumbai-400 021  
Ph: +91 22 22043211  
Fax: +91 22 22043215  
E-mail: [secretarial.inducto@gmail.com](mailto:secretarial.inducto@gmail.com)  
Website: [www.hariyanagroup.com](http://www.hariyanagroup.com)

- **Feedback:**

Your feedback is valuable to us to help us serve you better. Members are requested to give us their valuable suggestions, if any, for enhancement of our Investor Services by writing to us/ RTA at the address provided hereinabove.

Company has provided the details required under this as a separate section on "General Shareholder Information", which forms a part of this Annual Report.

## VII. OTHER DISCLOSURES

### a) **Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large**

All the Related Party Transactions ("RPTs") entered into by your Company, during the Financial Year 2021-22, were at arm's length and in the ordinary course of business of the Company. All such transactions had prior approval of the Audit Committee and the Board.

However, there were no material significant RPTs that had/ may have potential conflict with the interests of your Company at large.

### b) **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

Your Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchange. Consequently, there has been no instance of non-compliance with any legal requirements and hence, no penalties or strictures are imposed on your Company by SEBI or the Stock Exchange or any statutory authority on any matter related to the capital markets during the last 3 years.

### c) **Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

Your Company has in place a Vigil Mechanism/ Whistle Blower Policy which facilitates for direct access to the Management and the Audit Committee of the Board to all Stakeholders to report concerns about any unethical behaviour, actual or suspected fraud or violation of

the Company's Code of Conduct or ethics policy. The mechanism provides adequate safeguards against any victimisation of the persons who use this mechanism. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

Also, the Company has adopted "Policy for Prevention of Sexual Harassment at Workplace". This ensures a work environment that is professional and mature, free from animosity and one that reinforces Company's value of integrity, which includes respect for the individual.

#### **d) Other Policies, Programmes and Codes of the Company**

- **Corporate Social Responsibility Policy:**

In terms of the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has adopted Corporate Social Responsibility policy having the following scope:

- i. Planning project or programmes which a Company plans to undertake falling within the purview of Schedule VII of the Act; and
- ii. Monitoring process of such project or programmes.

- **Policy on Related Party Transactions:**

In terms of the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has framed a Policy on RPTs to regulate transactions of the Company with its related parties (as defined and identified under the Act, SEBI Listing Regulations), to ensure high standards of Corporate Governance while dealing with related parties and also to ensure optimum compliance with applicable laws prescribed for RPTs. The policy is also available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

- **Code of Conduct for Trading in Listed or Proposed to be Listed Securities of Inducto Steels Limited:**

This document explains the Code to be observed by all the Connected Persons of your Company as defined under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time. The Company has revised its Code of Conduct for Trading in Listed or Proposed to be Listed Securities of the Company and is in compliance with the Listing Regulations.

The objective of this Code is to communicate to all the Connected Persons, the Code related to trading in listed or proposed to be listed securities of the Company. It is intended to serve as a guideline to all persons connected with the Company, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

- **Code of Conduct for Board Members and Senior Management of Inducto Steels Limited:**

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of Regulation 17 of the SEBI Listing Regulations.

The Code incorporates the duties of Independent Directors as laid down in the Act and also helps the Board Members and Senior Managers to observe the highest standards of ethical conduct along with integrity and to work to the best of their ability and judgement.

- **Policy on Preservation of Documents:**

In terms of the provisions of Regulation 9 of the SEBI Listing Regulations, your Company has adopted this policy for preservation of documents.

This policy contains guidelines for identifying Documents (as defined under the SEBI Listing Regulations) that need to be maintained, specifies the period of preservation of such Documents and its destruction/disposal. This policy aims to provide efficient and systematic control on the maintenance, periodicity and destruction of business-related Documents.

- **Policy for Determining of Material Subsidiary Companies:**

Your Company does not have any Subsidiary as on the date of this report and accordingly, it does not have any policy for determining the “Material Subsidiary”.

- **Policy for Determination of Materiality of Information or Event:**

In terms of the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted this policy for determination of materiality of information or event for facilitating prompt disclosure of material price sensitive information to the Stock Exchange(s) in compliance with the provisions of the SEBI Listing Regulations. This policy acts as a guidance for determining materiality of such price sensitive information and with the objective to ensure prompt disclosure of material price sensitive information/ event to the Stock Exchange, where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in your Company and to avoid creation of false market in the securities of the Company. The policy is also available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

- **Policy for Archival of Documents:**

In terms of the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted this Policy for the archival of documents of the Company, to comply with the provisions of the SEBI Listing Regulations. The policy provides that beyond the Mandatory Hosting Period (i.e. 5 years from the date of each disclosure on the website of your Company), the disclosed information shall be archived for such other additional period as may be required considering the requirement of various statutes, law, regulations etc. and other legal and administrative aspects. The policy is also available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

- **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:**

This Code of Conduct has been framed and adopted by the Company in compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 “SEBI PIT Regulations”, to adhere to each of the Principles of Fair Disclosure for the purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as set out in Schedule A to the SEBI PIT Regulations.



**e) Commodity Price Risk and Commodity Hedging Activities**

Your Company does not engage in Commodity hedging activities.

**f) Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

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

In addition to the same, your Company also strives to adhere and comply with the following discretionary requirement specified under Regulation 27(1) and Part E of the Schedule II of the SEBI Listing Regulations, to the extent applicable:

(i) Reporting of Internal Auditor: The Internal Auditor of your Company directly reports to the Audit Committee on functional matters.

**g) Disclosure of Accounting Treatment**

The Company has followed all applicable and relevant Accounting Standards while preparing the Financial Statements.

**h) Proceeds from Public Issues, Right Issues, Preferential Issues, etc.**

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilised issue proceeds during the year under review.

**i) Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors**

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

**j) Disclosure in relation to recommendation made by any Committee which was not accepted by the Board**

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

**k) Management**

The Management Discussion and Analysis is prepared in accordance with the requirements laid out in Regulation 34 read with Section B of Schedule V of the SEBI Listing Regulations and forms part of the Report of the Board of Directors.

No material transaction has been entered into by your Company with the Promoters, Directors or the Management or relatives, etc. that may have a potential conflict with interests of the Company.

**l) Shareholders**

According to the Articles of Association, one-third of the Directors retires by rotation and if eligible, seek re-appointment at the AGM. Accordingly, Mrs. Sweety Reniwal will retire in the ensuing 33<sup>rd</sup> AGM of the Company and is eligible for re-appointment. Accordingly, the Board has recommended her re-appointment in the said AGM. The detailed profile of Mrs. Sweety Reniwal is provided in the notice convening the said AGM.

**m) Total fees for all services paid to the Statutory Auditors by the Company and its Subsidiaries**

Total fees paid by the Company excluding GST thereon, to the Statutory Auditors viz M/s. P.D. Goplani & Associates, Chartered Accountants, Bhavnagar (Firm Registration No. 118023W) and M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (Firm Registration No. 116870W), be all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

| Sr. No.      | Particulars               | Amount (Rs. in Lakhs) |
|--------------|---------------------------|-----------------------|
| 1            | Audit Fees                | 2.90                  |
| 2            | Limited Review            | -                     |
| 3            | Other Services            | -                     |
| 4            | Re-imburement of Expenses | -                     |
| <b>Total</b> |                           |                       |

**n) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial Year 2021-22**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was received by the Internal Complaints Committee during the year under review and pending as at March 31, 2022, pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has also complied with the requirements of Corporate Governance Report of paragraph (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations, disclosed the extent to which the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report.

**SUBSIDIARY COMPANIES**

As on March 31, 2022, your Company did not have any subsidiary.

**LOANS AND ADVANCES**

The members are requested to refer to the financial statements of the Company for Loans and advances in the nature of loans to firms/companies in which directors are interested, if any.

**MD/ CFO CERTIFICATION**

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Rajeev Reniwal, Managing Director and Mr. Dilip Kaushik - Chief Financial Officer has reviewed the Audited Financial Results and Cash Flow Statements for the Financial Year ended March 31, 2022 and accordingly has provided a certificate, which is enclosed separately at the end of this Report.

**DECLARATION**

The declaration from the Managing Director stating that as on 31 March 2022 all the board members and the senior management personnel of the Company have adhered to the code of conduct for FY 2022 and the same has been included in this report duly signed by the Managing Director of the Company.

**REPORT ON CORPORATE GOVERNANCE**

As required under Regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the Bombay Stock Exchange and the same is available on its website. The said report is also available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

The Compliance Certificate received from the Statutory Auditors i.e. M/s. P.D. Goplani & Associates, Chartered Accountants, Bhavnagar (Firm Registration No. 118023W) and M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (Firm Registration No. 116870W), regarding compliance of Corporate Governance requirements is annexed to the Report of the Board of Directors.

Further, your Company has complied with the Corporate Government requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and the same has been disclosed in this Report.

For and on behalf of the Board of Directors

**RAJEEV RENIWAL**  
**MANAGING DIRECTOR**  
**(DIN: 00034264)**

**SWEETY RENIWAL**  
**DIRECTOR**  
**(DIN: 00041853)**

Date: September 05, 2022

Place: Mumbai

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
***(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

The Members  
**INDUCTO STEEL LIMITED**  
 156, Maker Chambers VI,  
 220 Jammalal Bajaj Marg,  
 Nariman Point,  
 Mumbai - 400021

This Certificate is being issued to the Members of Inducto Steel Limited, bearing Corporate Identity Number (CIN) - L27100MH1988PLC194523, having its registered office address at 156, Maker Chambers VI, 220, Jammalal Bajaj Marg, Nariman Point, Mumbai-400021 (*"the Company"*) in terms of Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (*"SEBI Listing Regulations"*).

We believe it is the responsibility of the Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and SEBI Listing Regulations.

We have examined the documents and disclosures provided by the following Directors in electronic mode, for the purpose of issuing this Certificate, in accordance with the requirements under the Companies Act, 2013 (*"Act"*) and the SEBI Listing Regulations.

Based on our examination of documents/ information/ explanations provided to us by the Company and such other verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge, **we certify that as on date of this certificate, none of the directors on the Board of the Company, as listed hereunder, for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.**

| Sr. No. | Name of the Director       | DIN      | Date of appointment |
|---------|----------------------------|----------|---------------------|
| 1.      | Rajeev Shantisarup Reniwal | 00034264 | 01/04/1993          |
| 2.      | Sweety Rajeev Reniwal      | 00041853 | 09/03/2002          |
| 3.      | Yogesh Anantraï Thakkar    | 00043588 | 22/03/2004          |
| 4.      | Bhushanlal Chamanlal Behl  | 03023697 | 12/04/2010          |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

**DILIP BHARADIYA**

**Partner**

**F.C.S No. 7956 C.O.P No. 6740**

**UDIN: F007956D000424900**

Place: Mumbai

Date: May 30, 2022

**MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To  
The Board of Directors  
**Inducto Steels Limited**  
Mumbai

We have reviewed Audited Financial Statements and the cash flow statement of **INDUCTO STEELS LIMITED** ('Company') for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that;

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on March 31, 2022 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to be taken for rectifying these deficiencies.
5. We have indicated to the auditors and the Audit committee
  - i. significant changes, if any, in internal control over financial reporting during the Financial Year ended on March 31, 2022;
  - ii. significant changes, if any, in accounting policies made during the Financial Year ended on March 31, 2022 and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Rajeev Reniwal**  
Managing Director  
(DIN: 00034264)

**Dilip Kaushik**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2022

**DECLARATION**

As provided under the provisions of Schedule II and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended March 31, 2022.

**Rajeev Shantisarup Reniwal**

Managing Director  
(DIN: 00034264)

Place: Mumbai

Date: May 30, 2022

**LSM & Co.**  
Chartered Accountants  
516, Summit Business Bay, Opp. Cinemax,  
Chakala, Andheri (E), Mumbai-400093

**P. D. Goplani & Associates**  
Chartered Accountants  
A/104-105, Leela Efcee,  
Waghawadi Road, Bhavnagar – 364002

**INDEPENDENT AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE**

**To**

**The Members of INDUCTO STEELS LIMITED**

1. We, are the joint Statutory Auditors of Inducto Steels Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

**Management’s Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor’s Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the “ICAI”), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in



8. regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For LSM & Co.**  
**Chartered Accountants**  
FRN :116870W

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
FRN :118023W

**CA Sanjay Soni**  
**Partner**  
M. No. 114835  
Mumbai  
May 30, 2022

**CA Sonam Langalia**  
**Partner**  
M. No. 154014

**LSM & Co.**  
Chartered Accountants  
516, Summit Business Bay, Opp. Cinemax,  
Chakala, Andheri (E), Mumbai-400093

**P. D. Goplani & Associates**  
Chartered Accountants  
A/104-105, Leela Efcee,  
Waghawadi Road, Bhavnagar – 364002

### INDEPENDENT AUDITOR'S REPORT

To the members of **Inducto Steel Limited**  
**Report on the audit of the standalone financial statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **Inducto Steel Limited**, ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

| <b>Key Audit Matter</b>  | <b>Auditor's Response</b>   |
|--|---|
| <p><b><u>Evaluation of uncertain tax positions</u></b><br/>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to</p> | <p>Our audit procedures included, among others, the following:<br/>- Obtained details of completed tax assessments and demands for the year</p> |

|  |   |
|--|---|
| <p>determine the possible outcome of these disputes.</p> | <p>ended March 31, 2022 from management.</p> <ul style="list-style-type: none"> <li>- Obtained understanding of key uncertain tax positions.</li> <li>- Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions.</li> <li>- Assessed management's estimates of the possible outcome of the disputed cases.</li> </ul> |
|--|---|

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and those charged with governance for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 Standalone 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 controls 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 with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, 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 Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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, we give in the Annexure - A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, and except for the effects of our qualified opinion, the aforesaid Standalone 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed impact of pending litigations which could materially impact its financial statements - *Refer Note 3.8 of the Standalone Financial Statements*;
  - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. there has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- h. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**For LSM & Co.**  
**Chartered Accountants**  
FRN : 116870W

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
FRN : 118023W

**CA Sanjay Soni**  
**Partner**  
M. No. 114835  
UDIN : 22114835AJXOKB5301

**CA Sonam Langalia**  
**Partner**  
M. No. 154014  
UDIN : 22154014AJXWWO7784

Mumbai  
May 30, 2022

## Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2022, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible Assets. Accordingly, the reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

- (b) The Property, Plant and Equipment have not been physically verified by the Management according during the year, but as per the information and explanations provided to us, there is a regular programme of physical verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the management and no material discrepancies have been noticed on such physical verification.

- (c) According to information and explanations given by the management, the title deeds of immovable properties, as disclosed in Schedule Note 1.1 Property, plant and equipment, are held in the name of the Company, *however, the company has done development work, in accordance with Green Plot Regime, on a lease hold plot at Alang Ship Breaking Yard, Alang, Bhaonagar.*

| Description of property | Gross carrying value (INR in Lakhs) | Held in name of   | Whether promoter, director of their employee | Period held - indicate range, where appropriate | Reason for not being held in name of company*  |
|-------------------------|-------------------------------------|---|--|---|--|
| Factory Land            | 28.96                               | Hariyana Industrial Gases Private Limited and Inducto Techno Castings Private Limited | No   | Since 2006                                      | For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending |

- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami

property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. However, as regards stock of raw materials, the company is mainly engaged in ship breaking activities and old and used ships are its main raw materials. Ascertaining actual weight of ship at the time of purchase and thereafter; is not possible due to its nature and size, loss of weight on account of corrosion and other factors during the usage of the ship and its voyage for long period of the years. Inventory of raw materials at the close of the year is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) According to information and explanations given to us and on the basis of records examined by us, the Company has been sanctioned working capital limits (Overdraft Facility) in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets, however, there is no stipulation laid by bank to submit stock and book debt statements. Accordingly, the reporting under Clause 3(ii)(b) of the Order is not applicable to the Company.

Note: Pari-passu charge on the Company's entire current assets namely stock of raw materials, finished goods, stocks- in-process, consumables stores and spares and book debts at its work site or anywhere else, in favour of the Bank, by way of hypothecation.

- iii. (a) The Company has invested in two partnership firms. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to parties are as per the table given below:

| <b>Particulars</b>  | <b>Amount<br/>(INR in<br/>Crores)</b> |
|---|---------------------------------------|
| <b>Investment made during the year in other partnership firms</b>                           |                                       |
| - Capital introduced during the year  | 1.65                                  |
| - Capital withdrawn during the year   | 18.65                                 |
| <b>Balance outstanding in respect loans granted/ provided as at<br/>March 31, 2022</b>      |                                       |
| - Employees   | 0.02                                  |
| <b>Balance outstanding in Investments (net of credit balances)<br/>as at March 31, 2022</b> |                                       |
| - Associates  | 0.43                                  |
| - Other partnership firm  | 21.55                                 |

- (b) In our opinion, the terms and conditions of investments made, during the year are, prima facie, not prejudicial to the Company's interest, based on the information



- and explanations provided by the Company.
- (c) In respect of the loans and advances in the nature of loans, the schedule of repayment of principal and payment has been stipulated. The employees are generally repaying the principal amounts, as stipulated.
- (d) There are no amounts of loans granted to the employees which are overdue for more than ninety days.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms of period of repayment to companies, firms, limited liability partnership or any other parties. Accordingly, the reporting under Clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax and labour welfare fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows :

| Name of the statute | Nature of dues | Demand raised (INR in Lakhs) | Amount paid against demand raised (INR in Lakhs) | Period to which amount relates (FY) | Forum where the dispute is pending) |
|---------------------|----------------|------------------------------|--|-------------------------------------|-------------------------------------|
| Income Tax Act,     | Income Tax     | 42.20                        | 7.62   | 2011-12                             | Hon. ITAT "I" Bench,                |

|                          |             |        |       |         |                                  |
|--------------------------|-------------|--------|-------|---------|----------------------------------|
| 1962                     |             |        |       |         | Mumbai                           |
| Income Tax Act, 1962     | Income Tax  | 245.66 | 48.99 | 2013-14 | Hon. ACIT Circle 3(1)(2), Mumbai |
| Central Excise Act, 1944 | Excise Duty | 12.38  | 6.19  | ----    | CESTAT, Ahmedabad                |

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the funds raised on short term basis have not been utilized for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the company does not have subsidiary, associate or joint venture. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the company does not have subsidiary, associate or joint venture. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer and through debt instruments by way of further public offer during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- xiii. 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 under Accounting Standard 18 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, 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)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the regulations made by the Reserve Bank of India). Accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash loss of Rs. 113.95 Lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

- xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer Schedule Note 3.11 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 does not apply to the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For LSM & Co.**  
**Chartered Accountants**  
 FRN : 116870W

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
 FRN : 118023W

**CA Sanjay Soni**  
**Partner**  
 M. No. 114835  
 UDIN : 22114835AJXOKB5301

**CA Sonam Langalia**  
**Partner**  
 M. No. 154014  
 UDIN : 22154014AJXWWO7784

Mumbai  
 May 30, 2022

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

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

We have audited, the internal financial controls with reference to financial statements of **Inducto Steel Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 standalone 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial controls 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 controls 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have 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 controls 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, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For LSM & Co.**  
**Chartered Accountants**  
 FRN : 116870W

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
 FRN : 118023W

**CA Sanjay Soni**  
**Partner**  
 M. No. 114835  
 UDIN : 22114835AJXOKB5301

**CA Sonam Langalia**  
**Partner**  
 M. No. 154014  
 UDIN : 22154014AJXWWO7784

Mumbai  
 May 30, 2022

## Standalone Balance Sheet as at March 31, 2022

(INR in Lakhs)

| Particulars                         | Note No. | As at           |                 |
|-------------------------------------|----------|-----------------|-----------------|
|                                     |          | March 31, 2022  | March 31, 2021  |
| <b>ASSETS</b>                       |          |                 |                 |
| <b>I. Non-current assets</b>        |          |                 |                 |
| Property, plant and equipment       | 1.1      | 275.76          | 230.64          |
| Financial assets                    |          |                 |                 |
| Investment                          | 1.2      | 2,198.32        | 3,900.94        |
| Other financial assets              | 1.3      | 16.83           | 7.06            |
| Other non-current assets            | 1.4      | 276.91          | 273.83          |
|                                     |          | <b>2,767.82</b> | <b>4,412.47</b> |
| <b>II. Current assets</b>           |          |                 |                 |
| Inventories                         | 1.5      | 2,059.66        | 10.56           |
| Financial assets                    |          |                 |                 |
| Trade receivables                   | 1.6      | 1,477.21        | 10.49           |
| Cash and cash equivalents           | 1.7      | 1,560.81        | 17.99           |
| Other current assets                | 1.8      | 388.40          | 43.17           |
|                                     |          | <b>5,486.08</b> | <b>82.21</b>    |
| <b>Total Assets</b>                 |          | <b>8,253.89</b> | <b>4,494.68</b> |
| <b>EQUITY AND LIABILITIES</b>       |          |                 |                 |
| <b>Equity</b>                       |          |                 |                 |
| Equity share capital                | 1.9      | 401.73          | 401.73          |
| Other equity                        | 1.10     | 3,844.95        | 3,618.26        |
|                                     |          | <b>4,246.67</b> | <b>4,019.98</b> |
| <b>Liabilities</b>                  |          |                 |                 |
| <b>I. Non-current liabilities</b>   |          |                 |                 |
| Deferred tax liabilities (net)      | 1.11     | 10.64           | 13.05           |
| Other non-current liabilities       | 1.12     | 1.57            | 1.48            |
|                                     |          | <b>12.21</b>    | <b>14.53</b>    |
| <b>II. Current liabilities</b>      |          |                 |                 |
| Financial liabilities               |          |                 |                 |
| Borrowings                          | 1.13     | 500.09          | 455.18          |
| Trade payables                      | 1.14     | 3,379.87        | -               |
| Other financial liabilities         | 1.15     | 2.57            | 0.53            |
| Other current liabilities           | 1.16     | 62.27           | 3.72            |
| Provisions                          | 1.17     | 18.35           | 0.74            |
| Income tax liabilities (net)        | 3.1      | 31.87           | -               |
|                                     |          | <b>3,995.01</b> | <b>460.17</b>   |
| <b>Total Equity and Liabilities</b> |          | <b>8,253.89</b> | <b>4,494.68</b> |
|                                     |          | -0.00           | 0.00            |

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

**For LSM & Co.**  
Chartered Accountants  
FRN : 116870W

**For P. D. Goplani & Associates**  
Chartered Accountants  
FRN : 118023W

**For and on behalf of the Board**  
**Inducto Steels Limited**

**CA Sanjay Soni**  
Partner  
Membership No. 114835  
UDIN : 22114835AJXOKB5301

**CA Sonam Langalia**  
Partner  
Membership No. 154014  
UDIN : 22154014AJXWWO7784

**Rajeev Reniwal**  
Director  
DIN: 00034264

**Sweety Reniwal**  
Director  
DIN: 00041853

**Bhoomi Rathod**  
Company Secretary

**Dilip Kaushik**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2022

Place: Mumbai  
Date: May 30, 2022

## Standalone Statement of Profit and Loss for the year ended March 31, 2022

(INR in Lakhs)

| Particulars   | Note No. | Year ended      |                 |
|---|----------|-----------------|-----------------|
|   |          | March 31, 2022  | March 31, 2021  |
| <b>Income</b>   |          |                 |                 |
| Revenue from operations   | 2.1      | 5,745.60        | 293.08          |
| Other income  | 2.2      | 22.85           | 15.99           |
| <b>Total Income</b>   |          | <b>5,768.46</b> | <b>309.07</b>   |
| <b>Expenses</b>   |          |                 |                 |
| Cost of raw materials consumed  | 2.3      | 3,624.69        | 4.97            |
| Purchase of Stock - in - Trade  | 2.4      | 1,694.92        | 219.11          |
| Changes in the inventories of Finished Goods, Stock In Trade and Work - In Progress | 2.5      | (280.28)        | -               |
| Employee benefits expense   | 2.6      | 121.85          | 22.39           |
| Finance costs   | 2.7      | 30.85           | 22.44           |
| Depreciation and amortisation expense   | 1.1      | 20.24           | 24.45           |
| Other Expenses  | 2.8      | 299.74          | 154.10          |
| <b>Total expenses</b>   |          | <b>5,512.01</b> | <b>447.46</b>   |
| <b>Profit before tax</b>  |          | <b>256.44</b>   | <b>(138.39)</b> |
| Tax expenses :  | 3.1      |                 |                 |
| Current tax   |          | 33.21           | -               |
| Deferred tax  |          | (2.67)          | 0.47            |
| <b>Profit for the year</b>  |          | <b>225.91</b>   | <b>(138.86)</b> |
| <b>Other comprehensive income</b>   |          |                 |                 |
| <i>Items not to be reclassified to profit or loss :</i>                             |          |                 |                 |
| - Re-measurement gain/ (loss) on defined benefit plans                              |          | 1.05            | (0.40)          |
| - Tax (charge)/ credit on above   |          | (0.26)          | 0.10            |
| <b>Total other comprehensive income</b>   |          | <b>0.78</b>     | <b>(0.30)</b>   |
| <b>Total comprehensive income for the year</b>                                      |          | <b>226.69</b>   | <b>(139.16)</b> |
| <b>Earning per equity share [face value Rs.10/- each]</b>                           | 3.3      |                 |                 |
| Basic   |          | 5.62            | (3.46)          |
| Diluted   |          | 5.62            | (3.46)          |

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For LSM &amp; Co.

Chartered Accountants

FRN : 116870W

For P. D. Goplani &amp; Associates

Chartered Accountants

FRN : 118023W

For and on behalf of the Board

Inducto Steels Limited

CA Sanjay Soni

Partner

Membership No. 114835

UDIN : 22114835AJXOKB5301

CA Sonam Langalia

Partner

Membership No. 154014

UDIN : 22154014AJXWWO7784

Rajeev Reniwal

Director

DIN: 00034264

Sweety Reniwal

Director

DIN: 00041853

Bhoomi Rathod

Company Secretary

Dilip Kaushik

Chief Financial Officer

Place: Mumbai

Date: May 30, 2022

Place: Mumbai

Date: May 30, 2022



## Standalone statement of Cash flow for the year ended March 31, 2022

(INR in Lakhs)

| Particulars   | Year ended      |                 |
|---|-----------------|-----------------|
|   | March 31, 2022  | March 31, 2021  |
| <b>Cash flow from operating activities</b>                            |                 |                 |
| Profit before tax   | 256.44          | (138.39)        |
| Adjustment for :  |                 |                 |
| Depreciation and amortisation expense                                 | 20.24           | 24.45           |
| Finance cost  | 30.85           | 22.44           |
| Interest income   | (19.53)         | (7.62)          |
| Bad debts   | 7.74            | -               |
| Provision for doubtful debts  | 1.09            | (0.16)          |
| Re-measurement gain/ (loss) on defined benefit plans                  | 1.05            | (0.40)          |
| (Gain)/Loss on sale of property, plant and equipment, net             | (3.44)          | -               |
| (Profit)/ Loss from partnership firms                                 | 3.08            | 68.93           |
| <b>Operating profit before working capital changes</b>                | <b>297.52</b>   | <b>(30.77)</b>  |
| Adjustments for changes :   |                 |                 |
| Decrease / (Increase) in Trade and other receivables                  | (1,833.63)      | 204.39          |
| Decrease / (Increase) in Inventories                                  | (2,049.10)      | 4.97            |
| (Decrease) / Increase in Trade and other payables                     | 3,490.02        | (7.55)          |
| <b>Cash generated/ (used) in operations</b>                           | <b>(95.19)</b>  | <b>171.04</b>   |
| Direct taxes paid   | (33.21)         | -               |
| <b>Net Cash generated from/(used in) operating activities [A]</b>     | <b>(128.40)</b> | <b>171.04</b>   |
| <b>Cash Flow from investing activities</b>                            |                 |                 |
| Purchase of fixed assets  | (67.41)         | (0.90)          |
| Proceeds from sale of fixed assets                                    | 5.49            | -               |
| (Purchase) / Proceeds of non - current investments                    | 1,702.62        | (544.78)        |
| (Profit)/ Loss from partnership firms                                 | (3.08)          | (68.93)         |
| Interest received   | 19.53           | 7.62            |
| <b>Net cash generated from/(used in) investing activities [B]</b>     | <b>1,657.17</b> | <b>(606.98)</b> |
| <b>Cash flow from financing activities</b>                            |                 |                 |
| Proceeds/ (Repayment) from short term borrowings, net                 | (450.00)        | 450.00          |
| Finance cost  | (30.85)         | (22.44)         |
| <b>Net cash generated from/(used in) financing activities [C]</b>     | <b>(480.85)</b> | <b>427.56</b>   |
| <b>Net increase/(decrease) in cash &amp; cash equivalents [A+B+C]</b> | <b>1,047.91</b> | <b>(8.38)</b>   |
| Cash & cash equivalents at the beginning of the year                  | 12.81           | 21.19           |
| <b>Cash &amp; cash equivalents at the end of the year</b>             | <b>1,060.72</b> | <b>12.81</b>    |

**Notes :****1. Reconciliation of cash and cash equivalents as per the cash flow statement :**

| Particulars                                       | March 31, 2022  | March 31, 2021 |
|---|-----------------|----------------|
| Cash and Cash Equivalents (Note 1.7)              | 1,560.81        | 17.99          |
| Bank Overdrafts (Note 1.13)                       | (500.09)        | (5.18)         |
| <b>Balances as per the statement of cash flow</b> | <b>1,060.72</b> | <b>12.81</b>   |

2. The above cashflow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows".

3. Figures of previous year have been regrouped, wherever necessary, to make them comparable.

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For LSM & Co. For P. D. Goplani & Associates  
Chartered Accountants Chartered Accountants  
FRN : 116870W FRN : 118023W

CA Sanjay Soni CA Sonam Langalia  
Partner Partner  
Membership No. 114835 Membership No. 154014  
UDIN : 22114835AJXOKB5301 UDIN : 22154014AJXWWO7784

For and on behalf of the Board  
Inducto Steels Limited

Rajeev Reniwal Sweetsy Reniwal  
Director Director  
DIN: 00034264 DIN: 00041853

Bhoomi Rathod Dilip Kaushik  
Company Secretary Chief Financial Officer

Place: Mumbai  
Date: May 30, 2022

Place: Mumbai  
Date: May 30, 2022

**Standalone statement of changes in equity for the year ended March 31, 2022****A. Equity share capital**

(INR in Lakhs)

| Particulars                                     | Amount        |
|---|---------------|
| Balance as at April 1, 2020                     | 401.73        |
| Changes in Equity share capital during the year | -             |
| <b>Balance as at March 31, 2021</b>             | <b>401.73</b> |
| Balance as at April 1, 2021                     | 401.73        |
| Changes in Equity share capital during the year | -             |
| <b>Balance as at March 31, 2022</b>             | <b>401.73</b> |

**B. Other equity**

| Particulars                                    | Attributable to the equity holders of the Company |                 |                   | Total           |
|--|---|-----------------|-------------------|-----------------|
|  | Reserve and Surplus                               |                 |                   |                 |
|  | Capital Reserve Reserve                           | General Reserve | Retained Earnings |                 |
| <b>Balance as at April 1, 2020</b>             | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,607.64</b>   | <b>3,757.42</b> |
| Profit for the year                            |   |                 | -138.86           | -138.86         |
| Other Comprehensive Income (net)               |   |                 |                   |                 |
| Re-measurement losses on defined benefit plans |   |                 | -0.30             | -0.30           |
| <b>Balance as at March 31, 2021</b>            | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,468.48</b>   | <b>3,618.26</b> |
| <b>Balance as at April 1, 2021</b>             | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,468.48</b>   | <b>3,618.26</b> |
| Profit for the year                            |   |                 | 225.91            | 225.91          |
| Other Comprehensive Income (net)               |   |                 |                   |                 |
| Re-measurement losses on defined benefit plans |   |                 | 0.78              | 0.78            |
| <b>Balance as at March 31, 2022</b>            | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,695.17</b>   | <b>3,844.95</b> |

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

**For LSM & Co.**  
Chartered Accountants  
FRN : 116870W

**For P. D. Goplani & Associates**  
Chartered Accountants  
FRN : 118023W

**For and on behalf of the Board**  
**Inducto Steels Limited**

**Rajeev Reniwal**  
Director  
DIN: 00034264

**Sweety Reniwal**  
Director  
DIN: 00041853

**CA Sanjay Soni**  
Partner  
Membership No. 114835  
UDIN : 22114835AJXOKB5301

**CA Sonam Langalia**  
Partner  
Membership No. 154014  
UDIN : 22154014AJXWWO7784

**Bhoomi Rathod**  
Company Secretary

**Dilip Kaushik**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2022

Place: Mumbai  
Date: May 30, 2022

## Notes forming part of the Standalone Financial Statements

### Note 1 : Company information

Inducto Steel Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listing on BSE Limited. During the year, the Company was engaged in the ship breaking business and trading activities in metal scrap, coals, aluminum foil & other inouts. However, as and when any surplus fund are available, the same is given on interest to other parties and also invested in the shares and securities to earn short term and long term capital gains.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2022.

### Note 2 : Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

#### Basis of preparation and presentation :

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

The outbreak of Corona virus (COVID-19) is causing significant disturbance and slowdown of economic activity in India and across the Globe. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current indicators of economic condition there is no significant impact on its financial results and carrying value of Assets and its status as going concern, the Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

#### a) Use of estimates and judgments

In the preparation of financial statements, the Company makes judgments in the application of accounting policies; and estimates and assumptions which affects the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- i) Note 1.1 - Property, plant and equipment - useful life and impairment
- ii) Note 3.1 - Recoverability/recognition of deferred tax assets
- iii) Note 3.2 - Assets and obligations relating to employee benefits
- iv) Note 3.10 - Provisions and contingent liabilities
- v) Estimation of uncertainties relating to the global health pandemic from COVID-19.

The COVID - 19 pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. The Company is monitoring the situation closely taking into account directives from the Government. Given the effect of these lockdowns on the overall economic activity in India and in particular on the ship breaking industry, the impact assessment of COVID-19 on the above-mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

**b) Current / Non-Current Classification**

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

An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised 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 treated as current when it is:

- a) expected to be settled in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) 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.

**c) Property, Plant and Equipment**

All the items of property, plant and equipment are stated at cost, or deemed cost applied on transition to Ind AS, less accumulated depreciation and accumulated 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.

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 expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Depreciation on Property, Plant and Equipment is provided on the straight-line method over the useful lives of the assets estimated by the management. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Useful lives and residual values of assets are reviewed periodically.

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.

An item of property, plant and equipment and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 derecognized.

**d) Impairment**

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

**e) Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**f) Provisions & Contingent Liabilities**

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.

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.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**g) Inventories**

Inventories of Raw Materials (Ships) are stated at Cost. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Costs are determined on FIFO basis.

In ship recycling units, the weight of the ship purchased is accounted in terms of LDT/MT of the ship at the time of its construction. Ascertaining of weight of ship at the time of purchase is not possible due to its nature and size. There is loss of weight on account of corrosion and other factors during the usage of the ship and its voyage for long period of the years. Inventory at the close of the year is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.

Consumable stores and spares are written off at the time of purchase itself.

#### **h) Employee Benefit Expense**

- *Defined contribution plans*

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- *Defined benefit plans*

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

#### **i) Taxes**

The tax expenses for the period comprises of current tax and deferred income tax.

##### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

##### Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability

is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

**j) Investments in subsidiaries, associates**

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to

Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

**k) Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets

• *Initial recognition and measurement*

All financial assets, except investment in subsidiaries and associate, are recognised initially at fair value. Transaction costs that are attributable to the acquisition or issue of financial asset, 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.

• *Subsequent measurement*

For purposes of subsequent measurement, financial assets are primarily classified in three categories:

*a) Financial Assets measured at Amortised Cost*

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 to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

*b) Financial Assets measured 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 represents solely payments of principal and interest on the principal amount outstanding.

*c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)*

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

- *Other Equity Investments*

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss. Dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established.

However, investment in partnership firms are carried at cost/ deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any.

- *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 the Company applies 'simplified approach' which requires expected lifetime losses to be recognized 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.

#### Financial Liabilities

- *Initial recognition and measurement*

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

- *Subsequent measurement*

Financial Liabilities are carried at amortised 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.

#### Derecognition of Financial Instruments

The Company derecognises 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. 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.

#### Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 1) **Fair value measurement**

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 financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

**Level 3:** Inputs based on unobservable market data.

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in Note 3.5.

**m) Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue 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. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

**n) Finance Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**o) Foreign Currencies Transactions**

The financial statements of the Company are presented in Indian Rupees ("₹"), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's

functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

In the case of forward contract, if any, difference between the forward rate and the exchange rate on the transaction date is recognized as income or expenses over the lives of the related contracts. The differential gain/loss is recognised in Statement of Profit and Loss.

**p) Earnings Per Share**

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

**Key Accounting Estimates & Judgements**

**1 Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in Note 2(j), page 265, and its further information are set out in Note 3.1.

**2 Defined benefit plan**

The cost of the defined benefit plans and other post-employment benefits and the present value of the 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.

The parameter that is subject to change the most is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are after considering the expected future inflation rates for the country.

Refer to Note 3.2 for further details.

**3 Property, Plant and Equipment**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in Note 2(C) above.

**4 Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Estimated irrecoverable amounts are derived based on a provision matrix, which takes into accounts various factors such as customer specific risks, geographical region, product type, customer rating, type of customer, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

## Notes to the Standalone Financial Statements

(INR in Lakhs)

| Property Plant and Equipment          |             |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
|---------------------------------------|-------------|-------------------------|-------------------|--------------|---------------|--------------|--------------|------------------------|-------------------|----------------------|---------------|----------------|---------------|
| A S S E T S                           | Land        | Factory Shed & Building | Plant & Machinery | Weigh Bridge | Winch         | Wire Rope    | Crane        | Green Plot Development | Office Equipments | Furniture & Fixtures | Vehicles      | Metal Detector | Total         |
| <b>Gross carrying amount</b>          |             |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
| As at April 1, 2020                   | 1.66        | 13.82                   | 5.39              | 7.17         | 177.12        | 17.11        | 45.24        | 19.22                  | 1.68              | 0.01                 | 27.36         | 0.25           | 316.03        |
| Additions                             | -           | -                       | -                 | -            | -             | -            | 0.90         | -                      | -                 | -                    | -             | -              | 0.90          |
| Disposal                              | -           | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | -             | -              | -             |
| As at March 31, 2021                  | <b>1.66</b> | <b>13.82</b>            | <b>5.39</b>       | <b>7.17</b>  | <b>177.12</b> | <b>17.11</b> | <b>46.14</b> | <b>19.22</b>           | <b>1.68</b>       | <b>0.01</b>          | <b>27.36</b>  | <b>0.25</b>    | <b>316.93</b> |
| As at April 1, 2021                   | 1.66        | 13.82                   | 5.39              | 7.17         | 177.12        | 17.11        | 46.14        | 19.22                  | 1.68              | 0.01                 | 27.36         | 0.25           | 316.93        |
| Additions                             | -           | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | 67.41         | -              | 67.41         |
| Disposal                              | -           | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | 41.00         | -              | 41.00         |
| As at March 31, 2022                  | <b>1.66</b> | <b>13.82</b>            | <b>5.39</b>       | <b>7.17</b>  | <b>177.12</b> | <b>17.11</b> | <b>46.14</b> | <b>19.22</b>           | <b>1.68</b>       | <b>0.01</b>          | <b>53.76</b>  | <b>0.25</b>    | <b>343.34</b> |
| <b>Accumulated depreciation</b>       |             |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
| As at April 1, 2020                   | -           | 3.91                    | 3.45              | 1.95         | 8.22          | 5.26         | 17.29        | 0.83                   | 0.43              | -                    | 20.35         | 0.15           | 61.85         |
| Depreciation for the year             | -           | 1.00                    | 0.16              | 0.48         | 11.20         | 1.32         | 4.48         | 0.61                   | 0.29              | -                    | 4.86          | 0.04           | 24.45         |
| Deduction / Adjustment / Writtent bac | -           | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | -             | -              | -             |
| As at March 31, 2021                  | -           | <b>4.92</b>             | <b>3.62</b>       | <b>2.43</b>  | <b>19.42</b>  | <b>6.58</b>  | <b>21.77</b> | <b>1.44</b>            | <b>0.71</b>       | -                    | <b>25.21</b>  | <b>0.19</b>    | <b>86.29</b>  |
| As at April 1, 2021                   | -           | 4.92                    | 3.62              | 2.43         | 19.42         | 6.58         | 21.77        | 1.44                   | 0.71              | -                    | 25.21         | 0.19           | 86.29         |
| Depreciation for the year             | -           | 1.00                    | 0.16              | 0.48         | 11.20         | 1.32         | 4.52         | 0.61                   | 0.29              | -                    | 0.62          | 0.03           | 20.24         |
| Deduction / Adjustment / Writtent bac | -           | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | 38.95         | -              | 38.95         |
| As at March 31, 2022                  | -           | <b>5.92</b>             | <b>3.78</b>       | <b>2.91</b>  | <b>30.62</b>  | <b>7.90</b>  | <b>26.30</b> | <b>2.05</b>            | <b>1.00</b>       | -                    | <b>-13.12</b> | <b>0.22</b>    | <b>67.58</b>  |
| <b>Net Carrying Amounts</b>           |             |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
| As at March 31, 2021                  | <b>1.66</b> | <b>8.90</b>             | <b>1.77</b>       | <b>4.74</b>  | <b>157.70</b> | <b>10.53</b> | <b>24.37</b> | <b>17.78</b>           | <b>0.97</b>       | <b>0.01</b>          | <b>2.15</b>   | <b>0.05</b>    | <b>230.64</b> |
| As at March 31, 2022                  | <b>1.66</b> | <b>7.90</b>             | <b>1.61</b>       | <b>4.26</b>  | <b>146.49</b> | <b>9.22</b>  | <b>19.84</b> | <b>17.17</b>           | <b>0.68</b>       | <b>0.01</b>          | <b>66.88</b>  | <b>0.03</b>    | <b>275.76</b> |

## Notes :

1. Green Plot Development at Alang Ship Breaking Yard valued at Rs. 0 Lakhs is on a leasehold land plot.

2. Title of Land and Factory Shed & Building valued at Rs. 5.05 Lakhs is in the name of Erstwhile Merging companies M/s. Hariyana Industrial Gases Pvt Ltd and M/s. Inducto Techno Castings Pvt Ltd since 31.03.2006.

**Note 1.2 Investments Non - Current**

(INR in Lakhs)

| Particulars  | As at                          |                 |
|--|--------------------------------|-----------------|
|  | March 31, 2022                 | March 31, 2021  |
| <b>(A) Investment at Cost</b>  |                                |                 |
| - <b>In Associate</b>  | (%) of Share in Profit/ (Loss) |                 |
| (i) Calvin Divine Enterprise LLP                                     | 20%                            | 43.22           |
| 46.24  |                                |                 |
| - <b>In Partnership Firms</b>  |                                |                 |
| (ii) Shree Balaji Associates   | 5%                             | 2,155.09        |
| 3,854.70   |                                |                 |
| <b>(B) Investment at Fair value through profit and loss (FVTPL):</b> |                                |                 |
| - <b>Investment in Equity Shares (Quoted)</b>                        |                                |                 |
| Hariyana Ship Breakers Limited                                       |                                | 0.009           |
| 10 (PY 10) shares of Rs.10/- each fully paid up                      |                                | 0.005           |
| <b>Total</b>   |                                | <b>2,198.32</b> |
|  |                                | <b>3,900.94</b> |

**Notes :**

Aggregate amount of quoted investments

(a) Market value of quoted investments

0

0

Aggregate amount of unquoted investments

(a) Investments carried at cost

2,198.31

3,900.94

**Note 1.3 Other Financial Asset**

| Particulars                                      | As at          |                |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| <b>(Unsecured, Considered Good)</b>              |                |                |
| a) Security Deposits                             | 11.83          | 2.06           |
| b) Bank FDRs (with more than 12 months maturity) | 5.00           | 5.00           |
| <b>Total</b>                                     | <b>16.83</b>   | <b>7.06</b>    |

**Note 1.4 Other Non-Current Asset**

| Particulars                           | As at          |                |
|---------------------------------------|----------------|----------------|
|                                       | March 31, 2022 | March 31, 2021 |
| <b>(Unsecured, Considered Good)</b>   |                |                |
| a) Withholding taxes and others       | 121.28         | 118.19         |
| b) Advance receivable in cash or kind | 155.63         | 155.63         |
| <b>Total</b>                          | <b>276.91</b>  | <b>273.83</b>  |

**Notes :**

(i) Withholding taxes and others primarily consist pre-paid taxes and amounts paid under protest in respect of demands and claims from various revenue authorities of India.

(ii) Advance receivable in cash or kind primarily include fees paid under protest to Gujarat Maritime Board (GMB) in respect of demand raised by GMB.

**Note 1.5 Inventories**

| Particulars  | As at           |                |
|--|-----------------|----------------|
|  | March 31, 2022  | March 31, 2021 |
| <i>(As verified, valued and certified by management)</i> |                 |                |
| a) Raw Materials   |                 |                |
| - Uncut Ship   | 1,779.38        | 10.56          |
| b) Traded Goods  | 280.28          | -              |
| <b>Total</b>   | <b>2,059.66</b> | <b>10.56</b>   |

**Note 1.6** Current Financial Assets - Trade Receivables

| Particulars   | As at           |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| Trade Receivable considered good - Unsecured                  | 1,475.55        | -              |
| Less: Allowance for expected credit loss                      | 1.48            | -              |
| Trade Receivable considered good - Unsecured                  | 1,474.07        | -              |
| Trade Receivable - having significant credit risk - Unsecured | 3.31            | 11.05          |
| Less: Allowance for credit risk                               | 0.17            | 0.55           |
| Trade Receivable - having significant credit risk - Unsecured | 3.14            | 10.49          |
| Trade Receivable - credit impaired - Unsecured                | 7.74            | -              |
| Less: Allowance for credit impairment                         | 7.74            | -              |
| Trade Receivable - credit impaired - Unsecured                | -               | -              |
| <b>Total</b>  | <b>1,477.21</b> | <b>10.49</b>   |

**Notes:**

In determining allowance for doubtful debts, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

(i) Movement in allowance for doubtful trade receivables are as below :

| Particulars                                 | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| <b>Balance at the beginning of the year</b> | <b>0.55</b>    | <b>0.72</b>    |
| Movement during the year                    | 1.09           | -0.16          |
| Less : Write off of bad debts               | -              | -              |
| <b>Balance at the end of the year</b>       | <b>1.64</b>    | <b>0.55</b>    |

(ii) Ageing of trade receivables are as below:

| Particulars                               | Outstanding for following periods from due date of payment |                   |           |           |                   | Total    |
|---|--|-------------------|-----------|-----------|-------------------|----------|
|   | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed - considered good              | 1,475.55   | -                 | -         | -         | -                 | 1,475.55 |
| Disputed - having significant credit risk | -  | -                 | -         | -         | 3.31              | 3.31     |
| Disputed - credit impaired                | -  | -                 | -         | -         | 11.05             | 11.05    |
|   | -  | -                 | -         | -         | 7.74              | 7.74     |

(previous years figures)

(iii) The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

(iv) There are no outstanding receivables due from directors or other officers of the Company.

**Note 1.7** Cash and Cash Equivalents

| Particulars                               | As at           |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| Cash on hand (as certified by management) | 12.8484073      | 13.17          |
| Balances With Banks                       |                 |                |
| - In current accounts                     | 1,547.96        | 4.82           |
| <b>Total</b>                              | <b>1,560.81</b> | <b>17.99</b>   |

The details of balances as on balance sheet dates with banks are as follows:

|   |                 |             |
|---|-----------------|-------------|
| <i>In current accounts</i>                |                 |             |
| - Punjab National Bank - 38888            | -               | 0.94        |
| - Punjab National Bank ( Bhavnagar-45408) | -               | 3.88        |
| - Axis Bank (921030034599070)             | 502.00          | -           |
| - Axis Bank (922020010171461)             | 9.87            | -           |
| <i>In Bank Term Deposits</i>              |                 |             |
| - Axis Bank Limited                       | 1,036.08        | -           |
| <b>Total</b>                              | <b>1,547.96</b> | <b>4.82</b> |

| Particulars                          | As at          |                |
|--------------------------------------|----------------|----------------|
|                                      | March 31, 2022 | March 31, 2021 |
| <b>Note 1.8 Other Current Assets</b> |                |                |
| (Unsecured, considered good)         |                |                |
| a) Staff Advances                    | 2.42           | 4.50           |
| b) Withholding taxes and others      | 7.48           | 2.24           |
| c) GST Balances                      | 345.48         | 29.43          |
| d) Advance to Suppliers              | 32.84          | 0.58           |
| e) Pre-paid Expenses                 | 0.18           | 6.43           |
| <b>Total</b>                         | <b>388.40</b>  | <b>43.17</b>   |

**Notes :**

(i) Withholding taxes and others primarily consist pre-paid taxes and amounts paid under protest in respect of demands and claims from various revenue authorities of India.

| Particulars                                     | March 31, 2022   |               | March 31, 2021   |               |
|---|------------------|---------------|------------------|---------------|
|   | Number           | Amount        | Number           | Amount        |
| <b>Note 1.9 Equity Share Capital</b>            |                  |               |                  |               |
| <b>AUTHORISED SHARE CAPITAL</b>                 |                  |               |                  |               |
| Equity Shares of Rs. 10/- each                  | 55,00,000        | 550.00        | 55,00,000        | 550.00        |
|   | 55,00,000        | 550.00        | 55,00,000        | 550.00        |
| <b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> |                  |               |                  |               |
| Equity Shares of Rs. 10/- each fully paid       | 40,17,254        | 401.73        | 40,17,254        | 401.73        |
| <b>Total</b>                                    | <b>40,17,254</b> | <b>401.73</b> | <b>40,17,254</b> | <b>401.73</b> |

**Notes:**

- 2417856 equity shares allotted as fully paid up bonus shares in the year 1994-95 by capitalisation of revaluation reserve of Rs.1,38,65,529, capital subsidy of Rs.21,01,687 and surplus in profit and loss accounts of Rs.82,11,344.
- 499078 equity shares allotted to the shareholders of Inducto Technocastings Private Limited and Hariyana Industrial Gases Private Limited, which were merged with the company w.e.f. 01.04.2005.

**3. The reconciliation of the number of outstanding shares is set out below :**

| Particulars                                      | March 31, 2022   |               | March 31, 2021   |               |
|--|------------------|---------------|------------------|---------------|
|  | Number           | Amount        | Number           | Amount        |
| At the beginning of the year                     | 40,17,254        | 401.73        | 40,17,254        | 401.73        |
| Add: Issue of Bonus Shares during the year       | -                | -             | -                | -             |
| Less: Shares bought back during the year         | -                | -             | -                | -             |
| <b>Shares outstanding at the end of the year</b> | <b>40,17,254</b> | <b>401.73</b> | <b>40,17,254</b> | <b>401.73</b> |

**4. The details of shareholder holding more than 5% shares is set out below:**

| Sr. No. | Name of Shareholders | March 31, 2022 |              | March 31, 2021 |              |
|---------|----------------------|----------------|--------------|----------------|--------------|
|         |                      | No. of Shares  | % of Holding | No. of Shares  | % of Holding |
| 1       | Rakesh S Reniwal     | 14,89,988      | 37.09%       | 14,83,388      | 36.93%       |
| 2       | Babita S Agarwal     | 2,03,100       | 5.06%        | 2,03,100       | 5.06%        |
| 3       | Rajeev S Reniwal     | 3,37,526       | 8.40%        | 3,37,526       | 8.40%        |
| 4       | Sweetie R Reniwal    | 4,07,745       | 10.15%       | 4,07,745       | 10.15%       |

- As per records of the company, including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**5. Shares held by promoters as at March 31, 2022:**

| Promoter Name                | No. of Shares | % of total shares | % Change during the year |
|------------------------------|---------------|-------------------|--------------------------|
| Shalini S. Reniwal           | 10            | 0.00              | 0.00                     |
| Unnati R. Reniwal            | 10            | 0.00              | 0.00                     |
| Sanjeev S. Reniwal           | 500           | 0.01              | 0.00                     |
| Shantisarup R. Reniwal       | 2,665         | 0.07              | 0.00                     |
| Shantisarup Reniwal & Sons . | 12,255        | 0.31              | 0.00                     |
| Lalitadevi S Reniwal         | 1,53,375      | 3.82              | 0.00                     |
| Sanjeev Reniwal              | 1,86,800      | 4.65              | 0.00                     |
| Rajeev Reniwal               | 1,93,900      | 4.83              | 0.00                     |
| Rajeev Shantisarup Reniwal   | 3,37,526      | 8.40              | 0.00                     |
| Sweetie R. Reniwal           | 4,07,745      | 10.15             | 0.00                     |
| Rakesh Shantisarup Reniwal   | 14,89,988     | 37.09             | 0.00                     |

**6 Terms/rights attached to equity shares :**

- The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. During the year ended 31st March, 2021, the amount of per share dividend recognized as distributions to equity share holders was Rs. Nil.
- In the event of liquidation of the company, the holders of the Equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

| <b>Note 1.10</b>           |          | <b>Other Equity</b> |                 |
|----------------------------|----------|---------------------|-----------------|
| Particulars                | Note No. | As at               |                 |
|                            |          | March 31, 2022      | March 31, 2021  |
| a) Capital Reserve Reserve | I        | 1,022.37            | 1,022.37        |
| b) General Reserve         | II       | 127.41              | 127.41          |
| c) Retained Earnings       | III      | 2,695.17            | 2,468.48        |
| <b>Total</b>               |          | <b>3,844.95</b>     | <b>3,618.26</b> |

Refer Statement of Changes in Equity for additions / deletions in each reserve.

**Notes :**

- I. Capital reserve represents reserve created pursuant to the business combinations and includes forfeited shares.
- II. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as
- III. Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other

| <b>Note 1.11</b>                       |  | <b>Other Non - Current Liabilities</b> |                |
|--|--|--|----------------|
| Particulars                            |  | As at                                  |                |
|  |  | March 31, 2022                         | March 31, 2021 |
| Accrued defined benefit plan liability |  | 1.57                                   | 1.48           |
| <b>Total</b>                           |  | <b>1.57</b>                            | <b>1.48</b>    |

Refer to Note - 3.2 for detailed disclosure

| <b>Note 1.12</b>            |  | <b>Deferred Tax Liabilities (net)</b> |                |
|-----------------------------|--|---------------------------------------|----------------|
| Particulars                 |  | As at                                 |                |
|                             |  | March 31, 2022                        | March 31, 2021 |
| a) Deferred tax liabilities |  | 11.45                                 | 13.56          |
| b) Deferred tax (assets)    |  | (0.81)                                | (0.52)         |
| <b>Total</b>                |  | <b>10.64</b>                          | <b>13.05</b>   |

Refer Note 3.1 for details of deferred tax liabilities and assets.

| <b>Note 1.13</b>                          |  | <b>Current Financial Liabilities - Borrowings</b> |                |
|---|--|---|----------------|
| Particulars                               |  | As at   |                |
|   |  | March 31, 2022                                    | March 31, 2021 |
| <b>Secured</b>                            |  |   |                |
| a. Working Capital Finance                |  |   |                |
| - Overdraft - Axis Bank (921030004407778) |  | 500.09  | 5.18           |
| <b>Unsecured</b>                          |  |   |                |
| - Loan from Related Parties               |  | -   | 450.00         |
| <b>Total</b>                              |  | <b>500.09</b>                                     | <b>455.18</b>  |

**Details of security:**

Primary Security: The working capital loan is secured against hypothecation of entire current assets including stock and bookdebts, present and future plus hypothecation charge on all movable fixed assets (excluding vehicles) of the company present and future.

Collateral Security: a) Flat No.13-C, 13th Floor, Welington View, Tardeo, Mumbai-400034, b) 601, Kalpvruksha Heritage, Colaba, Mumbai-400005 (Owned by director), c) Flat No.141, Persepolis Apt, Cuffe Parade, Mumbai-400005 (Owned by director) and d) Personal guarantee of all the directors.

| <b>Note 1.14</b>   |  | <b>Current Financial Liabilities - Trade Payables</b> |                |
|--|--|---|----------------|
| Particulars  |  | As at   |                |
|  |  | March 31, 2022  | March 31, 2021 |
| <b>Trade Payables</b>  |  |   |                |
| (A) total outstanding dues of micro enterprises and small enterprises                      |  | -   | -              |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises |  | 3,379.87  | -              |
| <b>Total</b>   |  | <b>3,379.87</b>                                       | -              |



**Notes :**

(i) Ageing of trade payables are as below:

| Particulars                 | Outstanding for following periods from due date of payment |           |           |                   | Total    |
|-----------------------------|--|-----------|-----------|-------------------|----------|
|                             | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| (i) MSME                    | -  | -         | -         | -                 | -        |
| (ii) Others                 | 3,379.87   | -         | -         | -                 | 3,379.87 |
| (iii) Disputed dues - MSME  | -  | -         | -         | -                 | -        |
| (iv) Disputed dues - Others | -  | -         | -         | -                 | -        |

*(previous year figures)*

(ii) Trade payables are recognized at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

(iii) The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

**Note 1.15 Other Current Financial Liabilities**

| Particulars      | As at          |                |
|------------------|----------------|----------------|
|                  | March 31, 2022 | March 31, 2021 |
| Accrued expenses | 2.57           | 0.53           |
| <b>Total</b>     | <b>2.57</b>    | <b>0.53</b>    |

**Note 1.16 Other Current Liabilities**

| Particulars            | As at          |                |
|------------------------|----------------|----------------|
|                        | March 31, 2022 | March 31, 2021 |
| Statutory Dues         | 36.21          | 1.17           |
| Other Payables         | 9.83           | 2.40           |
| Brokerage Payable      | 3.41           | 0.15           |
| Advance from Customers | 12.82          | -              |
| <b>Total</b>           | <b>62.27</b>   | <b>3.72</b>    |

**Note 1.17 Short Term Provisions**

| Particulars                            | As at          |                |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| <b>Provision for Employee Benefits</b> |                |                |
| i) Salary & Incentives                 | 15.04          | 0.66           |
| ii) Contribution to Provident Funds    | 2.69           | 0.06           |
| iii) ESIC Payable                      | 0.62           | 0.02           |
| <b>Total</b>                           | <b>18.35</b>   | <b>0.74</b>    |

| Particulars         | REVENUE FROM OPERATIONS |                |
|---------------------|-------------------------|----------------|
|                     | (INR in Lakhs)          |                |
|                     | For the year ended      |                |
|                     | March 31, 2022          | March 31, 2021 |
| a) Sale of products |                         |                |
| - Manufactured      | 4,080.56                | 32.56          |
| - Traded            | 1,665.04                | 260.52         |
| <b>Total</b>        | <b>5,745.60</b>         | <b>293.08</b>  |

| Particulars  | OTHER INCOME       |                |
|--|--------------------|----------------|
|  | (INR in Lakhs)     |                |
|  | For the year ended |                |
|  | March 31, 2022     | March 31, 2021 |
| a) <b>Interest Income</b>  |                    |                |
| i. On Loans Granted  | 0.05               | 3.02           |
| ii. Other Interest   | 19.48              | 4.60           |
| b) <b>Income from Investments</b>                                      |                    |                |
| i. Share of Profit/ (Loss) from Partnership Firm                       | -                  | 3.46           |
| ii. Short Term Capital Gain on Mutual Fund (STT not paid)              | -                  | -              |
| c) <b>Other Income :</b>   |                    |                |
| i. MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL) | 0.00               | 0.00           |
| ii. VAT/ Sales Tax Refund  | -                  | 4.19           |
| iii. Other Income  | (0.12)             | 0.72           |
| iii. Gain on Foreign Exchange Variation                                | -                  | -              |
| iv. Gain on sale of asset  | 3.44               | -              |
| <b>Total</b>   | <b>22.85</b>       | <b>15.99</b>   |

| Particulars                                 | COST OF CONSUMPTION OF RAW MATERIALS |                |
|---|--------------------------------------|----------------|
|   | (INR in Lakhs)                       |                |
|   | For the year ended                   |                |
|   | March 31, 2022                       | March 31, 2021 |
| Inventory at the Beginning of the Year      | 10.56                                | 15.53          |
| Add: Ship Purchase for Recycling            | 5,393.51                             | -              |
|   | 5,404.07                             | 15.53          |
| Less: Inventory at the end of the Year      | 1,779.38                             | 10.56          |
| <b>Cost of Consumption of Raw Materials</b> | <b>3,624.69</b>                      | <b>4.97</b>    |

| Particulars               | PURCHASE OF STOCK - IN - TRADE |                |
|---------------------------|--------------------------------|----------------|
|                           | (INR in Lakhs)                 |                |
|                           | For the year ended             |                |
|                           | March 31, 2022                 | March 31, 2021 |
| Purchases of Traded Goods | 1,694.92                       | 219.11         |
| <b>Total</b>              | <b>1,694.92</b>                | <b>219.11</b>  |

| Particulars                             | CHANGES IN INVENTORIES |                |
|---|------------------------|----------------|
|   | (INR in Lakhs)         |                |
|   | For the year ended     |                |
|   | March 31, 2022         | March 31, 2021 |
| Inventory at the Beginning of the Year  | -                      | -              |
| Less : Inventory at the End of the Year | 280.28                 | -              |
| <b>Net Change</b>                       | <b>(280.28)</b>        | <b>-</b>       |

| Particulars                     | EMPLOYEE BENEFIT EXPENSES |                |
|---------------------------------|---------------------------|----------------|
|                                 | (INR in Lakhs)            |                |
|                                 | For the year ended        |                |
|                                 | March 31, 2022            | March 31, 2021 |
| Salaries & Wages                | 100.68                    | 20.24          |
| Bonus Expenses                  | 6.60                      | 0.58           |
| Contribution to Provident Funds | 7.30                      | 0.46           |
| Contribution to ESIC            | 2.85                      | 0.26           |
| Staff Welfare Expenses          | 3.28                      | 0.09           |
| Gratuity Expenses               | 1.14                      | 0.77           |
| <b>Total</b>                    | <b>121.85</b>             | <b>22.39</b>   |

**Note 2.7 FINANCE COSTS**

| Particulars                                | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2022     | March 31, 2021 |
| <b>a) Bank Charges</b>                     |                    |                |
| Bank Commission & Charges                  | 6.48               | 17.20          |
| L C Charges                                | 10.49              | -              |
| <b>b) Interest Expenses</b>                |                    |                |
| Other Parties                              | 10.68              | 4.73           |
| Bank                                       | 0.13               | -              |
| Late payment of Statutory Dues             | 0.96               | 0.51           |
| Shortfall in payment of advance Income Tax | 2.10               | -              |
| <b>Total</b>                               | <b>30.85</b>       | <b>22.44</b>   |

**Note 2.8 OTHER EXPENSES**

| Particulars                         | For the year ended |                |
|-------------------------------------|--------------------|----------------|
|                                     | March 31, 2022     | March 31, 2021 |
| Gases & Carbide                     | 42.66              | 0.04           |
| Consumable Expenses                 | 12.78              | 2.72           |
| Plot Rent & Development Charges     | 27.13              | 10.99          |
| Repair & Maintenance                | 1.94               | 0.43           |
| Power & Fuel Expenses               | 4.97               | 1.06           |
| Pollution Control Expenses          | 2.87               | -              |
| Other Manufacturing Expenses        | 0.88               | 0.62           |
| Advertisements                      | 0.51               | 0.48           |
| Accounting Charges                  | 1.30               | 0.60           |
| Bad Debts written off               | 7.74               | -              |
| Donation                            | 0.34               | -              |
| Excise Expenses                     | -                  | 36.96          |
| Fees & Subscription                 | 0.71               | 0.07           |
| Filling Fees                        | 0.06               | 0.09           |
| Foreign Exchange Vatiation          | 53.71              | -              |
| Insurance Expense                   | 0.37               | 0.16           |
| Legal & Professional Expenses       | 34.85              | 17.24          |
| Loss on Currency Trading            | 0.33               | -              |
| Other Expenses                      | 0.51               | 0.15           |
| Payment to Auditors                 | 2.90               | 2.58           |
| Postage & Courier                   | 0.05               | 0.04           |
| Printing & Stationery               | 0.10               | 0.04           |
| Rent, Rates & Taxes                 | 0.05               | 1.65           |
| Share of Loss from Partnership Firm | 3.08               | 72.38          |
| Telephone Expenses                  | 0.69               | 0.15           |
| Travelling Expenses                 | 24.48              | 0.15           |
| Transportation Charges              | 20.25              | -              |
| Vehicle Running & Maintenance       | 5.08               | 3.91           |
| Provision for Doubful Debts         | 1.09               | (0.16)         |
| Business Promotion                  | 0.21               | -              |
| Brokerage & Commission Expenses     | 43.40              | 0.48           |
| Loading/ Unloading Charges          | 4.69               | -              |
| GST Expenses                        | -                  | 1.28           |
| <b>Total</b>                        | <b>299.74</b>      | <b>154.10</b>  |

**Note 3.1 : Income Tax**

The major component of Income Tax Expense for the year ended March 31, 2022 and March 31, 2021 are as follows:

| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| <b>Statement of Profit and Loss</b>                               |                              |                              |
| <b>Current tax</b>  |                              |                              |
| Current income tax  | 33.21                        | -                            |
| Adjustment of tax relating to earlier periods                     | -                            | -                            |
| <b>Deferred tax</b>   |                              |                              |
| Deferred tax expense  | -2.67                        | 0.47                         |
|   | <b>30.54</b>                 | <b>0.47</b>                  |
| <b>Other comprehensive income</b>                                 |                              |                              |
| <b>Deferred tax on</b>  |                              |                              |
| - Re-measurement gain/ (loss) on defined benefit plans            | 0.26                         | -0.10                        |
|   | <b>0.26</b>                  | <b>-0.10</b>                 |
|   | <b>30.80</b>                 | <b>0.37</b>                  |
| <b>Income tax expense as per the statement of profit and loss</b> |                              |                              |

**A) Income tax expense/(benefit)**

The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. The Company during the year ended March 31, 2020 have opted for the new tax regime under Section 115BAA of the Act, which provides a domestic company with an option to pay tax at a rate of 22% (effective rate of 25.168%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

The reconciliation of estimated income tax to income tax expense is as below:

| Particulars                                | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| <b>Profit before tax</b>                   | <b>256.44</b>                | <b>-138.39</b>               |
| Income tax expense at tax rates applicable | 64.54                        | -                            |
| <i>Adjustments for:</i>                    |                              |                              |
| Expenses not allowed as deduction          | 4.64                         | -                            |
| Brought forward losses of earlier year     | -36.75                       | -                            |
| Exempt Income                              | 0.77                         | -                            |
| Difference of Depreciation                 | -2.11                        | 0.62                         |
| Provision for Gratuity and Doubtful Debts  | -0.56                        | -0.15                        |
| <b>Tax expense / (benefit) as reported</b> | <b>31</b>                    | <b>0.47</b>                  |
| <b>Effective Tax Rate (%)</b>              | <b>11.91</b>                 | <b>-0.34</b>                 |

**B) Deferred tax assets/(liabilities)****(i) For the year ended on March 31, 2022**

| Particulars   | As at<br>April 1, 2021 | Recognised/<br>(reversed) in the<br>Statement of Profit<br>and Loss | Recognised/<br>(reversed) in Other<br>Comprehensive<br>Income | As at<br>March 31, 2022 |
|---|------------------------|---|---|-------------------------|
| <b>Deferred Tax Liabilities/ (Assets)</b>               |                        |   |   |                         |
| Property, Plant and Equipment                           | 13.56                  | (2.11)  | -   | 11.45                   |
| Allowance for Doubtful Debts & Retirement Benefit Plans | (0.52)                 | (0.56)  | 0.26  | (0.81)                  |
|   | <b>13.05</b>           | <b>(2.67)</b>   | <b>0.26</b>   | <b>10.64</b>            |

**(ii) For the year ended on March 31, 2021**

| Particulars   | As at<br>April 1, 2020 | Recognised/<br>(reversed) in the<br>Statement of Profit<br>and Loss | Recognised/<br>(reversed) in Other<br>Comprehensive<br>Income | As at<br>March 31, 2021 |
|---|------------------------|---|---|-------------------------|
| <b>Deferred Tax Liabilities/ (Assets)</b>               |                        |   |   |                         |
| Property, Plant and Equipment                           | 12.95                  | 0.62  | -   | 13.56                   |
| Allowance for Doubtful Debts & Retirement Benefit Plans | (0.27)                 | (0.15)  | (0.10)  | (0.52)                  |
|   | <b>12.68</b>           | <b>0.47</b>   | <b>(0.10)</b>   | <b>13.05</b>            |

**C) Current tax assets and liabilities**

| Particulars             | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| Current tax assets      | -                       | -                       |
| Current tax liabilities | 31.87                   | -                       |

**Note 3.2 : Employee benefits****A. Defined contribution plans:**

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund as set up by Government.

INR of 10.15 Lakhs (FY 2019-20 : INR of 0.72 Lakhs-) is recognised as expenses and included in Note 2.6 : Employee benefit expense.

| Particulars    | Year ended   |             |
|----------------|--------------|-------------|
|                | 31-Mar-22    | 31-Mar-21   |
| Provident fund | 7.30         | 0.46        |
| ESIC           | 2.85         | 0.26        |
|                | <b>10.15</b> | <b>0.72</b> |

**B. Defined benefit plans:**

The Company has following post employment benefits which are in the nature of defined benefit plans:

**(a) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible

**1. The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| Particulars  | Year ended                       |                                  |
|--|----------------------------------|----------------------------------|
|  | 31-Mar-22                        | 31-Mar-21                        |
| Discount rate (per annum)                            | 7.25%                            | 6.75%                            |
| Expected rate of salary increase                     | 10% for first three years and 7% | 10% for first three years and 7% |
| Attrition rate                                       | Up to 30 Years - 3%              | Up to 30 Years - 3%              |
|  | 31-44 Years - 2%                 | 31-44 Years - 2%                 |
|  | Above 44 Years - 1%              | Above 44 Years - 1%              |
| Mortality rate during employment (% of IALM 2012-14) | 100%                             | 100%                             |

**2. Movements in present value of obligation and plan assets**

| Particulars   | Year ended  |             |
|---|-------------|-------------|
|   | 31-Mar-22   | 31-Mar-21   |
| Opening defined benefit obligation                                  | 1.48        | 0.31        |
| Current service cost  | 1.04        | 0.75        |
| Interest cost   | 0.10        | 0.02        |
| Actuarial (gain)/loss arising from changes in financial assumptions | -0.02       | 0.07        |
| Actuarial (gain)/loss arising from experience adjustments           | -0.88       | 0.33        |
| <b>Closing defined benefit obligation</b>                           | <b>1.72</b> | <b>1.48</b> |

**3. Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:**

| Particulars   | Year ended   |             |
|---|--------------|-------------|
|   | 31-Mar-22    | 31-Mar-21   |
| Remeasurement on the net defined benefit liability comprising:                      |              |             |
| - Actuarial (gain)/loss arising from changes in financial assumptions               | -0.02        | 0.07        |
| - Actuarial (gain)/loss arising from experience adjustments                         | -0.88        | 0.33        |
| <b>Components of defined benefit costs recognised in other comprehensive income</b> | <b>-0.90</b> | <b>0.40</b> |

**4. Sensitivity analysis of significant assumptions are as follows:**

| Particulars                              | Sensitivity level | Defined benefit obligation |             |
|--|-------------------|----------------------------|-------------|
|  |                   | 31-Mar-22                  | 31-Mar-21   |
| <b>Defined benefit obligation (Base)</b> |                   | <b>1.72</b>                | <b>1.48</b> |
| Discount Rate                            | 1% increase       | 1.30                       | 1.21        |
|  | 1% decrease       | 1.91                       | 1.84        |
| Salary Growth Rate                       | 1% increase       | 1.91                       | 1.83        |
|  | 1% decrease       | 1.30                       | 1.21        |
| Attrition Rate                           | 1% increase       | 1.54                       | 1.43        |
|  | 1% decrease       | 1.60                       | 1.54        |
| Mortality Rate                           | 1% increase       | 1.57                       | 1.48        |
|  | 1% decrease       | 1.57                       | 1.48        |

**5. The followings are the expected cash flows for the defined benefit obligation (based on undiscounted value) :**

| Particulars  | Year ended  |             |
|--|-------------|-------------|
|  | 31-Mar-22   | 31-Mar-21   |
| <b>Gratuity</b>  |             |             |
| Within the next 12 months (next annual reporting period) | 0.00        | 0.00        |
| Between 2 and 5 years                                    | 0.14        | 0.12        |
| Beyond 5 years   | 7.61        | 7.73        |
| <b>Total expected payments</b>                           | <b>7.75</b> | <b>7.85</b> |

**6. Weighted average duration of defined plan obligation (based on discounted cash flows)**

| Particulars               | Year ended |           |
|---------------------------|------------|-----------|
|                           | 31-Mar-22  | 31-Mar-21 |
| Weighted average duration | 20 Years   | 22 Years  |

**C. Other Long term employee benefit plans**

Company does not have any other Long term employee benefit plans for the aforesaid period.

**Note 3.3 : Earnings per Share (EPS)**

| Particulars  | Year ended  |               |
|--|-------------|---------------|
|  | 31-Mar-22   | 31-Mar-21     |
| <b>Earning per share</b>   |             |               |
| - Basic  | 5.62        | -3.46         |
| - Diluted  | 5.62        | -3.46         |
| <b>Face value per share</b>  | 10          | 10            |
| <b>Basic &amp; Diluted EPS</b>   |             |               |
| Profit for the year attributable to equity shareholders                                | 2,25,90,717 | (1,38,86,026) |
| Weighted average number of equity shares used in the calculation of earnings per share | 40,17,254   | 40,17,254     |

**Note 3.4 : Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

| Particulars                          | As at           |                 |
|--------------------------------------|-----------------|-----------------|
|                                      | 31-Mar-22       | 31-Mar-21       |
| Borrowings, Trade and other payables | 3,944.79        | 459.43          |
| Less: cash and cash equivalent       | 1,560.81        | 17.99           |
| <b>Net debt</b>                      | <b>2,383.99</b> | <b>441.45</b>   |
| Equity share capital                 | 401.73          | 401.73          |
| Other equity                         | 3,844.95        | 3,618.26        |
| <b>Total capital</b>                 | <b>4,246.67</b> | <b>4,019.98</b> |
| <b>Capital and net debt</b>          | <b>6,630.66</b> | <b>4,461.43</b> |
| <b>Gearing ratio</b>                 | <b>35.9540</b>  | <b>9.8947</b>   |

**Note 3.5 : Financial Instruments****(a) Financial assets and liabilities**

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021 :

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-22 | 31-Mar-21 |
| <b>Financial Assets</b>  |           |           |
| a. Measured at cost:   |           |           |
| Investments  |           |           |
| - in Partnership Firms   | 43.22     | 46.24     |
| - in Associate   | 2,155.09  | 3,854.70  |
| b. Measured at amortised cost:   |           |           |
| balances)  |           |           |
| Trade receivables  | 1,560.81  | 17.99     |
|  | 1,477.21  | 10.49     |
| c. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI): |           |           |
| Investments  |           |           |
| - Equity shares (Quoted)   | 0.01      | 0.01      |
| <b>Financial Liabilities</b>   |           |           |
| a. Measured at amortised cost:   |           |           |
| Borrowings   | 500.09    | 455.18    |
| Other financial liabilities  | 2.57      | 0.53      |

**(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**(i) Quantitative disclosures fair value measurement hierarchy for assets :**

| Particulars                          | Fair value measurement using              |   |   | Total   |
|--------------------------------------|---|---|---|---------|
|                                      | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |         |
| <b>As at March 31, 2022</b>          |   |   |   |         |
| <b>Assets measured at fair value</b> |   |   |   |         |
| <i>FVTPL investments</i>             |   |   |   |         |
| Equity shares-Quoted                 | 0.00947                                   | -                                       | -   | 0.00947 |
| <b>As at March 31, 2021</b>          |   |   |   |         |
| <b>Assets measured at fair value</b> |   |   |   |         |
| <i>FVTPL investments</i>             |   |   |   |         |
| Equity shares-Quoted                 | 0.00530                                   | -                                       | -   | 0.00530 |

**(ii) Quantitative disclosures fair value measurement hierarchy for liabilities :**

Company does not have any financial liability which is measured either at Fair value through profit and loss account or measured at Fair value through other comprehensive income.

**(c) Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings. In line with the overall risk management framework and policies, the management monitors and manages risk exposure through an analysis of degree and magnitude of risks.

**Market risk**

Market risk Market risk is the risk of any loss in future earnings, in realising fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars                          | Change in basis points | Effect on profit before tax |
|--------------------------------------|------------------------|-----------------------------|
| <b>March 31, 2022</b>                |                        |                             |
| Interest bearing borrowings (in INR) | +50                    | (0.63)                      |
|                                      | -50                    | 0.63                        |
| <b>March 31, 2021</b>                |                        |                             |
| Interest bearing borrowings (in INR) | +50                    | (0.28)                      |
|                                      | -50                    | 0.28                        |

This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**Foreign currency risk**

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity.

The Company, as per its risk management policy, uses foreign currency forward contracts primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

Given below is the foreign currency exposure arising from the non derivative financial instruments:

| Particulars    | Foreign Currency Amount (in USD) |                | Reporting Currency Amount (in INR in Lakhs) |                |
|----------------|----------------------------------|----------------|---|----------------|
|                | As at                            |                | As at                                       |                |
|                | March 31, 2022                   | March 31, 2021 | March 31, 2022                              | March 31, 2021 |
| Trade Payables | 44,01,990                        | -              | 3,337.02                                    | -              |

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

| Particulars           | Change in USD rate | Effect on profit before tax |
|-----------------------|--------------------|-----------------------------|
| <b>March 31, 2022</b> |                    |                             |
| Trade Payables        | +5%                | (166.85)                    |
|                       | -5%                | 166.85                      |
| <b>March 31, 2021</b> |                    |                             |
| Trade Payables        | +5%                | -                           |
|                       | -5%                | -                           |

#### Equity price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity, classified as fair value through profit and loss as at March 31, 2022 and March 31, 2021 was ₹0.00947 and ₹0.0052969, respectively.

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, balances with bank, bank deposits. None of the financial instruments of the Company result in material concentration of credit risk.

#### Trade receivables

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in independent markets.

#### Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

(i) The table below summarises the maturity analysis for its financial liabilities based on the undiscounted cash flows at the end of reporting period :

| Particulars                         | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total    |
|-------------------------------------|-----------|--------------------|----------------|--------------|-----------|----------|
| <b>As at March 31, 2022</b>         |           |                    |                |              |           |          |
| Borrowings                          | 500.09    | -                  | -              | -            | -         | 500.09   |
| Trade Payables                      | -         | 1,560.49           | 1,819.37       | -            | -         | 3,379.86 |
| Other current financial liabilities | -         | 2.57               | -              | -            | -         | 2.57     |
| <b>As at March 31, 2021</b>         |           |                    |                |              |           |          |
| Borrowings                          | 455.18    | -                  | -              | -            | -         | 455.18   |
| Other current financial liabilities | -         | 0.53               | -              | -            | -         | 0.53     |

#### **Note 3.6 : Segment information**

The Company has presented segment information in the consolidated financial statements which are presented in this same annual report. Accordingly, in terms of Ind AS 108 'Operating segments', no disclosures relating to segments are presented in these standalone financial statements.

#### **Note 3.7 : Related Party transactions**

Related party disclosures, as required by Ind AS 24, " Related Party Disclosures", are given below.

#### **(A) Particulars of related parties and nature of relationships**

##### **A. Companies over which Key Management Personnel and their relatives are able to exercise significant influence**

1. Shree Balaji Associates
2. Hariyana Ship Demolition Private Limited

##### **B. Associate**

1. Calvin Divine Enterprise LLP

##### **C. Key Management Personnel**

###### **Managing directors**

1. Rajeev Reniwal

###### **Non Executive directors**

2. Sweety Reniwal

###### **Chief Financial Officer**

3. Dilip Kaushik

###### **Company Secretary**

4. Rupali Somani - Company Secretary (Resigned w.e.f. March 19, 2021)
5. Bhoomi Rathod - Company Secretary (Appointed w.e.f. May 3, 2021)



**(B) Related party transactions and balances**

The details of material transactions and balances with related parties are given below:

| a) Transactions during the year                         | Year ended      |               |
|---|-----------------|---------------|
|   | 31-Mar-22       | 31-Mar-21     |
| <b>Other income</b>                                     |                 |               |
| <i>Share of Profit/(Loss) from the partnership firm</i> |                 |               |
| Shree Balaji Associates                                 | (0.01)          | 3.46          |
| <i>Share of Profit/(Loss) from associate</i>            |                 |               |
| Calvin Divine Enterprise LLP                            | (3.08)          | 72.38         |
|   | <u>(3.09)</u>   | <u>75.84</u>  |
| <b>Remuneration Paid</b>                                |                 |               |
| Dilip Kaushik   | 7.82            | 7.98          |
| Rupali Somani   | -               | 3.85          |
| Bhoomi Rathod   | 3.60            | -             |
|   | <u>11.42</u>    | <u>11.83</u>  |
| <b>Loan Taken</b>                                       |                 |               |
| Rajeev Reniwal  | 357.50          | 945.00        |
| Hariyana Ship Demolition Private Limited                | 550.01          | -             |
|   | <u>907.51</u>   | <u>945.00</u> |
| <b>Loan Repaid</b>                                      |                 |               |
| Rajeev Reniwal  | 807.50          | 495.00        |
| Hariyana Ship Demolition Private Limited                | 550.01          | -             |
|   | <u>1,357.51</u> | <u>743.00</u> |
| <b>Investment in Partnership Firm</b>                   |                 |               |
| <i>Capital Introduced</i>                               |                 |               |
| Shree Balaji Associates - Current Capital               | 165.00          | 818.50        |
|   | <u>165.00</u>   | <u>818.50</u> |
| <i>Capital Withdrawan</i>                               |                 |               |
| Shree Balaji Associates - Current Capital               | 1,864.55        | 204.80        |
|   | <u>1,864.55</u> | <u>204.80</u> |

| b) Balances at the end of the year             | As at           |                 |
|--|-----------------|-----------------|
|  | 31-Mar-22       | 31-Mar-21       |
| <b>Current Financial Borrowings</b>            |                 |                 |
| Rajeev Reniwal                                 | -               | 450.00          |
|  | <u>-</u>        | <u>450.00</u>   |
| <b>Investments in partnership firm</b>         |                 |                 |
| Shree Balaji Associates - Fixed Capital        | 0.25            | 0.25            |
| Shree Balaji Associates - Current Capital      | 2,154.84        | 3,854.45        |
|  | <u>2,155.09</u> | <u>3,854.70</u> |
| <b>Investments in associate</b>                |                 |                 |
| Calvin Divine Enterprise LLP - Fixed Capital   | 0.10            | 0.10            |
| Calvin Divine Enterprise LLP - Current Capital | 43.12           | 46.14           |
|  | <u>43.22</u>    | <u>46.24</u>    |

**Note 3.8 : Contingencies and commitments**

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-22 | 31-Mar-21 |
| <b>Contingent Liabilities</b>                          |           |           |
| <i>Disputed liabilities not acknowledged as debts*</i> |           |           |
| a. Disputed demand under :                             |           |           |
| - Income tax   | 287.86    | 287.86    |
| - Excise Duty  | 12.38     | 12.38     |
| <i>Claims against the Company</i>                      |           |           |
| - Gujarat Maritime                                     | 155.63    | 155.63    |
| - Customs & Excise                                     | 12.51     | 12.51     |

\* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

**Notes:**

1. The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain allowances.

2. The Company has deposited Rs.619206/- (March 31,2021: Rs.619206/-) under protest against demand of Rs. 12.38411/- raised by Excise & Customs Department. The matter is pending before the appellate authority (CESTAT). The company expects to sustain its position on ultimate resolution of the said appeal.

3. The Company has deposited Rs.155.63285/- (March 31,2021:Rs.155.63285/-) under protest against demand raised by Gujarat Maritime Board (GMB) on account of amendment fees and delayed interest. The matter is pending before the appellate authority of GMB. The company expects favourable resolution of the said appeal.

4. The Company has deposited amount under protest of Rs.12.51144/- (March 31, 2021 : Rs. 12.51144/-) in respect of various demands relating to customs and excise duty. The matters are pending before the various appellate authorities. The company expects favourable resolution of the said appeals.

**Note 3.8 : Other Information (including foreign currency transactions)**

| Particulars  | Year ended      |             |
|--|-----------------|-------------|
|  | 31-Mar-22       | 31-Mar-21   |
| <b>1. Information regarding Imports (CIF) (in INR)</b> |                 |             |
| a) Raw materials and components                        | 5,218.67        | -           |
|  | <b>5,218.67</b> | <b>-</b>    |
| <b>2. Auditors' remuneration</b>                       |                 |             |
| Included under Other Expenses                          |                 |             |
| i) For financial audit                                 | 2.70            | 2.38        |
| ii) For taxation matters                               | 0.10            | 0.10        |
| certification work, etc.                               | 0.10            | 0.10        |
|  | <b>2.90</b>     | <b>2.58</b> |

**Note 3.9 : Financial Ratios**

The ratios as per the latest amendment to Schedule III are as below:

| Particulars   | Year ended |           |
|---|------------|-----------|
|   | 31-Mar-22  | 31-Mar-21 |
| <b>(1) Current ratio<sup>^</sup></b>  | 1.37       | 0.18      |
| (Total current assets/Current liabilities)  |            |           |
| <b>(2) Net debt equity ratio</b>  | *          | 0.11      |
| (Net debt/Average equity)   |            |           |
| [Net debt: Non-current borrowings + Current borrowings - Cash and cash equivalents - Other balances with banks]   |            |           |
| [Equity: Equity share capital + Reserve and Surplus]  |            |           |
| <b>(3) Debt service coverage ratio<sup>#</sup></b>  | 23.93      | *         |
| (EBIT/Net finance charges)  |            |           |
| [EBIT: Profit before taxes +/- Exceptional items + Net finance charges]   |            |           |
| [Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income]   |            |           |
| <b>(4) Return on Equity (%)<sup>#</sup></b>   | 5.5        | -3.4      |
| (Profit after tax (PAT)/Average Equity)   |            |           |
| [Equity: Equity share capital + Reserve and Surplus]  |            |           |
| <b>(5) Inventory turnover ratio (in days)<sup>**</sup></b>  | 66         | 16        |
| (Average inventory/Sale of products in days)  |            |           |
| <b>(6) Debtors turnover ratio (in days)<sup>**</sup></b>  | 47         | 115       |
| (Average trade receivables/Turnover in days)  |            |           |
| [Turnover: Revenue from operations]   |            |           |
| <b>(7) Trade payables turnover ratio (in days)<sup>**</sup></b>   | 114        | -         |
| (Average Trade Payables/Expenses)   |            |           |
| [Expenses: Total Expenses - Finance Cost - Depreciation and Amortisation Expense - Employee Benefit Expenses in respect of Retirement Benefits - Other expenses with respect to Royalty, Rates & Taxes, Provision for Doubtful Debts & Advances, Provision for Impairment and Foreign Exchange Gain/Loss] |            |           |
| <b>(8) Net capital turnover ratio (in days)<sup># ^</sup></b>   | 35         | *         |
| (Average working capital/Turnover)  |            |           |
| [Working capital: Current assets - Current liabilities] [Current liabilities: Total current liabilities - Current maturities of long-term debt and leases]  |            |           |
| [Turnover: Revenue from operations]   |            |           |
| <b>(9) Net profit ratio (%)<sup>#</sup></b>   | 3.93       | -47.38    |
| (Net profit after tax/Turnover)   |            |           |
| [Turnover: Revenue from operations]   |            |           |
| <b>(10) Return on Capital Employed (%)<sup>#</sup></b>  | 0.06       | -0.03     |
| (EBIT/Average capital employed)   |            |           |
| [Capital Employed: Equity share capital + Reserver and Surplus + Cuurent borrowings + Deferred tax liabilities]   |            |           |
| [EBIT: Profit before taxes +/- Exceptional items + Net finance charges]   |            |           |
| [Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]  |            |           |
| <b>(11) Return on investment (%)</b>  | ^^         | ^^        |
| (Net gain/(loss) on sale/fair value changes of mutual funds/Average investment funds in current investments)  |            |           |

<sup>^</sup> Variation in current ratio as at March 31, 2022 as compared to March 31, 2021 is due to increase in inventories, trade receivables, cash and cash equivalents.

\* Net debt, net working capital and EBIT are negative.

<sup>#</sup> Variation in coverage, turnover and other profitability ratios is primarily due to increase in turnover and net profit for the year ended March 31, 2022.

<sup>\*\*</sup> Variation in Inventory turnover, Debtors turnover and Trade Payables turnover ratios is primarily due to increased inventories, trade receivables, trade oayables as at March 31, 2022 and increased turnover during the year ended March 31, 2022.

<sup>^^</sup> There in no current investments

**Note 3.10 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

**Note 3.11 : Other Notes**

- i) The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.
- ii) The balances of trade receivables, other current and non current assets, trade payables and other current and non current liabilities are unsecured and subject to confirmation from the respective parties.
- iii) The company has invested in two partnership firms and balance outstanding in current capital account as on March 31, 2022 is Rs.21.98 Crores (As on March 31, 2021 Rs.39.01 Crores). Pursuant to partnership deed executed among partners no interest is payable or recoverable to or from partners on balances outstanding in current capital account.
- iv) In the opinion of the Management Long Term Loans and Advances, Other Non Current Assets, Current Assets and Other Current Assets fetch approximately the value as stated in the Financial Statement if realised in the ordinary course of business subject to balance confirmation. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

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The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

**For LSM & Co.**

**Chartered Accountants**

FRN : 116870W

**For P. D. Goplani & Associates**

**Chartered Accountants**

FRN : 118023W

**For and on behalf of the Board**

**Inducto Steels Limited**

**CA Sanjay Soni**

**Partner**

Membership No. 114835

UDIN : 22114835AJXOKB5301

**CA Sonam Langalia**

**Partner**

Membership No. 154014

UDIN : 22154014AJXWWO7784

**Rajeev Reniwal**

**Director**

DIN: 00034264

**Sweety Reniwal**

**Director**

DIN: 00041853

**Bhoomi Rathod**

**Company Secretary**

Place: Mumbai

Date: May 30, 2022

**Dilip Kaushik**

**Chief Financial Officer**

Place: Mumbai

Date: May 30, 2022

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**LSM & Co.**

Chartered Accountants  
516, Summit Business Bay, Opp. Cinemax,  
Chakala, Andheri (E), Mumbai-400093

**P. D. Goplani & Associates**

Chartered Accountants  
A/104-105, Leela Efcee,  
Waghawadi Road, Bhavnagar - 364002

**INDEPENDENT AUDITOR'S REPORT**

To the members of **Inducto Steel Limited**  
**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **Inducto Steel Limited**, (hereinafter referred to as 'the Company') and its associate (refer Note 3.8 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit And Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the company and its associate as at March 31, 2022, and consolidated total comprehensive income (comprising of profit and consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.

| Key Audit Matter   | Auditor's Response  |
|--|---|
| <p><b><u>Evaluation of uncertain tax positions</u></b><br/>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management.</li> <li>• Obtained understanding of key uncertain tax positions.</li> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions.</li> <li>• Assessed management's estimates of the possible outcome of the disputed cases.</li> </ul> |

#### **Information Other than the Consolidated financial statements and Auditor's Report Thereon**

The Company's management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 and the reports of other auditors furnished to us (refer Other Matters paragraph below), 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 Management and those charged with governance for the Consolidated financial statements**

The Company's Board of Directors is responsible for preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and management of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the company as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the company and management of its associate are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company and management of its associate are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 controls 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 and its associate have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ability of the Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the

date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of the entities or business activities of the company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

#### **Other Matters**

The consolidated financial statements also include the Company's share of net loss of Rs. 3.08 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements/ financial information have been audited by the other auditor whose reports have been furnished to one of the joint auditors by the Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the financial statements/ financial information of the associate of the company referred to above in sub-paragraph of the Other Matters paragraph above, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditors referred in Other Matters paragraph above;
  - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements and the financial information of the associate of the Company;
  - d. in our opinion, and based on the consideration of the report of the other auditors referred to in Other Matters paragraph above, the aforesaid consolidated 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 of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2022 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 the financial statements of the Company and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the consolidated financial statements disclose the impact, if any, of pending litigations as on March 31, 2022 which could materially impact on its consolidated financial statements - *Refer Note 3.9 of consolidated financial statements;*
    - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. there has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.



- h. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**For LSM & Co.**  
**Chartered Accountants**  
FRN : 116870W

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
FRN : 118023W

**CA Sanjay Soni**  
**Partner**  
M. No. 114835  
UDIN : 22114835AJXOBB6864

**CA Sonam Langalia**  
**Partner**  
M. No. 154014  
UDIN : 22154014AJXXDU6328

Mumbai  
May 30, 2022

## Annexure A to the Independent Auditor's Report

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

In conjunction with our audit of the Consolidated financial statements of the company as of and for the year ended March 31, 2022, we have audited, the internal financial controls over financial reporting of **Inducto Steel Limited** (hereinafter referred to as 'the Company') and its associate. Reporting under clause (i) of sub-section 3 of section 143 of the Act in respect of adequacy of internal financial controls with reference to financial statements is not applicable to one associate, namely Calvin Divine Enterprise LLP, pursuant to MCA notification.

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

The Board of Directors of the company are 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 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 Accountant of India and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have 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 and according to the best of information and explanations provided 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, 2022, based on the internal control over financial reporting, 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 LSM & Co.**  
**Chartered Accountants**  
 FRN : 116870W

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
 FRN : 118023W

**CA Sanjay Soni**  
**Partner**  
 M. No. 114835  
 UDIN : 22114835AJXOBB6864

**CA Sonam Langalia**  
**Partner**  
 M. No. 154014  
 UDIN : 22154014AJXXDU6328

Mumbai  
 May 30, 2022

Consolidated Balance Sheet as at March 31, 2022

| Particulars   | Note No. | As at           |                     |
|---|----------|-----------------|---------------------|
|   |          | March 31, 2022  | March 31, 2021      |
| <b>ASSETS</b>                                       |          |                 |                     |
| <b>I. Non-current assets</b>                        |          |                 |                     |
| Property, plant and equipment                       | 1.1      | 275.76          | 230.64              |
| Financial assets                                    |          |                 |                     |
| Investment  | 1.2      | 2,198.32        | 3,900.94            |
| Other financial assets                              |          | 16.83           | 7.06                |
| Other non-current assets                            | 1.3      | 276.91          | 273.83              |
|   |          | <b>2,767.82</b> | <b>4,412.46982</b>  |
| <b>II. Current assets</b>                           |          |                 |                     |
| Inventories   | 1.4      | 2,059.66        | 10.56               |
| Financial assets                                    |          |                 |                     |
| Trade receivables                                   | 1.5      | 1,477.21        | 10.49               |
| Cash and cash equivalents                           | 1.6      | 1,560.81        | 17.99               |
| Other current assets                                | 1.7      | 388.40          | 43.17               |
|   |          | <b>5,486.08</b> | <b>82.21</b>        |
| <b>Total Assets</b>                                 |          | <b>8,253.89</b> | <b>4,494.684736</b> |
| <b>EQUITY AND LIABILITIES</b>                       |          |                 |                     |
| <b>Equity</b>                                       |          |                 |                     |
| Equity share capital                                | 1.8      | 401.73          | 401.73              |
| Other equity  | 1.9      | 3,844.95        | 3,618.26            |
| <b>Equity attributable to owners of the Company</b> |          | <b>4,246.67</b> | <b>4,019.98</b>     |
| Non controlling interest                            |          | -               | -                   |
|   |          | <b>4,246.67</b> | <b>4,019.98</b>     |
| <b>Liabilities</b>                                  |          |                 |                     |
| <b>I. Non-current liabilities</b>                   |          |                 |                     |
| Deferred tax liabilities (net)                      | 1.10     | 10.64           | 13.05               |
| Other non-current liabilities                       | 1.11     | 1.57            | 1.48                |
|   |          | <b>12.21</b>    | <b>14.53</b>        |
| <b>II. Current liabilities</b>                      |          |                 |                     |
| Financial liabilities                               |          |                 |                     |
| Borrowings  | 1.12     | 500.09          | 455.18              |
| Trade payables                                      |          | 3,379.87        | -                   |
| Other financial liabilities                         | 1.13     | 2.57            | 0.53                |
| Other current liabilities                           | 1.14     | 62.27           | 3.72                |
| Provisions  | 1.15     | 18.35           | 0.74                |
| Income tax liabilities (net)                        | 3.1      | 31.87           | -                   |
|   |          | <b>3,995.01</b> | <b>460.17</b>       |
| <b>Total Equity and Liabilities</b>                 |          | <b>8,253.89</b> | <b>4,494.68</b>     |
|   |          | -0.00           | 0.00                |

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date

**For LSM & Co.**  
**Chartered Accountants**  
FRN : 116870W

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
FRN : 118023W

**For and on behalf of the Board**  
**Inducto Steels Limited**

**CA Sanjay Soni**  
**Partner**  
Membership No. 114835  
UDIN : 22114835AJXOBB6864

**CA Sonam Langalia**  
**Partner**  
Membership No. 154014  
UDIN : 22154014AJXXDU6328

**Rajeev Reniwal**  
**Director**  
DIN: 00034264

**Sweety Reniwal**  
**Director**  
DIN: 00041853

**Bhoomi Rathod**  
**Company Secretary**

**Dilip Kaushik**  
**Chief Financial Officer**

Place: Mumbai  
Date: May 30, 2022

Place: Mumbai  
Date: May 30, 2022

## Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(INR in Lakhs)

| Particulars   | Note No. | Year ended      |                 |
|---|----------|-----------------|-----------------|
|   |          | March 31, 2022  | March 31, 2021  |
| <b>Income</b>   |          |                 |                 |
| Revenue from operations   | 2.1      | 5,745.60        | 293.08          |
| Other income  | 2.2      | 22.85           | 15.99           |
| <b>Total Income</b>   |          | <b>5,768.46</b> | <b>309.07</b>   |
| <b>Expenses</b>   |          |                 |                 |
| Cost of raw materials consumed  | 2.3      | 3,624.69        | 4.97            |
| Purchase of Stock - in - Trade  | 2.4      | 1,694.92        | 219.11          |
| Changes in the inventories of Finished Goods, Stock In Trade and Work - In Progress | 2.5      | (280.28)        | -               |
| Employee benefits expense   | 2.6      | 121.85          | 22.39           |
| Finance costs   | 2.7      | 30.85           | 22.44           |
| Depreciation and amortisation expense   | 1.1      | 20.24           | 24.45           |
| Other Expenses  | 2.8      | 296.66          | 81.72           |
| <b>Total expenses</b>   |          | <b>5,508.93</b> | <b>375.08</b>   |
| <b>Profit Before Share of Profit/(Loss) of Associates, Exceptional Item and Tax</b> |          | <b>259.52</b>   | <b>(66.01)</b>  |
| Share of profit/ (loss) from associates   |          | (3.08)          | (72.38)         |
| <b>Profit Before Exceptional Item and Tax</b>                                       |          | <b>256.44</b>   | <b>(138.39)</b> |
| Exceptional Items   |          | -               | -               |
| <b>Profit before tax</b>  |          | <b>256.44</b>   | <b>(138.39)</b> |
| Tax expenses :  | 3.1      |                 |                 |
| Current tax   |          | 33.21           | -               |
| Deferred tax  |          | (2.67)          | 0.47            |
| <b>Profit for the year</b>  |          | <b>225.91</b>   | <b>(138.86)</b> |
| <b>Other comprehensive income</b>   |          |                 |                 |
| <i>Items not to be reclassified to profit or loss :</i>                             |          |                 |                 |
| - Re-measurement gain/ (loss) on defined benefit plans                              |          | 1.05            | (0.40)          |
| - Tax (charge)/ credit on above   |          | (0.26)          | 0.10            |
| <b>Total other comprehensive income</b>   |          | <b>0.78</b>     | <b>(0.30)</b>   |
| <b>Total comprehensive income for the year</b>                                      |          | <b>226.69</b>   | <b>(139.16)</b> |
| <b>Total comprehensive income for the year attributable to :</b>                    |          |                 |                 |
| - Owners of the Company   |          | 226.69          | (139.16)        |
| - Non controlling interest  |          | -               | -               |
| <b>Earning per equity share [face value Rs.10/- each]</b>                           | 3.3      |                 |                 |
| Basic   |          | 5.62            | -3.46           |
| Diluted   |          | 5.62            | -3.46           |

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date

For LSM &amp; Co.

Chartered Accountants

FRN : 116870W

For P. D. Goplani &amp; Associates

Chartered Accountants

FRN : 118023W

For and on behalf of the Board

Inducto Steels Limited

Rajeev Reniwal

Director

DIN: 00034264

Sweety Reniwal

Director

DIN: 00041853

CA Sanjay Soni

Partner

Membership No. 114835

UDIN : 22114835AJXOBB6864

CA Sonam Langalia

Partner

Membership No. 154014

UDIN : 22154014AJXXDU6328

Bhoomi Rathod  
Company SecretaryDilip Kaushik  
Chief Financial Officer

Place: Mumbai

Date: May 30, 2022

Place: Mumbai

Date: May 30, 2022

## Consolidated statement of Cash flow for the year ended March 31, 2022

(INR in Lakhs)

| Particulars   | Year ended      |                 |
|---|-----------------|-----------------|
|   | March 31, 2022  | March 31, 2021  |
| <b>Cash flow from operating activities</b>                            |                 |                 |
| Profit before tax   | 256.44          | (138.39)        |
| Adjustment for :  |                 |                 |
| Depreciation and amortisation expense                                 | 20.24           | 24.45           |
| Finance cost  | 30.85           | 22.44           |
| Interest income   | (19.53)         | (7.62)          |
| Bad debts   | 7.74            | -               |
| Provision for doubtful debts  | 1.09            | (0.16)          |
| Re-measurement gain/ (loss) on defined benefit plans                  | 1.05            | (0.40)          |
| (Gain)/Loss on sale of property, plant and equipment, net             | (3.44)          | -               |
| (Profit)/ Loss from partnership firms                                 | -               | (3.46)          |
| <b>Operating profit before working capital changes</b>                | <b>294.44</b>   | <b>(103.15)</b> |
| Adjustments for changes :   |                 |                 |
| Decrease / (Increase) in Trade and other receivables                  | (1,833.63)      | 204.39          |
| Decrease / (Increase) in Inventories                                  | (2,049.10)      | 4.97            |
| (Decrease) / Increase in Trade and other payables                     | 3,490.02        | (7.55)          |
| <b>Cash generated/ (used) in operations</b>                           | <b>(98.27)</b>  | <b>98.65</b>    |
| Direct taxes paid   | (33.21)         | -               |
| <b>Net Cash generated from/(used in) operating activities [A]</b>     | <b>(131.48)</b> | <b>98.65</b>    |
| <b>Cash Flow from investing activities</b>                            |                 |                 |
| Purchase of fixed assets  | (67.41)         | (0.90)          |
| Proceeds from sale of fixed assets                                    | 5.49            | -               |
| (Purchase) / Proceeds of non - current investments                    | 1,702.62        | (544.78)        |
| (Profit)/ Loss from partnership firms                                 | -               | 3.46            |
| Interest received   | 19.53           | 7.62            |
| <b>Net cash generated from/(used in) investing activities [B]</b>     | <b>1,660.24</b> | <b>(534.60)</b> |
| <b>Cash flow from financing activities</b>                            |                 |                 |
| Proceeds from short term borrowings, net                              | (450.00)        | 450.00          |
| Finance cost  | (30.85)         | (22.44)         |
| <b>Net cash generated from/(used in) financing activities [C]</b>     | <b>(480.85)</b> | <b>427.56</b>   |
| <b>Net increase/(decrease) in cash &amp; cash equivalents [A+B+C]</b> | <b>1,047.91</b> | <b>(8.38)</b>   |
| Cash & cash equivalents at the beginning of the year                  | 12.81           | 21.19           |
| <b>Cash &amp; cash equivalents at the end of the year</b>             | <b>1,060.72</b> | <b>12.81</b>    |

**Notes :****1. Reconciliation of cash and cash equivalents as per the cash flow statement :**

| Particulars                                       | March 31, 2022  | March 31, 2021 |
|---|-----------------|----------------|
| Cash and Cash Equivalents (Note 1.6)              | 1,560.81        | 17.99          |
| Bank Overdrafts (Note 1.12)                       | (500.09)        | (5.18)         |
| <b>Balances as per the statement of cash flow</b> | <b>1,060.72</b> | <b>12.81</b>   |

2. The above cashflow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows".

3. Figures of previous year have been regrouped, wherever necessary, to make them comparable.

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date

For LSM & Co.  
Chartered Accountants  
FRN : 116870W

For P. D. Goplani & Associates  
Chartered Accountants  
FRN : 118023W

For and on behalf of the Board  
Inducto Steels Limited

CA Sanjay Soni  
Partner  
Membership No. 114835  
UDIN : 22114835AJXOBB6864

CA Sonam Langalia  
Partner  
Membership No. 154014  
UDIN : 22154014AJXXDU6328

Rajeev Reniwal  
Director  
DIN: 00034264

Sweety Reniwal  
Director  
DIN: 00041853

Bhoomi Rathod  
Company Secretary

Dilip Kaushik  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2022

Place: Mumbai  
Date: May 30, 2022

**Consolidated statement of changes in equity for the year ended March 31, 2022****A. Equity share capital**

(INR in Lakhs)

| Particulars                                     | Amount        |
|---|---------------|
| Balance as at April 1, 2020                     | 401.73        |
| Changes in Equity share capital during the year | -             |
| <b>Balance as at March 31, 2021</b>             | <b>401.73</b> |
| Balance as at April 1, 2021                     | 401.73        |
| Changes in Equity share capital during the year | -             |
| <b>Balance as at March 31, 2022</b>             | <b>401.73</b> |

**B. Other equity**

| Particulars                                    | Attributable to the equity holders of the Company |                 |                   | Total              |
|--|---|-----------------|-------------------|--------------------|
|  | Reserve and Surplus                               |                 |                   |                    |
|  | Capital Reserve Reserve                           | General Reserve | Retained Earnings |                    |
| <b>Balance as at April 1, 2020</b>             | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,607.64</b>   | <b>3,757.42</b>    |
| Profit for the year                            |   |                 | -138.86           | -138.86            |
| Other Comprehensive Income (net)               |   |                 |                   |                    |
| Re-measurement losses on defined benefit plans |   |                 | -0.30             | -0.30100           |
| <b>Balance as at March 31, 2021</b>            | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,468.48</b>   | <b>3,618.25784</b> |
| <b>Balance as at April 1, 2021</b>             | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,468.48</b>   | <b>3,618.25784</b> |
| Profit for the year                            |   |                 | 225.91            | 225.90717          |
| Other Comprehensive Income (net)               |   |                 |                   |                    |
| Re-measurement losses on defined benefit plans |   |                 | 0.78              | 0.78296            |
| <b>Balance as at March 31, 2022</b>            | <b>1,022.37</b>                                   | <b>127.41</b>   | <b>2,695.17</b>   | <b>3,844.9480</b>  |

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date

For LSM &amp; Co.

Chartered Accountants

FRN : 116870W

For P. D. Goplani &amp; Associates

Chartered Accountants

FRN : 118023W

For and on behalf of the Board

Inducto Steels Limited

Rajeev Reniwal

Director

DIN: 00034264

Sweety Reniwal

Director

DIN: 00041853

CA Sanjay Soni

Partner

Membership No. 114835

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CA Sonam Langalia

Partner

Membership No. 154014

UDIN : 22154014AJXXDU6328

Bhoomi Rathod  
Company SecretaryDilip Kaushik  
Chief Financial Officer

Place: Mumbai

Date: May 30, 2022

Place: Mumbai

Date: May 30, 2022

## Notes forming part of the Consolidated Financial Statements

### Note 1 : Company information

Inducto Steel Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listing on BSE Limited. During the year, the Company was engaged in the ship breaking business and trading activities in metal scrap, coals, aluminum foil & other inouts. However, as and when any surplus fund are available, the same is given on interest to other parties and also invested in the shares and securities to earn short term and long term capital gains.

The consolidated financial statements comprise financial statements of the Company, and its one associate.

The consolidated financial statements as at March 31, 2022 present the financial position of the company as well as its interests in associate. The list of entities consolidated is provided in schedule note 3.8.

The Consolidated Financial Statements are presented in Indian Rupees.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2022.

### Note 2 : Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

#### Basis of preparation and presentation :

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

The outbreak of Corona virus (COVID-19) is causing significant disturbance and slowdown of economic activity in India and across the Globe. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current indicators of economic condition there is no significant impact on its financial results and carrying value of Assets and its status as going concern, the Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

#### Basis of consolidation :

The consolidated financial statements includes the company's share of profit/ (loss) of its associate that is consolidated using the equity or proportionate method of consolidation, as applicable. Detailed disclosure is provided in schedule note 3.8.

#### a) Use of estimates and judgments

In the preparation of financial statements, the Company makes judgments in the application of accounting policies; and estimates and assumptions which affects the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- i) Note 1.1 - Property, plant and equipment - useful life and impairment
- ii) Note 3.1 - Recoverability/recognition of deferred tax assets
- iii) Note 3.2 - Assets and obligations relating to employee benefits
- iv) Note 3.10 - Provisions and contingent liabilities
- v) Estimation of uncertainties relating to the global health pandemic from COVID-19.

The COVID - 19 pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. The Company is monitoring the situation closely taking into account directives from the Government. Given the effect of these lockdowns on the overall economic activity in India and in particular on the ship breaking industry, the impact assessment of COVID-19 on the above-mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

**b) Current / Non-Current Classification**

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

An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised 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 treated as current when it is:

- a) expected to be settled in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) 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.

**c) Property, Plant and Equipment**

All the items of property, plant and equipment are stated at cost, or deemed cost applied on transition to Ind AS, less accumulated depreciation and accumulated 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.

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 expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Depreciation on Property, Plant and Equipment is provided on the straight-line method over the useful lives of the assets estimated by the management. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Useful lives and residual values of assets are reviewed periodically.

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.

An item of property, plant and equipment and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 derecognized.

**d) Impairment**

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

**e) Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**f) Provisions & Contingent Liabilities**

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.

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.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**g) Inventories**

Inventories of Raw Materials (Ships) are stated at Cost. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Costs are determined on FIFO basis.

In ship recycling units, the weight of the ship purchased is accounted in terms of LDT/MT of the ship at the time of its construction. Ascertaining of weight of ship at the time of purchase is not possible due to its nature and size. There is loss of weight on account of corrosion and other factors during the usage of the ship and its voyage for long period of the years. Inventory at the close of the year is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.

Consumable stores and spares are written off at the time of purchase itself.

**h) Employee Benefit Expense**

- *Defined contribution plans*

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- *Defined benefit plans*

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

**i) Taxes**

The tax expenses for the period comprises of current tax and deferred income tax.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

**j) Investments in subsidiaries, associates**

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to

Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

**k) Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets

- *Initial recognition and measurement*

All financial assets, except investment in subsidiaries and associate, are recognised initially at fair value. Transaction costs that are attributable to the acquisition or issue of financial asset, 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.

- *Subsequent measurement*

For purposes of subsequent measurement, financial assets are primarily classified in three categories:

- Financial Assets measured at Amortised Cost*

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 to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

*b) Financial Assets measured 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 represents solely payments of principal and interest on the principal amount outstanding.

*c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)*

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

- *Other Equity Investments*

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss. Dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established.

However, investment in partnership firms are carried at cost/ deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any.

- *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 the Company applies 'simplified approach' which requires expected lifetime losses to be recognized 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.

Financial Liabilities

- *Initial recognition and measurement*

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

- *Subsequent measurement*

Financial Liabilities are carried at amortised 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.

Derecognition of Financial Instruments

The Company derecognises 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. 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.

Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**l) Fair value measurement**

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 financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

**Level 3:** Inputs based on unobservable market data.

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in Note 3.5.

**m) Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue 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. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

**n) Finance Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**o) Foreign Currencies Transactions**

The financial statements of the Company are presented in Indian Rupees ("₹"), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

In the case of forward contract, if any, difference between the forward rate and the exchange rate on the transaction date is recognized as income or expenses over the lives of the related contracts. The differential gain/loss is recognised in Statement of Profit and Loss.

**p) Earnings Per Share**

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

**Key Accounting Estimates & Judgements**

**1 Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in Note 2(j), page 265, and its further information are set out in Note 3.1.

**2 Defined benefit plan**

The cost of the defined benefit plans and other post-employment benefits and the present value of the 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.

The parameter that is subject to change the most is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are after considering the expected future inflation rates for the country.

Refer to Note 3.2 for further details.

**3 Property, Plant and Equipment**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in Note 2(C) above.

**4 Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Estimated irrecoverable amounts are derived based on a provision matrix, which takes into accounts various factors such as customer specific risks, geographical region, product type, customer rating, type of customer, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



## Notes to the Consolidated Financial Statements

(INR in Lakhs)

| Note 1.1                               | Property Plant and Equipment |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
|--|------------------------------|-------------------------|-------------------|--------------|---------------|--------------|--------------|------------------------|-------------------|----------------------|---------------|----------------|---------------|
| ASSETS                                 | Land                         | Factory Shed & Building | Plant & Machinery | Weigh Bridge | Winch         | Wire Rope    | Crane        | Green Plot Development | Office Equipments | Furniture & Fixtures | Vehicles      | Metal Detector | Total         |
| <b>Gross carrying amount</b>           |                              |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
| As at April 1, 2020                    | 1.66                         | 13.82                   | 5.39              | 7.17         | 177.12        | 17.11        | 45.24        | 19.22                  | 1.68              | 0.01                 | 27.36         | 0.25           | 316.03        |
| Additions                              | -                            | -                       | -                 | -            | -             | -            | 0.90         | -                      | -                 | -                    | -             | -              | 0.90          |
| Disposal                               | -                            | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | -             | -              | -             |
| As at March 31, 2021                   | <b>1.66</b>                  | <b>13.82</b>            | <b>5.39</b>       | <b>7.17</b>  | <b>177.12</b> | <b>17.11</b> | <b>46.14</b> | <b>19.22</b>           | <b>1.68</b>       | <b>0.01</b>          | <b>27.36</b>  | <b>0.25</b>    | <b>316.93</b> |
| As at April 1, 2021                    | 1.66                         | 13.82                   | 5.39              | 7.17         | 177.12        | 17.11        | 46.14        | 19.22                  | 1.68              | 0.01                 | 27.36         | 0.25           | 316.93        |
| Additions                              | -                            | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | 67.41         | -              | 67.41         |
| Disposal                               | -                            | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | 41.00         | -              | 41.00         |
| As at March 31, 2022                   | <b>1.66</b>                  | <b>13.82</b>            | <b>5.39</b>       | <b>7.17</b>  | <b>177.12</b> | <b>17.11</b> | <b>46.14</b> | <b>19.22</b>           | <b>1.68</b>       | <b>0.01</b>          | <b>53.76</b>  | <b>0.25</b>    | <b>343.34</b> |
| <b>Accumulated depreciation</b>        |                              |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
| As at April 1, 2020                    | -                            | 3.91                    | 3.45              | 1.95         | 8.22          | 5.26         | 17.29        | 0.83                   | 0.43              | -                    | 20.35         | 0.15           | 61.85         |
| Depreciation for the year              | -                            | 1.00                    | 0.16              | 0.48         | 11.20         | 1.32         | 4.48         | 0.61                   | 0.29              | -                    | 4.86          | 0.04           | 24.45         |
| Deduction / Adjustment / Writtent back | -                            | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | -             | -              | -             |
| As at March 31, 2021                   | -                            | <b>4.92</b>             | <b>3.62</b>       | <b>2.43</b>  | <b>19.42</b>  | <b>6.58</b>  | <b>21.77</b> | <b>1.44</b>            | <b>0.71</b>       | -                    | <b>25.21</b>  | <b>0.19</b>    | <b>86.29</b>  |
| As at April 1, 2021                    | -                            | 4.92                    | 3.62              | 2.43         | 19.42         | 6.58         | 21.77        | 1.44                   | 0.71              | -                    | 25.21         | 0.19           | 86.29         |
| Depreciation for the year              | -                            | 1.00                    | 0.16              | 0.48         | 11.20         | 1.32         | 4.52         | 0.61                   | 0.29              | -                    | 0.62          | 0.03           | 20.24         |
| Deduction / Adjustment / Writtent back | -                            | -                       | -                 | -            | -             | -            | -            | -                      | -                 | -                    | 38.95         | -              | 38.95         |
| As at March 31, 2022                   | -                            | <b>5.92</b>             | <b>3.78</b>       | <b>2.91</b>  | <b>30.62</b>  | <b>7.90</b>  | <b>26.30</b> | <b>2.05</b>            | <b>1.00</b>       | -                    | <b>-13.12</b> | <b>0.22</b>    | <b>67.58</b>  |
| <b>Net Carrying Amounts</b>            |                              |                         |                   |              |               |              |              |                        |                   |                      |               |                |               |
| As at March 31, 2021                   | <b>1.66</b>                  | <b>8.90</b>             | <b>1.77</b>       | <b>4.74</b>  | <b>157.70</b> | <b>10.53</b> | <b>24.37</b> | <b>17.78</b>           | <b>0.97</b>       | <b>0.01</b>          | <b>2.15</b>   | <b>0.05</b>    | <b>230.64</b> |
| As at March 31, 2022                   | <b>1.66</b>                  | <b>7.90</b>             | <b>1.61</b>       | <b>4.26</b>  | <b>146.49</b> | <b>9.22</b>  | <b>19.84</b> | <b>17.17</b>           | <b>0.68</b>       | <b>0.01</b>          | <b>66.88</b>  | <b>0.03</b>    | <b>275.76</b> |

## Notes :

275.76

1. Green Plot Development at Alang Ship Breaking Yard valued at Rs. 0 Lakhs is on a leasehold land plot.

2. Title of Land and Factory Shed & Building valued at Rs. 5.05 Lakhs is in the name of Erstwhile Merging companies M/s. Hariyana Industrial Gases Pvt Ltd and M/s. Inducto Techno Castings Pvt Ltd since 31.03.2006.

| <b>Note 1.2</b>  |                                | <b>Investments Non - Current</b> |                | (INR in Lakhs)  |  |
|--|--------------------------------|----------------------------------|----------------|-----------------|--|
| Particulars  |                                | As at                            |                |                 |  |
|  |                                | March 31, 2022                   | March 31, 2021 |                 |  |
| <b>(A) Investment at Cost</b>  |                                |                                  |                |                 |  |
| <b>- In Associates (as per the Equity Method)</b>                    |                                |                                  |                |                 |  |
|  | (%) of Share in Profit/ (Loss) |                                  |                |                 |  |
| (i) Calvin Divine Enterprise LLP                                     | 20%                            | 43.22                            |                | 46.24           |  |
| <b>- In Partnership Firms</b>  |                                |                                  |                |                 |  |
| (ii) Shree Balaji Associates   | 5%                             | 2,155.09                         |                | 3,854.70        |  |
| <b>(B) Investment at Fair value through profit and loss (FVTPL):</b> |                                |                                  |                |                 |  |
| <b>- Investment in Equity Shares (Quoted)</b>                        |                                |                                  |                |                 |  |
| Hariyana Ship Breakers Limited                                       |                                | 0.01                             |                | 0.01            |  |
| 10 (PY 10) shares of Rs.10/- each fully paid up                      |                                |                                  |                |                 |  |
| <b>Total</b>   |                                | <b>2,198.32</b>                  |                | <b>3,900.94</b> |  |

**Notes :**

|  |  |          |  |          |  |
|--|--|----------|--|----------|--|
| Aggregate amount of quoted investments   |  |          |  |          |  |
| (a) Market value of quoted investments   |  | 0.01     |  | 0.01     |  |
| Aggregate amount of unquoted investments |  |          |  |          |  |
| (a) Investments carried at cost          |  | 2,198.31 |  | 3,900.94 |  |

| <b>Note 1.3</b>                                  |  | <b>Other Financial Asset</b>        |                | As at |  |
|--|--|-------------------------------------|----------------|-------|--|
| Particulars                                      |  | March 31, 2022                      | March 31, 2021 |       |  |
|  |  | <b>(Unsecured, Considered Good)</b> |                |       |  |
| a) Security Deposits                             |  | 11.83                               | 2.06           |       |  |
| b) Bank FDRs (with more than 12 months maturity) |  | 5.00                                | 5.00           |       |  |
| <b>Total</b>                                     |  | <b>16.83</b>                        | <b>7.06</b>    |       |  |

| <b>Note 1.3</b>                       |  | <b>Other Non-Current Asset</b>      |                | As at |  |
|---------------------------------------|--|-------------------------------------|----------------|-------|--|
| Particulars                           |  | March 31, 2022                      | March 31, 2021 |       |  |
|                                       |  | <b>(Unsecured, Considered Good)</b> |                |       |  |
| a) Withholding taxes and others       |  | 121.28                              | 118.19         |       |  |
| b) Advance receivable in cash or kind |  | 155.63                              | 155.63         |       |  |
| <b>Total</b>                          |  | <b>276.91</b>                       | <b>273.83</b>  |       |  |

**Notes :**

(i) Withholding taxes and others primarily consist pre-paid taxes and amounts paid under protest in respect of demands and claims from various revenue authorities of India.

(ii) Advance receivable in cash or kind primarily include fees paid under protest to Gujarat Maritime Board (GMB) in respect of demand raised by GMB.

| <b>Note 1.4</b>  |  | <b>Inventories</b>                                       |                | As at |  |
|------------------|--|--|----------------|-------|--|
| Particulars      |  | March 31, 2022   | March 31, 2021 |       |  |
|                  |  | <i>(As verified, valued and certified by management)</i> |                |       |  |
| a) Raw Materials |  |  |                |       |  |
| - Uncut Ship     |  | 1,779.38   | 10.56          |       |  |
| b) Traded Goods  |  | 280.28   | -              |       |  |
| <b>Total</b>     |  | <b>2,059.66</b>  | <b>10.56</b>   |       |  |

| <b>Note 1.5</b>                              |  | <b>Current Financial Assets - Trade Receivables</b> |                | As at |  |
|--|--|---|----------------|-------|--|
| Particulars                                  |  | March 31, 2022                                      | March 31, 2021 |       |  |
|  |  | Trade Receivable considered good - Unsecured        |                |       |  |
|  |  | 1,475.55  | -              |       |  |
| Less: Allowance for expected credit loss     |  |   |                |       |  |
|  |  | 1.48  | -              |       |  |
| Trade Receivable considered good - Unsecured |  |   |                |       |  |
|  |  | 1,474.07  | -              |       |  |

|   |                        |                     |
|---|------------------------|---------------------|
| Trade Receivable - having significant credit risk - Unsecured | 3.31                   | 11.05               |
| Less: Allowance for credit risk                               | 0.17                   | 0.55                |
| Trade Receivable - having significant credit risk - Unsecured | <u>3.14</u>            | <u>10.49</u>        |
| Trade Receivable - credit impaired - Unsecured                | 7.74                   | -                   |
| Less: Allowance for credit impairment                         | 7.74                   | -                   |
| Trade Receivable - credit impaired - Unsecured                | <u>-</u>               | <u>-</u>            |
| <b>Total</b>  | <b><u>1,477.21</u></b> | <b><u>10.49</u></b> |

**Notes:**

In determining allowance for doubtful debts, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

(i) Movement in allowance for doubtful trade receivables are as below :

| Particulars                                 | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| <b>Balance at the beginning of the year</b> | <b>0.70</b>    | <b>0.72</b>    |
| Movement during the year                    | 1.09           | -0.02          |
| Less : Write off of bad debts               | -              | -              |
| <b>Balance at the end of the year</b>       | <b>1.79</b>    | <b>0.70</b>    |

(ii) Ageing of trade receivables are as below:

| Particulars                               | Outstanding for following periods from due date of payment |                   |           |           |                   | Total    |
|---|--|-------------------|-----------|-----------|-------------------|----------|
|   | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed - considered good              | 1,475.55   | -                 | -         | -         | -                 | 1,475.55 |
| Disputed - having significant credit risk | -  | -                 | -         | -         | 3.31              | 3.31     |
| Disputed - credit impaired                | -  | -                 | -         | -         | 7.74              | 7.74     |

(previous years figures)

(iii) The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

(iv) There are no outstanding receivables due from directors or other officers of the Company.

**Note 1.6****Cash and Cash Equivalents**

| Particulars                               | As at           |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| Cash on hand (as certified by management) | 12.85           | 13.17          |
| Balances With Banks                       |                 |                |
| - In current accounts                     | 1,547.96        | 4.82           |
| <b>Total</b>                              | <b>1,560.81</b> | <b>17.99</b>   |

The details of balances as on balance sheet dates with banks are as follows:

|   |                 |             |
|---|-----------------|-------------|
| In current accounts                       |                 |             |
| - Punjab National Bank - 38888            | -               | 0.94        |
| - Punjab National Bank ( Bhavnagar-45408) | -               | 3.88        |
| - Axis Bank (921030034599070)             | 502.00          | -           |
| - Axis Bank (922020010171461)             | 9.87            | -           |
| In Bank Term Deposits                     |                 |             |
| - Axis Bank Limited                       | 1,036.08        | -           |
| <b>Total</b>                              | <b>1,547.96</b> | <b>4.82</b> |

**Note 1.7****Other Current Assets**

| Particulars                         | As at          |                |
|-------------------------------------|----------------|----------------|
|                                     | March 31, 2022 | March 31, 2021 |
| <b>(Unsecured, considered good)</b> |                |                |
| a) Staff Advances                   | 2.42           | 4.50           |
| b) Withholding taxes and others     | 7.48           | 2.24           |
| c) GST Balances                     | 345.48         | 29.43          |
| d) Advance to Suppliers             | 32.84          | 0.58           |
| e) Pre-paid Expenses                | 0.18           | 6.43           |
| <b>Total</b>                        | <b>388.40</b>  | <b>43.17</b>   |

**Notes :**

(i) Withholding taxes and others primarily consist pre-paid taxes and amounts paid under protest in respect of demands and claims from various revenue authorities of India.

| Particulars                                     | Note 1.8 Equity Share Capital |               |                  |               |
|---|-------------------------------|---------------|------------------|---------------|
|   | March 31, 2022                |               | March 31, 2021   |               |
|   | Number                        | Amount        | Number           | Amount        |
| <b>AUTHORISED SHARE CAPITAL</b>                 |                               |               |                  |               |
| Equity Shares of Rs. 10/- each                  | 55,00,000                     | 550.00        | 55,00,000        | 550.00        |
|   | 55,00,000                     | 550.00        | 55,00,000        | 550.00        |
| <b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> |                               |               |                  |               |
| Equity Shares of Rs. 10/- each fully paid       | 40,17,254                     | 401.73        | 40,17,254        | 401.73        |
| <b>Total</b>                                    | <b>40,17,254</b>              | <b>401.73</b> | <b>40,17,254</b> | <b>401.73</b> |

**Notes:**

- 2417856 equity shares allotted as fully paid up bonus shares in the year 1994-95 by capitalisation of revaluation reserve of Rs.1,38,65,529, capital subsidy of Rs.21,01,687 and surplus in profit and loss accounts of Rs.82,11,344.
- 499078 equity shares allotted to the shareholders of Inducto Technocastings Private Limited and Hariyana Industrial Gases Private Limited, which were merged with the company w.e.f. 01.04.2005.

**3. The reconciliation of the number of outstanding shares is set out below :**

| Particulars                                      | March 31, 2022   |               | March 31, 2021   |               |
|--|------------------|---------------|------------------|---------------|
|  | Number           | Amount        | Number           | Amount        |
| At the beginning of the year                     | 40,17,254        | 401.73        | 40,17,254        | 401.73        |
| Add: Issue of Bonus Shares during the year       | -                | -             | -                | -             |
| Less: Shares bought back during the year         | -                | -             | -                | -             |
| <b>Shares outstanding at the end of the year</b> | <b>40,17,254</b> | <b>401.73</b> | <b>40,17,254</b> | <b>401.73</b> |

**4. The details of shareholder holding more than 5% shares is set out below:**

| Sr. No. | Name of Shareholders | March 31, 2022 |              | March 31, 2021 |              |
|---------|----------------------|----------------|--------------|----------------|--------------|
|         |                      | No. of Shares  | % of Holding | No. of Shares  | % of Holding |
| 1       | Rakesh S Reniwal     | 14,89,988      | 37.09%       | 14,83,388      | 36.93%       |
| 2       | Babita S Agarwal     | 2,03,100       | 5.06%        | 2,03,100       | 5.06%        |
| 3       | Rajeev S Reniwal     | 3,37,526       | 8.40%        | 3,37,526       | 8.40%        |
| 4       | Sweetie R Reniwal    | 4,07,745       | 10.15%       | 4,07,745       | 10.15%       |

- As per records of the company, including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**5. Shares held by promoters as at March 31, 2022:**

| Promoter Name                | No. of Shares | % of total shares | % Change during the year |
|------------------------------|---------------|-------------------|--------------------------|
| Shalini S. Reniwal           | 10            | 0.00              | 0.00                     |
| Unnati R. Reniwal            | 10            | 0.00              | 0.00                     |
| Sanjeev S. Reniwal           | 500           | 0.01              | 0.00                     |
| Shantisarup R. Reniwal       | 2,665         | 0.07              | 0.00                     |
| Shantisarup Reniwal & Sons . | 12,255        | 0.31              | 0.00                     |
| Lalitadevi S Reniwal         | 1,53,375      | 3.82              | 0.00                     |
| Sanjeev Reniwal              | 1,86,800      | 4.65              | 0.00                     |
| Rajeev Reniwal               | 1,93,900      | 4.83              | 0.00                     |
| Rajeev Shantisarup Reniwal   | 3,37,526      | 8.40              | 0.00                     |
| Sweetie R. Reniwal           | 4,07,745      | 10.15             | 0.00                     |
| Rakesh Shantisarup Reniwal   | 14,89,988     | 37.09             | 0.00                     |

**6 Terms/rights attached to equity shares :**

- The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. During the year ended 31st March, 2021, the amount of per share dividend recognized as distributions to equity share holders was Rs. Nil.
- In the event of liquidation of the company, the holders of the Equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

| Particulars                | Note No. | Note 1.9 Other Equity |                 |
|----------------------------|----------|-----------------------|-----------------|
|                            |          | As at                 |                 |
|                            |          | March 31, 2022        | March 31, 2021  |
| a) Capital Reserve Reserve | I        | 1,022.37              | 1,022.37        |
| b) General Reserve         | II       | 127.41                | 127.41          |
| c) Retained Earnings       | III      | 2,695.17              | 2,468.48        |
| <b>Total</b>               |          | <b>3,844.95</b>       | <b>3,618.26</b> |

Refer Statement of Changes in Equity for additions / deletions in each reserve.

**Notes :**

- Capital reserve represents reserve created pursuant to the business combinations and includes forfeited shares.
- General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.
- Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

| Note 1.10                              |                | Other Non - Current Liabilities |  |
|--|----------------|---------------------------------|--|
| Particulars                            | As at          |                                 |  |
|  | March 31, 2022 | March 31, 2021                  |  |
| Accrued defined benefit plan liability | 1.57           | 1.48                            |  |
| <b>Total</b>                           | <b>1.57</b>    | <b>1.48</b>                     |  |

Refer to Note - 3.2 for detailed disclosure

| Note 1.11                   |                | Deferred Tax Liabilities (net) |  |
|-----------------------------|----------------|--------------------------------|--|
| Particulars                 | As at          |                                |  |
|                             | March 31, 2022 | March 31, 2021                 |  |
| a) Deferred tax liabilities | 11.45          | 13.56                          |  |
| b) Deferred tax (assets)    | (0.81)         | (0.52)                         |  |
| <b>Total</b>                | <b>10.64</b>   | <b>13.05</b>                   |  |

Refer Note 3.1 for details of deferred tax liabilities and assets.

| Note 1.12                                 |                | Current Financial Liabilities - Borrowings |  |
|---|----------------|--|--|
| Particulars                               | As at          |  |  |
|   | March 31, 2022 | March 31, 2021                             |  |
| <b>Secured</b>                            |                |  |  |
| a. Working Capital Finance                |                |  |  |
| - Overdraft - Axis Bank (921030004407778) | 500.09         | 5.18                                       |  |
| <b>Unsecured</b>                          |                |  |  |
| - Loan from Related Parties               | -              | 450.00                                     |  |
| <b>Total</b>                              | <b>500.09</b>  | <b>455.18</b>                              |  |

*Details of security:*

Primary Security: The working capital loan is secured against hypothecation of entire current assets including stock and book debts, present and future plus hypothecation charge on all movable fixed assets (excluding vehicles) of the company present and future.

Collateral Security: a) Flat No.13-C, 13th Floor, Wellington View, Tardeo, Mumbai-400034, b) 601, Kalpvruksha Heritage, Colaba, Mumbai-400005 (Owned by director), c) Flat No.141, Persepolis Apt, Cuffe Parade, Mumbai-400005 (Owned by director) and d) Personal guarantee of all the directors.

| Note 1.12  |                 | Current Financial Liabilities - Trade Payables |  |
|--|-----------------|--|--|
| Particulars  | As at           |  |  |
|  | March 31, 2022  | March 31, 2021                                 |  |
| <b>Trade Payables</b>  |                 |  |  |
| (A) total outstanding dues of micro enterprises and small enterprises                      | -               | -  |  |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | 3,379.87        | -  |  |
| <b>Total</b>   | <b>3,379.87</b> | <b>-</b>                                       |  |

Notes :

(i) Ageing of trade payables are as below:

| Particulars                 | Outstanding for following periods from due date of payment |           |           |                   | Total    |
|-----------------------------|--|-----------|-----------|-------------------|----------|
|                             | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| (i) MSME                    | -  | -         | -         | -                 | -        |
| (ii) Others                 | 3,379.87   | -         | -         | -                 | 3,379.87 |
| (iii) Disputed dues - MSME  | -  | -         | -         | -                 | -        |
| (iv) Disputed dues - Others | -  | -         | -         | -                 | -        |

(previous year figures)

(ii) Trade payables are recognized at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

(iii) The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

| Note 1.13        |                | Other Current Financial Liabilities |  |
|------------------|----------------|-------------------------------------|--|
| Particulars      | As at          |                                     |  |
|                  | March 31, 2022 | March 31, 2021                      |  |
| Accrued expenses | 2.57           | 0.53                                |  |
| <b>Total</b>     | <b>2.57</b>    | <b>0.53</b>                         |  |

| Note 1.14              |                | Other Current Liabilities |  |
|------------------------|----------------|---------------------------|--|
| Particulars            | As at          |                           |  |
|                        | March 31, 2022 | March 31, 2021            |  |
| Statutory Dues         | 36.21          | 1.17                      |  |
| Other Payables         | 9.83           | 2.40                      |  |
| Brokerage Payable      | 3.41           | 0.15                      |  |
| Advance from Customers | 12.82          | -                         |  |
| <b>Total</b>           | <b>62.27</b>   | <b>3.72</b>               |  |

| Note 1.15                              |                | Short Term Provisions |  |
|--|----------------|-----------------------|--|
| Particulars                            | As at          |                       |  |
|  | March 31, 2022 | March 31, 2021        |  |
| <b>Provision for Employee Benefits</b> |                |                       |  |
| i) Salary & Incentives                 | 15.04          | 0.66                  |  |
| ii) Contribution to Provident Funds    | 2.69           | 0.06                  |  |
| iii) ESIC Payable                      | 0.62           | 0.02                  |  |
| <b>Total</b>                           | <b>18.35</b>   | <b>0.74</b>           |  |

**Note 2.1 REVENUE FROM OPERATIONS**

(INR in Lakhs) Limited

| Particulars         | For the year ended |                |
|---------------------|--------------------|----------------|
|                     | March 31, 2022     | March 31, 2021 |
| a) Sale of products |                    |                |
| - Manufactured      | 4,080.56           | 32.56          |
| - Traded            | 1,665.04           | 260.52         |
| <b>Total</b>        | <b>5,745.60</b>    | <b>293.08</b>  |

**Note 2.2 OTHER INCOME**

| Particulars  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2022     | March 31, 2021 |
| a) <b>Interest Income</b>  |                    |                |
| i. On Loans Granted  | 0.05               | 3.02           |
| ii. Other Interest   | 19.48              | 4.60           |
| b) <b>Income from Investments</b>                                      |                    |                |
| i. Share of Profit/ (Loss) from Partnership Firm                       | -                  | 3.46           |
| ii. Short Term Capital Gain on Mutual Fund (STT not paid)              | -                  | -              |
| c) <b>Other Income :</b>   |                    |                |
| i. MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL) | 0.00               | 0.00           |
| ii. VAT/ Sales Tax Refund  | -                  | 4.19           |
| iii. Other Income  | (0.12)             | 0.72           |
| iii. Gain on Foreign Exchange Variation                                | -                  | -              |
| iv. Gain on sale of asset  | 3.44               | -              |
| <b>Total</b>   | <b>22.85</b>       | <b>15.99</b>   |

**Note 2.3 COST OF CONSUMPTION OF RAW MATERIALS**

| Particulars                                 | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2022     | March 31, 2021 |
| Inventory at the Beginning of the Year      | 10.56              | 15.53          |
| Add: Ship Purchase for Recycling            | 5,393.51           | -              |
|   | 5,404.07           | 15.53          |
| Less: Inventory at the end of the Year      | 1,779.38           | 10.56          |
| <b>Cost of Consumption of Raw Materials</b> | <b>3,624.69</b>    | <b>4.97</b>    |

**Note 2.4 PURCHASE OF STOCK - IN - TRADE**

| Particulars               | For the year ended |                |
|---------------------------|--------------------|----------------|
|                           | March 31, 2022     | March 31, 2021 |
| Purchases of Traded Goods | 1,694.92           | 219.11         |
| <b>Total</b>              | <b>1,694.92</b>    | <b>219.11</b>  |

**Note 2.5 CHANGES IN INVENTORIES**

| Particulars                             | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2022     | March 31, 2021 |
| Inventory at the Beginning of the Year  | -                  | -              |
| Less : Inventory at the End of the Year | 280.28             | -              |
| <b>Net Change</b>                       | <b>(280.28)</b>    | <b>-</b>       |

**Note 2.6 EMPLOYEE BENEFIT EXPENSES**

| Particulars                     | For the year ended |                |
|---------------------------------|--------------------|----------------|
|                                 | March 31, 2022     | March 31, 2021 |
| Salaries & Wages                | 100.68             | 20.24          |
| Bonus Expenses                  | 6.60               | 0.58           |
| Contribution to Provident Funds | 7.30               | 0.46           |
| Contribution to ESIC            | 2.85               | 0.26           |
| Staff Welfare Expenses          | 3.28               | 0.09           |
| Gratuity Expenses               | 1.14               | 0.77           |
| <b>Total</b>                    | <b>121.85</b>      | <b>22.39</b>   |

**Note 2.7 FINANCE COSTS**

| Particulars                                | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2022     | March 31, 2021 |
| <b>a) Bank Charges</b>                     |                    |                |
| Bank Commission & Charges                  | 6.48               | 17.20          |
| L C Charges                                | 10.49              | -              |
| <b>b) Interest Expenses</b>                |                    |                |
| Other Parties                              | 10.68              | 4.73           |
| Bank                                       | 0.13               | -              |
| Late payment of Statutory Dues             | 0.96               | 0.51           |
| Late payment to Suppliers                  | -                  | -              |
| Shortfall in payment of advance Income Tax | 2.10               | -              |
| <b>Total</b>                               | <b>30.85</b>       | <b>22.44</b>   |

**Note 2.8 OTHER EXPENSES**

| Particulars                     | For the year ended |                |
|---------------------------------|--------------------|----------------|
|                                 | March 31, 2022     | March 31, 2021 |
| Gases & Carbide                 | 42.66              | 0.04           |
| Consumable Expenses             | 12.78              | 2.72           |
| Plot Rent & Development Charges | 27.13              | 10.99          |
| Repair & Maintenance            | 1.94               | 0.43           |
| Power & Fuel Expenses           | 4.97               | 1.06           |
| Pollution Control Expenses      | 2.87               | -              |
| Other Manufacturing Expenses    | 0.88               | 0.62           |
| Advertisements                  | 0.51               | 0.48           |
| Accounting Charges              | 1.30               | 0.60           |
| Bad Debts written off           | 7.74               | -              |
| Donation                        | 0.34               | -              |
| Excise Expenses                 | -                  | 36.96          |
| Fees & Subscription             | 0.71               | 0.07           |
| Filling Fees                    | 0.06               | 0.09           |
| Foreign Exchange Vatiation      | 53.71              | -              |
| Insurance Expense               | 0.37               | 0.16           |
| Legal & Professional Expenses   | 34.85              | 17.24          |
| Loss on Currency Trading        | 0.33               | -              |
| Other Expenses                  | 0.51               | 0.15           |
| Payment to Auditors             | 2.90               | 2.58           |
| Postage & Courier               | 0.05               | 0.04           |
| Printing & Stationery           | 0.10               | 0.04           |
| Rent, Rates & Taxes             | 0.05               | 1.65           |
| Security Charges                | -                  | -              |
| Telephone Expenses              | 0.69               | 0.15           |
| Travelling Expenses             | 24.48              | 0.15           |
| Transportation Charges          | 20.25              | -              |
| Vehicle Running & Maintenance   | 5.08               | 3.91           |
| Provision for Doubful Debts     | 1.09               | (0.16)         |
| Business Promotion              | 0.21               | -              |
| Brokerage & Commission Expenses | 43.40              | 0.48           |
| Loading/ Unloading Charges      | 4.69               | -              |
| GST Expenses                    | -                  | 1.28           |
| <b>Total</b>                    | <b>296.66</b>      | <b>81.72</b>   |

**Note 3.1 : Income Tax**

The major component of Income Tax Expense for the year ended March 31, 2022 and March 31, 2021 are as follows:

| Particulars   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| <b>Statement of Profit and Loss</b>                               |                              |                              |
| <b>Current tax</b>  |                              |                              |
| Current income tax  | 33.21                        | -                            |
| Adjustment of tax relating to earlier periods                     | -                            | -                            |
| <b>Deferred tax</b>   |                              |                              |
| Deferred tax expense  | -2.67                        | 0.47                         |
|   | <b>30.54</b>                 | <b>0.47</b>                  |
| <b>Other comprehensive income</b>                                 |                              |                              |
| <b>Deferred tax on</b>  |                              |                              |
| - Re-measurement gain/ (loss) on defined benefit plans            | 0.26                         | -0.10                        |
|   | <b>0.26</b>                  | <b>-0.10</b>                 |
|   |                              |                              |
| <b>Income tax expense as per the statement of profit and loss</b> | <b>30.80</b>                 | <b>0.37</b>                  |

**A) Income tax expense/(benefit)**

The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/ deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. The Company during the year ended March 31, 2020 have opted for the new tax regime under Section 115BAA of the Act, which provides a domestic company with an option to pay tax at a rate of 22% (effective rate of 25.168%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

The reconciliation of estimated income tax to income tax expense is as below:

| Particulars                                | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| <b>Profit before tax</b>                   | <b>256.44</b>                | <b>(138.39)</b>              |
| Income tax expense at tax rates applicable | <b>64.54</b>                 | -                            |
| <i>Adjustments for:</i>                    |                              |                              |
| Expenses not allowed as deduction          | 4.64                         | -                            |
| Brought forward losses                     | (36.75)                      | -                            |
| Exempt Income                              | 0.77                         | -                            |
| Difference of Depreciation                 | (2.11)                       | 0.62                         |
| Provision for Gratuity and Doubtful Debts  | (0.56)                       | (0.15)                       |
| <b>Tax expense / (benefit) as reported</b> | <b>30.54</b>                 | <b>0.47</b>                  |

**B) Deferred tax assets/(liabilities)****(i) For the year ended on March 31, 2022**

| Particulars   | As at<br>April 1, 2021 | Recognised/<br>(reversed) in the<br>Statement of<br>Profit and Loss | Recognised/<br>(reversed) in Other<br>Comprehensive<br>Income | As at<br>March 31, 2022 |
|---|------------------------|---|---|-------------------------|
| <b>Deferred Tax Liabilities/ (Assets)</b>               |                        |   |   |                         |
| Property, Plant and Equipment                           | 13.56                  | (2.11)  | -   | 11.45                   |
| Allowance for Doubtful Debts & Retirement Benefit Plans | (0.52)                 | (0.56)  | 0.26  | (0.81)                  |
|   | <b>13.05</b>           | <b>(2.67)</b>   | <b>0.26</b>   | <b>10.64</b>            |

**(ii) For the year ended on March 31, 2021**

| Particulars   | As at<br>April 1, 2020 | Recognised/<br>(reversed) in the<br>Statement of<br>Profit and Loss | Recognised/<br>(reversed) in Other<br>Comprehensive<br>Income | As at<br>March 31, 2021 |
|---|------------------------|---|---|-------------------------|
| <b>Deferred Tax Liabilities/ (Assets)</b>               |                        |   |   |                         |
| Property, Plant and Equipment                           | 12.95                  | 0.62  | -   | 13.56                   |
| Allowance for Doubtful Debts & Retirement Benefit Plans | (0.27)                 | (0.15)  | (0.10)  | (0.52)                  |
|   | <b>12.68</b>           | <b>0.47</b>   | <b>(0.10)</b>   | <b>13.05</b>            |

**C) Current tax assets and liabilities**

| Particulars             | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| Current tax assets      | -                       | -                       |
| Current tax liabilities | 31.87                   | -                       |



**Note 3.2 : Employee benefits****A. Defined contribution plans:**

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund as set up by Government.

Amount of Rs. 10.15 Lakhs (FY 2020-21 : Rs. 0.72 Lakhs) is recognised as expenses and included in Note 2.6 : Employee benefit expense.

| Particulars    | Year ended   |             |
|----------------|--------------|-------------|
|                | 31-Mar-22    | 31-Mar-21   |
| Provident fund | 7.30         | 0.46        |
| ESIC           | 2.85         | 0.26        |
|                | <b>10.15</b> | <b>0.72</b> |

**B. Defined benefit plans:**

The Company has following post employment benefits which are in the nature of defined benefit plans:

**(a) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the scheme of the company. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

**1. The principal assumptions used for the purposes of the actuarial valuations were as follows:**

| Particulars  | Year ended                       |                                  |
|--|----------------------------------|----------------------------------|
|  | 31-Mar-22                        | 31-Mar-21                        |
| Discount rate (per annum)                            | 7.25%                            | 6.75%                            |
| Expected rate of salary increase                     | 10% for first three years and 7% | 10% for first three years and 7% |
| Attrition rate                                       | Up to 30 Years - 3%              | Up to 30 Years - 3%              |
|  | 31-44 Years - 2%                 | 31-44 Years - 2%                 |
|  | Above 44 Years - 1%              | Above 44 Years - 1%              |
| Mortality rate during employment (% of IALM 2012-14) | 100%                             | 100%                             |

**2. Movements in present value of obligation and plan assets**

| Particulars   | Year ended  |             |
|---|-------------|-------------|
|   | 31-Mar-22   | 31-Mar-21   |
| Opening defined benefit obligation                                  | 1.48        | 0.31        |
| Current service cost  | 1.04        | 0.75        |
| Interest cost   | 0.10        | 0.02        |
| Actuarial (gain)/loss arising from changes in financial assumptions | -0.02       | 0.07        |
| Actuarial (gain)/loss arising from experience adjustments           | -0.88       | 0.33        |
| <b>Closing defined benefit obligation</b>                           | <b>1.72</b> | <b>1.48</b> |

**3. Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:**

| Particulars   | Year ended    |             |
|---|---------------|-------------|
|   | 31-Mar-22     | 31-Mar-21   |
| Remeasurement on the net defined benefit liability comprising:                      |               |             |
| - Actuarial (gain)/loss arising from changes in financial assumptions               | (0.02)        | 0.07        |
| - Actuarial (gain)/loss arising from experience adjustments                         | (0.88)        | 0.33        |
| <b>Components of defined benefit costs recognised in other comprehensive income</b> | <b>(0.90)</b> | <b>0.40</b> |

**4. Sensitivity analysis of significant assumptions are as follows:**

| Particulars                              | Sensitivity level | Defined benefit obligation |             |
|--|-------------------|----------------------------|-------------|
|  |                   | 31-Mar-22                  | 31-Mar-21   |
| <b>Defined benefit obligation (Base)</b> |                   | <b>1.72</b>                | <b>1.48</b> |
| Discount Rate                            | 1% increase       | 1.30                       | 1.21        |
|  | 1% decrease       | 1.91                       | 1.84        |
| Salary Growth Rate                       | 1% increase       | 1.91                       | 1.83        |
|  | 1% decrease       | 1.30                       | 1.21        |
| Attrition Rate                           | 1% increase       | 1.54                       | 1.43        |
|  | 1% decrease       | 1.60                       | 1.54        |
| Mortality Rate                           | 1% increase       | 1.57                       | 1.48        |
|  | 1% decrease       | 1.57                       | 1.48        |

**5. The followings are the expected cash flows for the defined benefit obligation (based on undiscounted value) :**

| Particulars  | Year ended  |             |
|--|-------------|-------------|
|  | 31-Mar-22   | 31-Mar-21   |
| <b>Gratuity</b>  |             |             |
| Within the next 12 months (next annual reporting period) | 0.00        | 0.00        |
| Between 2 and 5 years                                    | 0.14        | 0.12        |
| Beyond 5 years   | 7.61        | 7.73        |
| <b>Total expected payments</b>                           | <b>7.75</b> | <b>7.85</b> |

**6. Weighted average duration of defined plan obligation (based on discounted cash flows)**

| Particulars               | Year ended |           |
|---------------------------|------------|-----------|
|                           | 31-Mar-22  | 31-Mar-21 |
| Weighted average duration | 20 Years   | 22 Years  |

**C. Other Long term employee benefit plans**

Company does not have any other Long term employee benefit plans for the aforesaid period.

**Note 3.3 : Earnings per Share (EPS)**

| Particulars  | Year ended |           |
|--|------------|-----------|
|  | 31-Mar-22  | 31-Mar-21 |
| <b>Earning per share</b>   |            |           |
| - Basic  | 5.62       | -3.46     |
| - Diluted  | 5.62       | -3.46     |
| <b>Face value per share</b>  | 10         | 10        |
| <b>Basic &amp; Diluted EPS</b>   |            |           |
| Profit for the year attributable to equity shareholders (INR in Lakhs)                 | 225.91     | (138.86)  |
| Weighted average number of equity shares used in the calculation of earnings per share | 40,17,254  | 40,17,254 |

**Note 3.4 : Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

| Particulars                          | As at           |                 |
|--------------------------------------|-----------------|-----------------|
|                                      | 31-Mar-22       | 31-Mar-21       |
| Borrowings, Trade and other payables | 3,944.79        | 459.43          |
| Less: cash and cash equivalent       | 1,560.81        | 17.99           |
| <b>Net debt</b>                      | <b>2,383.99</b> | <b>441.45</b>   |
| Equity share capital                 | 401.73          | 401.73          |
| Other equity                         | 3,844.95        | 3,618.26        |
| <b>Total capital</b>                 | <b>4,246.67</b> | <b>4,019.98</b> |
| <b>Capital and net debt</b>          | <b>6,630.66</b> | <b>4,461.43</b> |
| <b>Gearing ratio</b>                 | <b>35.9540</b>  | <b>9.8947</b>   |

**Note 3.5 : Financial Instruments****(a) Financial assets and liabilities**

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021 :

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-22 | 31-Mar-21 |
| <b>Financial Assets</b>  |           |           |
| a. Measured at cost:   |           |           |
| Investments  |           |           |
| - in Partnership Firms   | 2,155.09  | 3,854.70  |
| - in Associate   | 43.22     | 46.24     |
| b. Measured at amortised cost:   |           |           |
| Cash & cash equivalents (including other bank balances)  | 1,560.81  | 17.99     |
| Trade receivables  | 1,477.21  | 10.49     |
| c. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI): |           |           |
| Investments  |           |           |
| - Equity shares (Quoted)   | 0.01      | 0.01      |
| <b>Financial Liabilities</b>   |           |           |
| a. Measured at amortised cost:   |           |           |
| Borrowings   | 500.09    | 455.18    |
| Other financial liabilities  | 2.57      | 0.53      |

**(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**(i) Quantitative disclosures fair value measurement hierarchy for assets :**

| Particulars                          | Fair value measurement using              |   |   | Total |
|--------------------------------------|---|---|---|-------|
|                                      | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |       |
| <b>As at March 31, 2022</b>          |   |   |   |       |
| <b>Assets measured at fair value</b> |   |   |   |       |
| <i>FVTPL investments</i>             |   |   |   |       |
| Equity shares-Quoted                 | 0.01                                      | -                                       | -   | 0.01  |
| <b>As at March 31, 2021</b>          |   |   |   |       |
| <b>Assets measured at fair value</b> |   |   |   |       |
| <i>FVTPL investments</i>             |   |   |   |       |
| Equity shares-Quoted                 | 0.01                                      | -                                       | -   | 0.01  |

**(ii) Quantitative disclosures fair value measurement hierarchy for liabilities :**

Company does not have any financial liability which is measured either at Fair value through profit and loss account or measured at Fair value through other comprehensive income.

**(c) Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings. In line with the overall risk management framework and policies, the management monitors and manages risk exposure through an analysis of degree and magnitude of risks.

**Market risk**

Market risk Market risk is the risk of any loss in future earnings, in realising fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars                          | Change in basis | Effect on profit before tax |
|--------------------------------------|-----------------|-----------------------------|
| <b>March 31, 2022</b>                |                 |                             |
| Interest bearing borrowings (in INR) | +50             | (0.63)                      |
|                                      | -50             | 0.63                        |
| <b>March 31, 2021</b>                |                 |                             |
| Interest bearing borrowings (in INR) | +50             | (0.28)                      |
|                                      | -50             | 0.28                        |

This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**Foreign currency risk**

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity.

The Company, as per its risk management policy, uses foreign currency forward contracts primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

Given below is the foreign currency exposure arising from the non derivative financial instruments:

| Particulars    | Foreign Currency Amount (in USD) |                | Reporting Currency Amount (in INR in Lakhs) |                |
|----------------|----------------------------------|----------------|---|----------------|
|                | As at                            |                | As at                                       |                |
|                | March 31, 2022                   | March 31, 2021 | March 31, 2022                              | March 31, 2021 |
| Trade payables | 44,01,990                        | -              | 3,337.02                                    | -              |

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

| Particulars           | Change in USD rate | Effect on profit before tax |
|-----------------------|--------------------|-----------------------------|
| <b>March 31, 2022</b> |                    |                             |
| Trade Payables        | +5%                | -166.85                     |
|                       | -5%                | 166.85                      |

**March 31, 2021**

|                |     |   |
|----------------|-----|---|
| Trade Payables | +5% | - |
|                | -5% | - |

**Equity price risk**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity, classified as fair value through profit and loss as at March 31, 2022 and March 31, 2021 was ₹0.00947 and ₹0.0052969, respectively.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, balances with bank, bank deposits. None of the financial instruments of the Company result in material concentration of credit risk.

**Trade receivables**

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on market feedback and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in independent markets.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

(i) The table below summarises the maturity analysis for its financial liabilities based on the undiscounted cash flows at the end of reporting period :

| Particulars                         | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total    |
|-------------------------------------|-----------|--------------------|----------------|--------------|-----------|----------|
| <b>As at March 31, 2022</b>         |           |                    |                |              |           |          |
| Borrowings                          | 500.09    | -                  | -              | -            | -         | 500.09   |
| Trade payables                      | -         | 1,560.49           | 1,819.37       | -            | -         | 3,379.86 |
| Other current financial liabilities | -         | 2.57               | -              | -            | -         | 2.57     |
| <b>As at March 31, 2021</b>         |           |                    |                |              |           |          |
| Borrowings                          | 455.18    | -                  | -              | -            | -         | 455.18   |
| Other current financial liabilities | -         | 0.53               | -              | -            | -         | 0.53     |

**Note 3.6 : Segment information**

The Group's business segments are identified based on the geographic locations of its units and the internal business reporting system as per Ind AS 108. Business segments of the company are primarily categorized as: Mumbai and Bhavnagar.

| Particulars   | (Rs. in Lakhs) |           |          |
|---|----------------|-----------|----------|
|   | Mumbai         | Bhavnagar | Total    |
| <b>i. Segment Revenue</b>   |                |           |          |
| Gross Revenue   | 1,085.40       | 4,660.20  | 5,745.60 |
| Less: Intersegmental revenue  | -              | 293.08    | 293.08   |
|   | -              | -         | -        |
| <b>Revenue from operations</b>  | 1,085.40       | 4,660.20  | 5,745.60 |
|   | -              | 293.08    | 293.08   |
| <b>Other Income (after inter segment eliminations)</b>                              |                |           | -        |
|   |                |           | -        |
| <b>ii. Segment Results</b>  |                |           |          |
| Total Segment Profit before Interest and Tax  | 42.72          | 244.57    | 287.30   |
| Interest Expenses   | 23.40          | (66.97)   | (43.57)  |
|   |                |           | 30.85    |
|   |                |           | 22.44    |
| <b>Profit before Tax</b>  |                |           | 256.44   |
|   |                |           | (66.01)  |
| Taxes   |                |           | 30.54    |
|   |                |           | 0.47     |
| <b>Profit after Tax (including share of profit/ (loss) of associates)</b>           |                |           | 225.91   |
|   |                |           | (66.48)  |
| <b>iii. Segment Assets</b>  | 4,404.41       | 3,849.48  | 8,253.89 |
|   | 4,016.66       | 478.02    | 4,494.68 |
| <b>Investment in Equity Accounted Associates (included in above segment assets)</b> |                |           | 43.22    |
|   |                |           | 46.24    |
| <b>iv. Segment Liabilities</b>  | 570.91         | 3,436.32  | 4,007.22 |
|   | 468.76         | 5.94      | 474.70   |

(\* Figures in italics are in respect of the previous year)

**Notes:**

- a) Revenue from external sources includes income from sale of manufactured goods.  
b) Carrying amount of segment assets comprises of non-current assets and current assets identified to respective segments.  
c) The figures of segment results include inter segment interest income/ expense.

**Operating Revenue**

(Rs. in Lakhs)

| Particulars          | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|----------------------|------------------------------|------------------------------|
| - From Outside India | -                            | -                            |
| - From India         | 5,745.60                     | 293.08                       |

**Productwise Revenue**

(Rs. in Lakhs)

| Particulars                       | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|-----------------------------------|------------------------------|------------------------------|
| - Waste & Scrap of Iron and Steel | 5,745.60                     | 293.08                       |

**Note 3.7 : Related Party transactions**

Related party disclosures, as required by Ind AS 24, " Related Party Disclosures", are given below.

**(A) Particulars of related parties and nature of relationships****A. Companies over which Key Management Personnel and their relatives are able to exercise significant influence**

- Shree Balaji Associates
- Haryana Ship Demolition Private Limited

**B. Associate**

- Calvin Divine Enterprise LLP

**C. Key Management Personnel****Managing directors**

- Rajeev Reniwal

**Non Executive directors**

- Sweety Reniwal

**Chief Financial Officer**

- Dilip Kaushik

**Company Secretary**

- Rupali Somani - Company Secretary (Resigned w.e.f. March 19, 2021)
- Bhoomi Rathod - Company Secretary (Appointed w.e.f. May 3, 2021)

**(B) Related party transactions and balances**

The details of material transactions and balances with related parties are given below:

| a) Transactions during the year                          | Year ended |           |
|--|------------|-----------|
|  | 31-Mar-22  | 31-Mar-21 |
| <b>Other income</b>                                      |            |           |
| <i>Share of Profit/ (Loss) from the partnership firm</i> |            |           |
| Shree Balaji Associates                                  | (0.01)     | -         |
| <i>Share of Profit/ (Loss) from associate</i>            |            |           |
| Calvin Divine Enterprise LLP                             | (0.02)     | 0.03      |
|  | (0.03)     | 0.03      |
| <b>Remuneration Paid</b>                                 |            |           |
| Dilip Kaushik  | 7.82       | 7.98      |
| Rupali Somani  | -          | 3.85      |
| Bhoomi Rathod  | 3.60       | -         |
|  | 11.42      | 11.83     |
| <b>Loan Taken</b>  |            |           |
| Rajeev Reniwal   | 357.50     | 945.00    |
| Haryana Ship Demolition Private Limited                  | 550.01     | -         |
|  | 907.51     | 945.00    |
| <b>Loan Repaid</b>                                       |            |           |
| Rajeev Reniwal   | 807.50     | 495.00    |
| Haryana Ship Demolition Private Limited                  | 550.01     | -         |
|  | 1,357.51   | 743.00    |
| <b>Investment in Partnership Firm</b>                    |            |           |
| <i>Capital Introduced</i>                                |            |           |
| Shree Balaji Associates - Current Capital                | 165.00     | 818.50    |
|  | 165.00     | 818.50    |
| <i>Capital Withdrawan</i>                                |            |           |
| Shree Balaji Associates - Current Capital                | 1,864.55   | 204.80    |
|  | 1,864.55   | 204.80    |

| b) Balances at the end of the year             | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-22 | 31-Mar-21 |
| <b>Current Financial Borrowings</b>            |           |           |
| Rajeev Reniwal                                 | -         | 450.00    |
|  | -         | 450.00    |
| <b>Investments in partnership firm</b>         |           |           |
| Shree Balaji Associates - Fixed Capital        | 0.25      | 0.25      |
| Shree Balaji Associates - Current Capital      | 2,154.84  | 3,854.45  |
|  | 2,155.09  | 3,854.70  |
| <b>Investments in associate</b>                |           |           |
| Calvin Divine Enterprise LLP - Fixed Capital   | 0.10      | 0.10      |
| Calvin Divine Enterprise LLP - Current Capital | 43.12     | 46.14     |
|  | 43.22     | 46.24     |

**Note 3.8 : Basis of consolidation**

1. The Consolidated Financial Statements relate to Inducto Steel Limited (the Parent Company) and its one associate.

**2. Principles of consolidation**

a. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (IND AS 110) "Consolidated Financial Statements", Indian Accounting Standard 28 (IND AS 28) "Investments in Associates and Joint Ventures" prescribed under Section 133 of the Companies Act, 2013.

b. The following associates have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Indian Accounting Standard (IND AS) 28 "Investments in Associates (as per Equity Method) :

| Sr. No. | Name of the Associates       | Country of Incorporation | % of ownership interest |           |
|---------|------------------------------|--------------------------|-------------------------|-----------|
|         |                              |                          | 31-Mar-22               | 31-Mar-21 |
| 1       | Calvin Divine Enterprise LLP | India                    | 20.00%                  | 20.00%    |

**3. Additional Information, as required under Schedule III to the Companies Act, 2013 entities consolidated as associates**

(Rs. in Lakhs)

| Name of the Entity  | Net Assets                   |                 | Share of Profit or (Loss)          |               | Share in Other Comprehensive Income |             | Share in Total Comprehensive Income |               |
|---|------------------------------|-----------------|------------------------------------|---------------|-------------------------------------|-------------|-------------------------------------|---------------|
|   | As % Consolidated Net Assets | Amount          | As % Consolidated Profit or (Loss) | Amount        | As % Consolidated Profit or (Loss)  | Amount      | As % Consolidated Profit or (Loss)  | Amount        |
|   | <b>Parent Company</b>        |                 |                                    |               |                                     |             |                                     |               |
| 1. Inducto Steel Limited                                      | 98.98                        | 4,203.45        | 101.36                             | 228.99        | 100.00                              | 0.78        | 101.36                              | 229.77        |
| <b>Associates (Investment as per the equity method)</b>       |                              |                 |                                    |               |                                     |             |                                     |               |
| 2. Calvin Divine Enterprise LLP                               | 1.02                         | 43.22           | -1.36                              | -3.08         | 0.00                                | -           | -1.36                               | -3.08         |
| <b>Sub Total</b>  | <b>100.00</b>                | <b>4,246.67</b> | <b>100.00</b>                      | <b>225.91</b> | <b>100.00</b>                       | <b>0.78</b> | <b>100.00</b>                       | <b>226.69</b> |
| Add/ (Less): Effect of intercompany adjustments/ eliminations | 0.00                         | -               | 0.00                               | -             | 0.00                                | -           | 0.00                                | -             |
| <b>Total</b>  | <b>100.00</b>                | <b>4,246.67</b> | <b>100.00</b>                      | <b>225.91</b> | <b>100.00</b>                       | <b>0.78</b> | <b>100.00</b>                       | <b>226.69</b> |

**Notes:**

Net Assets and Share of Profit or Loss for Parent Company and Associate are as per the Standalone/ Consolidated Financial Statements of the respective entities .

**Note 3.9 : Contingencies and commitments**

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-22 | 31-Mar-21 |
| <b>Contingent Liabilities</b>                          |           |           |
| <i>Disputed liabilities not acknowledged as debts*</i> |           |           |
| a. Disputed demand under :                             |           |           |
| - Income tax   |           | 287.86    |
| - Excise Duty  |           | 12.38     |
| <i>Claims against the Company</i>                      |           |           |
| - Gujarat Maritime Board (GMB)                         |           | 155.63    |
| - Customs & Excise                                     |           | 12.51     |

\* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

**Notes:**

1. The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain allowances.

2. The Company has deposited Rs.181803/- (March 31,2021: Rs.181803/-) under protest against demand of Rs. 12.38411/- raised by Excise & Customs Department. The matter is pending before the appellate authority (CESTAT). The company expects to sustain its position on ultimate resolution of the said appeal.

3. The Company has deposited Rs.15563285/- (March 31,2021:Rs.15563285/-) under protest against demand raised by Gujarat Maritime Board (GMB) on account of amendment fees and delayed interest. The matter is pending before the appellate authority of GMB. The company expects favourable resolution of the said appeal.

4. The Company has deposited amount under protest of Rs.1251144/- (March 31, 2021 : Rs. 1251144/-) in respect of various demands relating to customs and excise duty. The matters are pending before the various appellate authorities. The company expects favourable resolution of the said appeals.

**Note 3.10 : Other Information (including foreign currency transactions)**

| Particulars  | Year ended |           |
|--|------------|-----------|
|  | 31-Mar-22  | 31-Mar-21 |
| <b>1. Information regarding Imports (CIF) (in INR)</b> |            |           |
| a) Raw materials and components                        | 5,218.67   | -         |
|  | 5,218.67   | -         |
| <b>2. Auditors' remuneration</b>                       |            |           |
| Included under Other Expenses                          |            |           |
| i) For financial audit                                 | 2.70       | 2.38      |
| ii) For taxation matters                               | 0.10       | 0.10      |
| certification work, etc.                               | 0.10       | 0.10      |
|  | 2.90       | 2.58      |

**Note 3.11 : Financial Ratios**

The ratios as per the latest amendment to Schedule III are as below:

| Particulars   | Year ended |           |
|---|------------|-----------|
|   | 31-Mar-22  | 31-Mar-21 |
| <b>(1) Current ratio<sup>^</sup></b><br>(Total current assets/Current liabilities)  | 1.37       | 0.18      |
| <b>(2) Net debt equity ratio</b><br>(Net debt/ Average equity)  | *          | 0.11      |
| [Net debt: Non-current borrowings + Current borrowings - Cash and cash equivalents - Other balances with banks]<br>[Equity: Equity share capital + Reserve and Surplus]   |            |           |
| <b>(3) Debt service coverage ratio<sup>#</sup></b><br>(EBIT/Net finance charges)  | 23.93      | *         |
| [EBIT: Profit before taxes +/- Exceptional items + Net finance charges]<br>[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income]  |            |           |
| <b>(4) Return on Equity (%)<sup>#</sup></b><br>(Profit after tax (PAT)/ Average Equity)   | 5.5        | -3.4      |
| [Equity: Equity share capital + Reserve and Surplus]  |            |           |
| <b>(5) Inventory turnover ratio (in days)<sup>**</sup></b><br>(Average inventory/Sale of products in days)  | 66         | 16        |
| <b>(6) Debtors turnover ratio (in days)<sup>**</sup></b><br>(Average trade receivables/Turnover in days)  | 47         | 115       |
| [Turnover: Revenue from operations]   |            |           |
| <b>(7) Trade payables turnover ratio (in days)<sup>**</sup></b><br>(Average Trade Payables/ Expenses)   | 114        | -         |
| [Expenses: Total Expenses - Finance Cost - Depreciation and Amortisation Expense - Employee Benefit Expenses in respect of Retirement Benefits - Other expenses with respect to Royalty, Rates & Taxes, Provision for Doubtful Debts & Advances, Provision for Impairment and Foreign Exchange Gain/Loss] |            |           |
| <b>(8) Net capital turnover ratio (in days)<sup># ^</sup></b><br>(Average working capital/Turnover)   | 35         | *         |
| [Working capital: Current assets - Current liabilities] [Current liabilities: Total current liabilities - Current maturities of long-term debt and leases]<br>[Turnover: Revenue from operations]   |            |           |
| <b>(9) Net profit ratio (%)<sup>#</sup></b><br>(Net profit after tax/ Turnover)   | 3.93       | -47.38    |
| [Turnover: Revenue from operations]   |            |           |
| <b>(10) Return on Capital Employed (%)<sup>#</sup></b><br>(EBIT/ Average capital employed)  | 0.06       | -0.03     |
| [Capital Employed: Equity share capital + Reserver and Surplus + Cuurent borrowings + Deferred tax liabilities]<br>[EBIT: Profit before taxes +/- Exceptional items + Net finance charges]  |            |           |
| [Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]  |            |           |
| <b>(11) Return on investment (%)</b><br>(Net gain/(loss) on sale/fair value changes of mutual funds/Average investment funds in current investments)  | ^^         | ^^        |

<sup>^</sup> Variation in current ratio as at March 31, 2022 as compared to March 31, 2021 is due to increase in inventories, trade receivables, cash and cash equivalents.

\* Net debt, net working capital and EBIT are negative.

<sup>#</sup> Variation in coverage, turnover and other profitability ratios is primarily due to increase in turnover and net profit for the year ended March 31, 2022.<sup>\*\*</sup> Variation in Inventory turnover, Debtors turnover and Trade Payables turnover ratios is primarily due to increased inventories, trade receivables, trade oayables as at March 31, 2022 and increased turnover during the year ended March 31, 2022.<sup>^^</sup>There in no current investments**Note 3.12 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small &amp; Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

**Note 3.13 : Other Notes**

i) The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

ii) The balances of trade receivables, other current and non current assets, trade payables and other current and non current liabilities are unsecured and subject to confirmation from the respective parties.

iii) The company has invested in two partnership firms and balance outstanding in current capital account as on March 31, 2022 is Rs.21.98 Crores (As on March 31, 2021 Rs.39.01 Crores). Pursuant to partnership deed executed among partners no interest is payable or recoverable to or from partners on balances outstanding in current capital account.

iv) In the opinion of the Management Long Term Loans and Advances, Other Non Current Assets, Current Assets and Other Current Assets fetch approximately the value as stated in the Financial Statement if realised in the ordinary course of business subject to balance confirmation. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date

**For LSM & Co.**  
Chartered Accountants  
FRN : 116870W

**For P. D. Gopani & Associates**  
Chartered Accountants  
FRN : 118023W

**For and on behalf of the Board**  
Inducto Steels Limited

**CA Sanjay Soni**  
Partner  
Membership No. 114835  
UDIN : 22114835AJXOBB6864

**CA Sonam Langalia**  
Partner  
Membership No. 154014  
UDIN : 22154014AJXXDU6328

**Rajeev Reniwal**  
Director  
DIN: 00034264

**Sweety Reniwal**  
Director  
DIN: 00041853

**Bhoomi Rathod**  
Company Secretary

**Dilip Kaushik**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2022

Place: Mumbai  
Date: May 30, 2022