



# POISED & **PREPARED**

Manaksia Steels Limited | Annual Report 2021-22



# CONTENTS

2	Corporate snapshot	22	How we strengthened our sales and distribution function during FY 2021-22
4	How we have performed in the last few years	24	Esg: the core of manaksia steel's personality
6	Manaksia steels is prepared for a USD 5 Trillion indian economy	26	Management discussion and analysis
10	Chairman's message	31	Corporate information
12	The managing director's overview	32	Director's report
16	The chief financial officer's financial review	39	Corporate governance report
21	How our manufacturing function has performed in 2021-22	73	Financial statements



## PERFORMANCE HIGHLIGHTS, FY 2021-22

504.52

(₹/Crore), Revenue

47.02

(₹/Crore), EBITDA

17.76

(%), ROCE

29.56

(%), PAT

30

(%) increase

39

(%) increase

578

bps growth

50.20

(%) increase



### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## POISED & **PREPARED**

AT MANAKSIA STEELS LIMITED, WE ARE POISED AND PREPARED TO GROW OUR BUSINESS.

THE COMPANY INTENDS TO GROW ITS MANUFACTURING CAPACITY, GRADUATE TO A VALUE-ADDED PRODUCT MIX AND ADDRESS A WIDE DOWNSTREAM CUSTOMER AUDIENCE BASE.

A COMPLEMENT OF THESE INITIATIVES IS EXPECTED TO ENHANCE REVENUES, MARGINS AND SURPLUS, A PLATFORM FOR MULTI-YEAR SUSTAINABILITY.

CORPORATE SNAPSHOT

## MANAKSIA STEELS LIMITED.

A LIGHT ENGINEERING COMPANY IN THE METAL PRODUCTS AND METAL FORMATION SPACE.

COMMITTED TO CUSTOMISE PRODUCTS FOR DOWNSTREAM USERS IN THE HOUSING, CONSUMER APPLIANCE, INDUSTRIAL AND WAREHOUSING SECTORS.

STRUCTURED TO SERVICE, DELIVER AND DELIGHT CUSTOMERS THROUGH A CULTURE OF FLEXIBILITY AND RESPONSIVENESS.

PREPARED TO ENHANCE VALUE FOR ALL ITS STAKEHOLDERS IN A SUSTAINABLE WAY.

### Background

Manaksia Steels is headquartered at Kolkata. The Company was promoted by Mr. Suresh Kumar Agrawal, a qualified chemical engineer, who is complemented by subject experts. The Company is a multi-location, multi-product light engineering company engaged in the field of metal products and metal formation. It manufactures value-added flat steel products and is poised to address a growing products demand from the housing and infrastructure sectors.

### About Manaksia

Manaksia, a multinational business house, has manufacturing operations in India, Nigeria and Ghana with a focus on flat/long metal products of steel, aluminum and kraft paper. The Company is a product supplier across many parts of India while exporting to Japan and Africa.

### Presence

The Company is headquartered in Kolkata (India) and its state-of-the-art manufacturing units are located in Haldia and Bankura, West Bengal, India. The Company has also ventured into the long steels segment in

Nigeria through its step-down subsidiary (Federated Steel Mills Limited), which recycles steel scrap and manufacture steel bars used in construction with multi-year growth possibilities.

### Sales footprint

Manaksia Steels is a global supplier of galvanised steel coils and sheets; its international sales footprint extends across Bhutan, Ethiopia, Cote d'Ivoire, Liberia, Sierra Leone, Gambia, Ghana, Nigeria, Sri Lanka and UAE. Galvanised coils and sheets represent the largest revenue generating product, contributing 49.62% of the Company's revenues in FY 2021-22.





## Products

### Cold rolled steel sheets / coils:

Cold rolled steel sheets and coils are manufactured through a series of processes such as pickling and oiling of such coils followed by cold rolling hot rolled coil and annealing. The key elements of the product include good formability and uniform flatness. The sheets and coils are used in downstream applications such as automobiles, home electronic appliances, hot dipped galvanised steel and pre painted steel products.

### Hot dipped galvanised steel:

Manaksia Steels installed hot dipped galvanising lines at Haldia and Bankura in West Bengal. The Company manufactures hot dipped galvanised steel for building materials, white goods and electronic appliance industries.

**Pre painted profile sheets:** The pre-painted continuous colour coated line processes different substrates like galvanised steel, aluminum zinc alloy, coated steel and aluminum. The unit is also equipped to produce structural profiles (Trapezoidal and Sinusoidal).

## Installed capacity

### Haldia plant

Cold rolled sheets and coils: 84,000 MT

Hot dipped galvanised steels and coils: 36,000 MT

Pre painted galvanised sheet and coils: 24,000 MT

### Bankura plant

Hot dipped galvanised sheets and coils: 30,000 MT

## Quality

The manufacturing unit of Manaksia Steels is an ISO 9001-2015-accredited facility that maintains strict quality norms. The continuous coil coating line includes an efficient pre-treatment unit with a quality control laboratory and other measuring equipment to deliver quality material of the same standard each time. The cold rolled products are all manufactured under international standards like JIS 3141, BS 1449, DIN 1623 and IS 513. Hot dipped galvanised steel is manufactured according to relevant national or international standards

## Employees

The Company has earned respect for its knowledge and experience. The Company possesses a pool of experienced and talented professionals. The employee strength of the Company stood at 176 in FY2021-22; almost 70% of the employees had been associated with the Company for more than five years as on 31st March 2022.

## Brand

Manaksia Steels galvanised corrugated sheets are branded as '5 Star Super Shakti' and colour coating sheets and coils enjoy a respected recall under the brand name of '5 Star Super Colour'.

## Certifications

The manufacturing plant of the Company is an ISO 9001-2015 certified unit. All the products of the Company conform to ISO standards. The Company has also been certified to produce conforming to the guidelines laid down by Bureau of Indian Standard (BIS).

## Listing

The shares of the Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. The market capitalisation of the Company stood at ₹284 Crore as on 31st March, 2022.

## Our Board of Directors and Chief Executive Officer

- Mr. Varun Agrawal,  
*Managing Director*
- Mr. Suresh Kumar Agrawal,  
*Director*
- Mr. Mrinal Kanti Pal, *Director*
- Dr. Kali Kumar Chaudhuri,  
*Independent Director*
- Mr. Ramesh Kumar Maheshwari,  
*Independent Director*
- Mr. Ajay Kumar Chakraborty,  
*Independent Director*
- Mrs. Nidhi Baheti,  
*Independent Woman Director*
- Mr. Vineet Agrawal,  
*Chief Executive Officer*

The Company has no permanent Chairperson. Dr. Kali Kumar Chaudhuri has been authorised by the Board as the Chairperson of the ensuing 21st Annual General Meeting.

# HOW WE HAVE PERFORMED IN THE LAST FEW YEARS

## Revenues

(₹ in Crore)

688.71  
487.80  
387.96  
504.52



### Meaning

Revenue is the income generated by a business from its main operations before the deduction of costs and expenses.

### Importance

It highlights the service acceptance and market reach of the Company

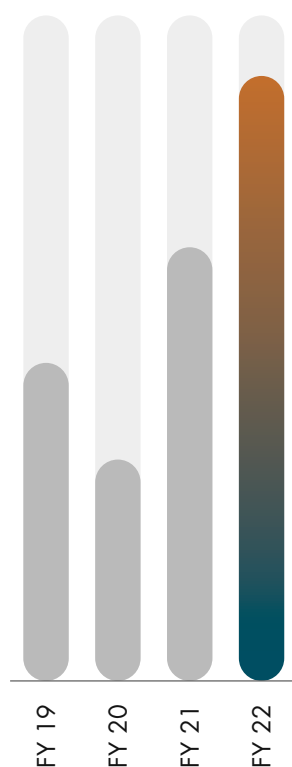
### Performance

The Company reported ₹504.52 Crore in revenues during FY 2021-22, 30% higher than the previous year.

## EBITDA

(₹ in Crore)

24.69  
17.20  
33.75  
47.02



### Meaning

EBITDA is an acronym that refers to the earnings of a company before the deduction of interest, tax, depreciation and amortisation.

### Importance

Investors use EBITDA as an indicator to measure the profitability and efficiency of a company while comparing with similar companies.

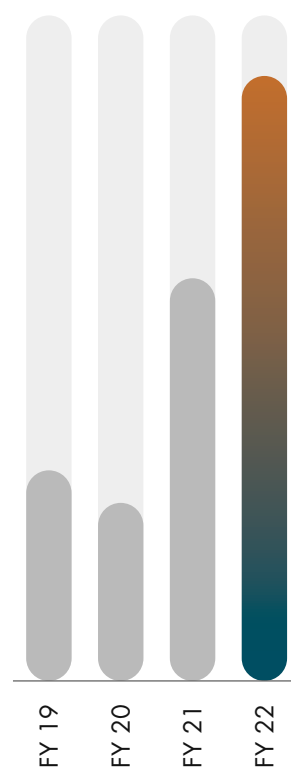
### Performance

The Company reported ₹47.02 Crore in EBITDA in FY 2021-22, 39.32%, higher than the previous year

## PAT

(₹ in Crore)

10.32  
8.70  
19.68  
29.56



### Meaning

Profit after tax refers to the amount that remains after a company has paid all operating and non-operating expenses, other liabilities and taxes. This surplus is available to be distributed to shareholders as dividend or retained in reserves.

### Importance

Profit after tax shows the actual amount the Company has generated during a financial period, a measure of its competitiveness

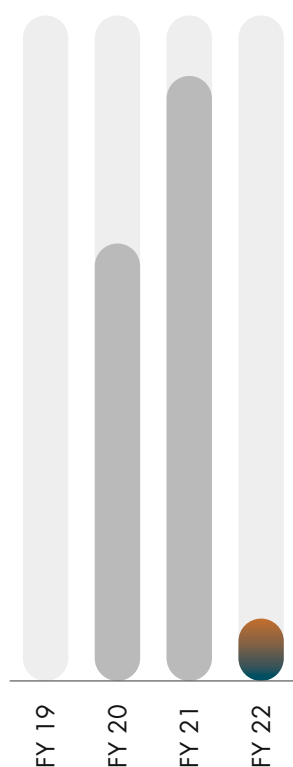
### Performance

The Company has reported ₹29.56 Crore of PAT in FY 2021-22, 50.20% higher than the previous year

### Debt-equity ratio

(x)

FY	19	20	21	22
Ratio	0.00	0.21	0.29	0.03



#### Meaning

The debt-to-equity ratio is a leverage ratio that calculates the weight of total debt and financial liabilities against total shareholders' equity

#### Importance

This ratio highlights whether the Company's capital structure is tilted towards either debt or equity financing.

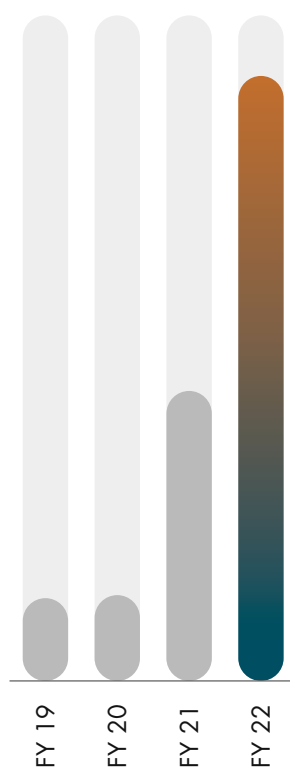
#### Performance

The Company has reported a better debt-to-equity ratio of 0.03 for FY 2021-22, 26 bps lower than the previous year (and hence better)

### Interest coverage ratio

(x)

FY	19	20	21	22
Ratio	7.06	7.20	24.60	51.24



#### Meaning

The interest coverage ratio is a financial ratio that is used to determine how well a company can pay interest on its outstanding debts.

#### Importance

The interest coverage ratio is commonly used by lenders, creditors and investors to determine the risk involved in lending capital to a company.

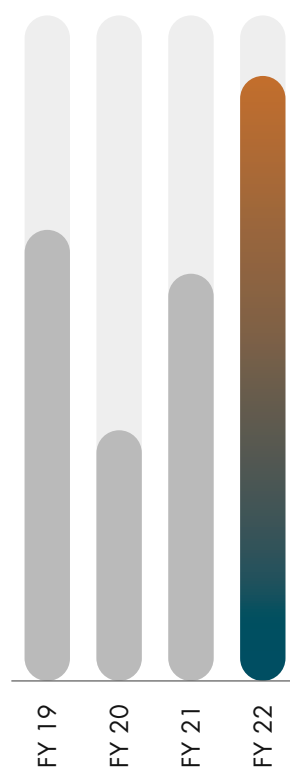
#### Performance

The Company reported a 51.24 interest coverage ratio for FY 2021-22, more than double the previous year.

### RoCE

(%)

FY	19	20	21	22
RoCE	13.24	7.36	11.98	17.76



#### Meaning

Return on capital employed (ROCE), a profitability ratio, measures how efficiently a company is using its capital to generate profits.

#### Importance

The return on the capital employed matrix is considered one of the best profitability ratios and is commonly used by investors to determine whether it is suitable or not to invest in a particular company.

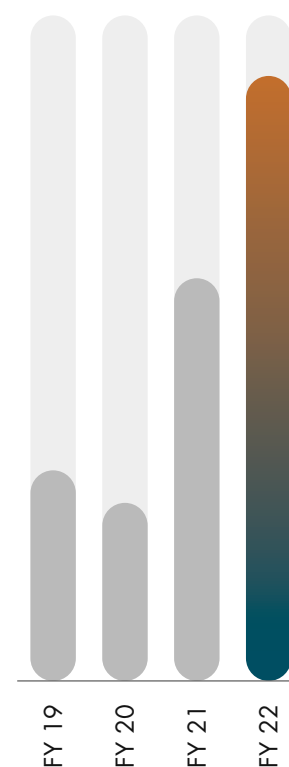
#### Performance

The Company reported 17.76% return on capital employed for FY 2021-22, 578 bps higher than the previous year

### Earnings per share

(₹)

FY	19	20	21	22
EPS	1.57	1.33	3.00	4.51



#### Meaning

Earnings per share is a financial ratio, which divides net earnings available to common shareholders by the average outstanding shares over a certain period.

#### Importance

The earning per share indicates a company's ability to generate net profits for common shareholders.

#### Performance

The Company has reported ₹4.51 earning per share for FY 2021-22, 151 bps higher than the previous year

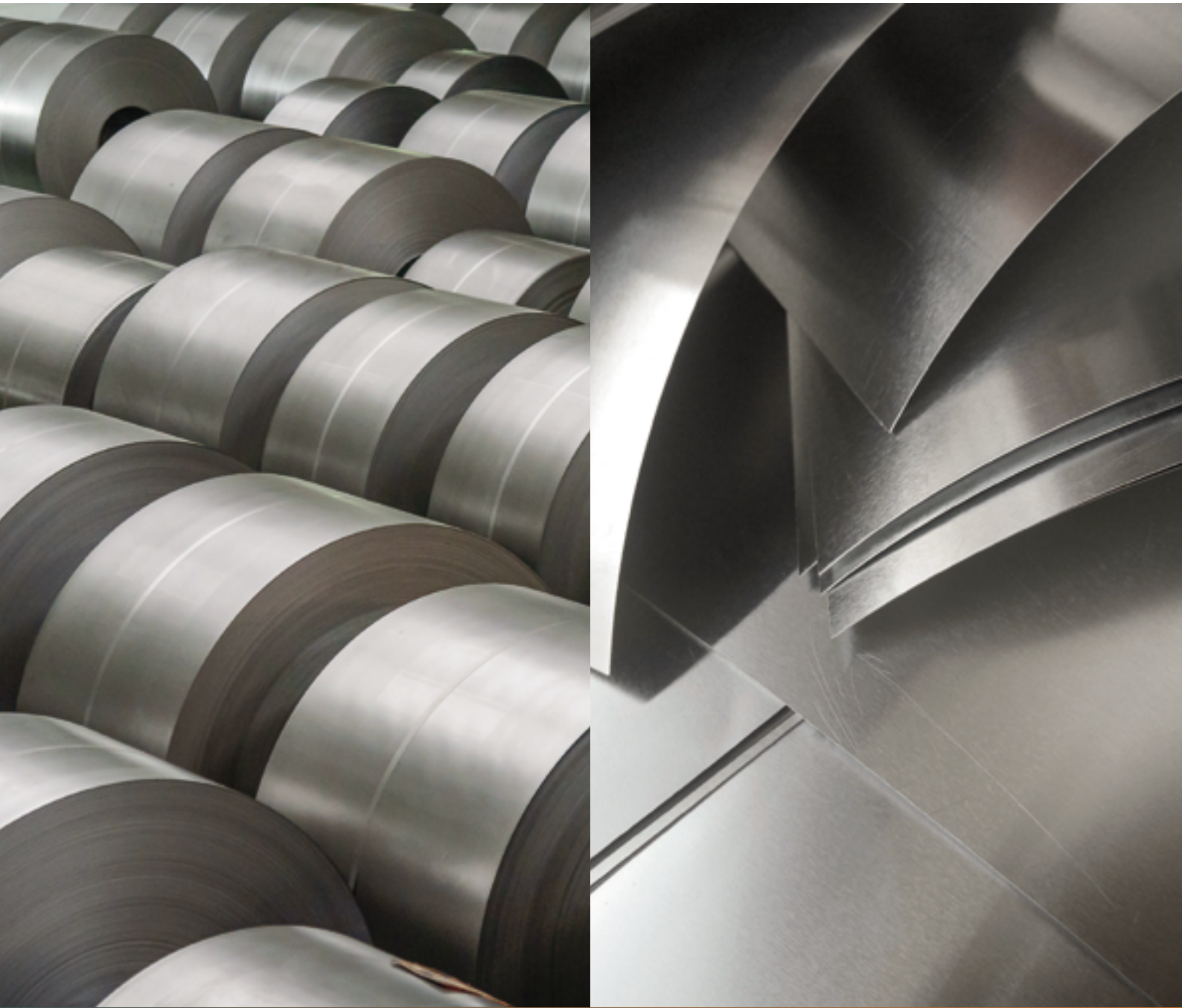




THE BIG PICTURE

MANAKSIA STEELS IS  
PREPARED FOR A  
**USD 5 TRILLION  
INDIAN ECONOMY**





## THE COMPANY HAS INVESTED IN ITS BUSINESS TO RIDE THE NATIONAL ECONOMIC GROWTH STORY

### Overview

Manaksia Steels has invested in its business to ride the Indian economic growth. The stronger the growth of the economy, the better the Company's performance. From a macro perspective, the Company is attractively placed. In 2021, India, with a population of around 1.40 Billion, possessed an economy estimated at USD 2.92 Trillion and was the sixth largest in the world. India is likely to grow faster and emerge as the world's third largest economy by the end of this decade.

## National turnaround

India's tax collections reported a record ₹27.07 Lakh Crore in FY 2021-22 compared with the Budget estimate of ₹22.17 Lakh Crore; tax-to-GDP ratio jumped from 10.3% in FY21 to 11.7% in FY 2021-22, the highest since 1999. The value of goods exported from India witnessed 40% growth during FY 2021-22 financial year, touching a record USD 417.8 Billion and surpassing the target set by the government by 5%. *This could strengthen all the businesses of the Company.*

## Infrastructure spending

In the 2022 Union Budget, India announced a 35% increase in infrastructure outlay. The PLI schemes are expected to strengthen MSMEs, increasing their contribution to the Indian economy from 30% to 40%. The National Infrastructure Pipeline (NIP) was launched with a projected infrastructure investment of around ₹111 Lakh Crore (USD 1.5 Trillion) during 2020-2025 to provide world-class infrastructure. (Source: Money Control, pib.gov.in, Livemint). *This could grow the metal sheets business for roofing applications.*

## Population and demographics

The population of India is 1.40 Billion in 2022; by 2023, India could overtake China to become the most populous country. More than 50% of India's current population is below the age of 25; over 65% population is below 35. India's population is urbanising, evolving its preferences and aspirations. The country could have the world's third-largest number of high-income households by 2030. *This could catalyse the Company's business.*





## Middle-class

Around 55% of India's population could belong to the consuming class by 2030, a significant improvement from 24% today. (Source: Economic Times). By 2030, India will move from being an economy led by the bottom of the pyramid, to one led by the middle-class. The number of middle-income households is expected to rise from 50% of all households today to 80% by 2030, accounting for 75% of consumer spending by that year. *This could catalyse the Company's business.*

## Spending

As 140 Million households move into the middle class and another 20 Million move into the high-income bracket, they will spend 2-2.5x more on essential categories (food, beverages, apparel, personal care, gadgets, transport and housing) and 3-4x more on services (healthcare, education, entertainment and household care). Upper-middle-income and high-income entrants could drive a 15-20% increase in the ownership of durables (washing machines, refrigerators, TVs and personal vehicles). *This could catalyse the offtake of metal sheets.*

## 'Plan B'

Plan B is an increasingly used reference to describe the need of the world to reduce its excessive dependence on China for resources and products and broad base the global supply chain. The country that comes collectively closest in terms of scale, costs, legal framework, knowledge base and manufacturing tradition is India. Even a nominal movement away of the world's procurement from China can drive India's share of exports and global trade. *This could strengthen the country's industry, catalysing the business where the Company is present.*

## Make in India

Atmanirbhar Bharat is expected to enhance self-reliance and provide for the country's growing needs from within. This is expected to strengthen India's position as a competitive global products and services provider. *This could catalyse the erection of infrastructure, strengthening the offtake of metal sheets.*

## Rural housing

There is a greater emphasis on affordable housing in India, backed by interest subvention provided by the government to borrowers. The real estate sector is expected to reach USD 1 Trillion in market size by 2030, up from USD 200 Billion in 2021 and contribute 13% to the country's GDP by 2025. *This is expected to strengthen prospects of the metal sheets segment.*

## Increase in monthly income of agricultural households

Agricultural households' average monthly income increased by 59% to ₹10,218 in the six years to 2018-19, as per the National Statistical Office's (NSO) Situation Assessment of Agricultural Households and Land and Livestock Holdings of Households in Rural India (SAS) 2019 survey. In FY 2013-14, the Budget allocation for the department of agriculture was only ₹21,933.50 Crore. This has increased more than 5.5 times to ₹1,23,017.57 Crore in FY 2021-22. *The extension of this trend is expected to strengthen rural incomes and prospects of the metal sheets segment for rural roofing applications.*



CHAIRMAN'S MESSAGE



MANAKSIA STEELS  
IS PERCEIVING  
**A LONG-TERM PROSPECT  
IN ITS BUSINESS**



30%

Growth in the revenues  
of the Company in FY 22

## Our Company has been in operations since 2014.

The rationale of our business continues to be relevant as 65% Indians live in rural India. Much of the rural population uses straw, tiles and asbestos to cover the roofs of their houses, built on bamboo structures. These roofs are temporary and require periodic upgradation or repair, entailing recurring expenses.

Our management felt that India would soon move towards healthier and safer metal roofing sheets for reasons of health, durability and cost effectiveness. Over time, our foresight was validated and demand of metal sheets increased.

To serve the rural housing sector, Manaksia Steels Limited commenced production of galvanised and corrugated steel sheets that provided a superior price-value proposition over existing alternatives.

Over the last eight years, MSL commissioned factories in Haldia and Bankura (West Bengal) to manufacture roofing sheets. By doing so, the Company created direct employment for around 170 people and for hundreds through indirect employment.

As a measure of responsibility, the Company manufactures steel products using state-of-the-art technologies that enhance material efficiency. In addition, the Company initiated the use of relatively clean LPG and solar power, over high sulphur liquid fuel.

The majority of the products of the Company are marketed where they are most needed. Such products are marketed largely in East and

North-East India, where they address relatively under-addressed needs. To grow the business in a sustainable way, our Company is widening its marketing network and is poised to increase production capacity in a phased manner.

The effect of planning and preparedness of the Company has been reflected in its performance. The Company recovered from the COVID-19 setback to report financial growth and there is an optimism that this improvement is likely to be sustained.

The Company is committed to enhance sustainability through responsible governance. It is rightly poised to take advantages coming out of anticipated growth and the Government vision of Make in India. As a part of its commitment to governance, the Company continued to consistently contribute towards social responsibility initiatives around defined annual targets.

Such achievements across a challenging phase in the existence of the Company during the last couple of years were made with the wholehearted support of our shareholders. The management will endeavour to live up to the confidence reposed in it by enhancing value for all stakeholders.

Jai Hind!

**Kali Kumar Chaudhuri,**  
Chairperson of the ensuing  
21st Annual General Meeting

## THE MANAGING DIRECTOR'S OVERVIEW



# THE COMPANY REPORTED A YEAR OF PROFITABLE GROWTH IN FY 22

Varun Agrawal  
Managing Director

### Overview

I am pleased to present a year of profitable growth at our Company, which validates the sustainable robustness of our business model.

Revenues increased 30%, EBITDA strengthened 39.32% and profit after tax increased 50.20% during the year under review. These outcomes indicate that our business model is attractively

structured to enhance stakeholder value with every successive increase in revenues. The aggregate record manufacturing revenue was 52.86% higher than the previous; this improvement was despite a sharp increase in the cost of raw materials and logistics, the Russia-Ukraine war and foreign exchange volatility.



## Thinking efficiently

The principal driver of our profitable growth was the efficiency of the Company. Over the years, such efficiency has been derived from the capacity to think differently.

When most advisors cautioned us about the pandemic-induced slowdown, what we heard was 'opportunity' instead.

When industry experts indicated that only the largest could survive in this volume-led business, we focused on becoming the most efficient instead.

When experts felt that manufacturing large volume galvanised sheets would be the safest

and simplest, we selected to venture into the manufacture of colour coated sheets instead.

When most felt that sticking to conventional products was the best way to maximise volumes, we broad based to the manufacture of thinner gauge sheets instead.

The year under review validated our contrarian approach: the Company's revenue growth was 3.37x the national GDP growth; the Company protected its financial hygiene by remaining net debt free and with a receivables cycle of only 30 days.

## Long-term relevance

When we went into business, we selected to manufacture cold rolled steel sheets, a business linked to the national economic direction.

The sector on which we placed our bets was the country's building sector (housing and commercial). This direction was influenced by the extensive under-ownership of homes across the country. We were convinced that as Indians earned more, there would be traction towards increased home building or ownership.

Manaksia Steels was at the right place at the right time. Over the decades, the Company addressed the organic growth of the sector. During the last few years, the Indian government focused on growing the

affordable housing and toilet construction segments, the largest bulge of India's real estate sector. The Company is now catering to this emerging segment with a range of galvanised and colour coated grades, carving out a larger share of the trade partner's wallet and strengthening its brand as a committed roofing sheets specialist. The Company is also capitalising on the fact that metal sheets enjoy superior scrap value and are considered environmentally cleaner over the asbestos cement roofing alternative, accounting for a respectable market share. The Company will continue to invest in new technologies, building scale and recall, while creating a platform for profitable and sustainable growth.

## Competitive advantages

At Manaksia Steels, we have reinforced our competitive advantage through various means.

Our principal strength is the multi-decade knowledge and experience of our sector, including an exposure to various market cycles, demand patterns, evolving consumer needs and government policies.

Our '5 Star' brand is respected for 'trust', 'long lasting' and 'high quality', empowering it to sell faster than competitors in the markets of our presence.

Our service standard has helped us graduate from mere product delivery to the manufacture of sheets customised to specific consumer requirements (especially thinner gauges without compromising quality).

Our product portfolio extends from 0.11 mm to 0.60 mm thickness, making it possible to service a range of roofing applications (residential and commercial).

Our manufacturing competitiveness is reflected in a high conversion efficiency across the



WHEN MOST ADVISORS  
CAUTIONED US ABOUT  
THE PANDEMIC-INDUCED  
SLOWDOWN, WHAT  
WE HEARD WAS  
'OPPORTUNITY' INSTEAD.

50.20%

Growth in PAT during FY  
2021-22

manufacturing process, resulting in a higher material and worker productivity

Our manufacturing flexibility makes it possible to adapt to dynamic demand patterns for galvanised or colour coated sheets, strengthening profitability.

### Attractive roofing play

Manaksia Steels enjoys attractive prospects as a construction steel sheets producer.

There is a growing priority for primary steel producers to increase their capacities. By the virtue of focusing on volumes, these large steel companies provide the basic raw material (steel sheets) for inward processing into customised downstream requirements. These sheets need to be processed, cut to size and cold-reduced as per diverse applications. These sheets (hot rolled) are inevitably processed by focused steel processing companies like your Company, servicing the needs of a large number of smaller users across the country. The capacity mismatch between large primary steel producers at one end and steel processors like Manaksia Steels at the other, indicates a growing room for the latter's business.

### Attractively placed

At Manaksia Steels, we possess a modernised plant that delivers a high operating efficiency.

The plant has been adequately depreciated in our Balance Sheet, making it possible to generate an attractive profitability with an upturn in revenues.

The Company enjoys stable primary customers (trade partners) who provide

Our focus on value-added products has helped increase the proportion of colour coated sheets, a product segment enjoying 10% higher realisation over the galvanised segment and accounting for 38.68% of our revenues in FY 22.

There is a growing room for customised steel sheet processing on account of climate change. In the last few years, the incidence of cyclones has increased; storms have become more intense, marked not only by more rain within a compressed period but also stronger winds. This has warranted the creation of strong and customised metal roofing sheets.

In a post-Balance Sheet development, the Indian government imposed an export duty on steel products with the objective to enhance local availability and moderate prices. This government's intervention will make hot rolled coils more affordable for our Company resulting in a lower cost of end products (without affecting our profit contribution) that should widen the market, benefiting companies like ours through larger volumes.

revenue visibility for the moment and scalability across the foreseeable future.

The Company sells and manufactures as opposed to manufacture and sell, minimising inventories and enhancing customisation around specific needs.

The expansion programmes of the Company are generally driven by trade partners who provide commitments on prospective purchases, derisking the



THE COMPANY INTENDS TO ENHANCE INVESTMENTS IN RENEWABLE SOLAR ENERGY CAPACITY FROM 1 MW TO 2 MW WITH THE OBJECTIVE TO MODERATE COSTS.





Company from capacity under-utilisation.

The Haldia manufacturing facility of the Company was utilised only to the extent of 15% by space, providing extensive headroom for sustainable growth.

## Outlook

Going ahead, the Company will rebalance across its processing, galvanising and colour coating capacities with the objective to maximise captive consumption and widen the value chain.

The Company intends to increase the proportion of revenues derived from the value-added segment of colour coated sheets from 40% to 60%.

The Company intends to enhance investments in renewable solar energy capacity from 1 MW to 2 MW with the objective to moderate costs.

Through these initiatives, the Company intends to increase revenues from ₹504.52 Crore in FY 22 to an estimated ₹1000 Crore by FY 25, enhancing value in the hands of those associated with our Company.

**Varun Agrawal**  
Managing Director

## THE CHIEF FINANCIAL OFFICER'S REVIEW



# AN INSIGHT INTO THE FINANCIAL HEART OF OUR BUSINESS

Rajesh Singhania  
Chief Financial Officer

### Overview

The overarching message that we seek to communicate is that the Company built on its business during the year under review even as it encountered challenges related to raw material cost volatility, global supply chain bottlenecks, staggered vaccination process, anticipated increase in working capital outlay, retaining the price-value proposition of end products, addressing the market demand of specific roofing

varieties, increasing preference for colour coated products and growing the business through net worth. The Company successfully addressed these challenges, making it yet another growth year, the best in the Company's existence. The improvement in performance was a validation of the Company's maturing, critical mass and enhanced competitiveness of the Company.





THE COMPANY  
REPORTED A 50%  
INCREASE IN PAT DESPITE  
LOSING A PART OF THE  
FIRST QUARTER TO THE  
PANDEMIC

17.76%

ROCE following and  
increase of 578 bps in  
FY 22

## Profitable growth

During the last few years, the Company scaled its business around three products - cold rolled steel sheets, galvanised sheets and colour coated roofing sheets / coils, which enhanced a variety in offerings. The strength of this product mix was validated during the year under review: the Company reported 30%

revenue growth (compared with the Indian GDP growth of a projected 8.7%) to generate peak revenues. The Company reported a 50% increase in PAT despite losing a part of the first quarter to the pandemic. This was the second successive year of the Company reporting profitable growth.

Profitable growth	FY20	FY21	FY22
Revenue growth %	-29.18	-20.47	30.00
EBITDA growth %	-30.34	96.22	39.32

## Capital efficiency

The Company reported creditable profitability during the year under review. EBITDA margin strengthened 62 bps to 9.32%, which was a reflection of an all-round improvement in performance; Return on Capital Employed strengthened 578 bps to 17.76% due to enhanced production (volume) and realisations (value); RoE strengthened from 9.56% to 12.42%. The Company protected the integrity of its Balance Sheet from impairment and reported record revenues and profits.

The overall improvement in the health of the business was the result of long-term priorities: enhance economies of scale and its '5 star' brand in the volume-driven metal roofing sheets business. The clarity of this approach

created a foundation for the Company to build on – the higher the offtake, the better was the profitability. During the year under review, the metal roofing sheets business contributed 88.30% of the Company's revenues and approximately 82% of its EBITDA, indicating that the Company generated most of its profits from core competence.

Across the foreseeable future, we expect to generate a return superior to what our risk partners (shareholders) would be able to generate if they invested in alternative asset classes. We will seek to maximise capital efficiency through an accruals-driven business model, investment in expansion projects with a short payback, value-addition and superior working capital management.

Year	FY20	FY21	FY22
Return on Capital Employed %	7.36	11.98	17.76

## Margin

Our objective is to generate a superior margin. This commitment was reinforced during the last financial year when EBITDA margin strengthened following an increase in

production, realisations, value-addition and raw material inventory profits, a validation of our volume- and value-driven approach.

Year	FY20	FY21	FY22
EBITDA margin %	3.53	8.70	9.32



BY BREAKING THE DEBT-FUNDED CHAIN, THE COMPANY WILL GENERATE ADDITIONAL CASH FLOWS (THAT WOULD OTHERWISE HAVE SERVICED DEBT), STRENGTHENING REINVESTMENT, CASH FLOW GENERATION AND ENHANCE VALUE.

**55.62**

₹ Crore, debt repaid by the Company in FY 22

## Business mix

Our objective is to blend our revenues across varied roofing products with a slant towards colour coated sheets. During the last few years, there has been an appreciable increase in the proportion of revenues being derived from colour coated sheets, which were not only value-added but also sold faster during the year under review. This was the result of

increased incomes and aspirations across rural markets, building an effective traction. The colour coated roofing segment sold for realisations higher than the commoditised metal roofing sheets segment, strengthening profitability. A majority of the Company's sales were generated from Bihar, West Bengal and North East India.

## Liquidity

As a policy, we seek to maximise the use of accruals in our growth, moderating borrowed funds. During the year under review, we drew less than 10% of the sanctioned short-term loans (on average), which made it possible to moderate interest outflow and enhance profitability.

We enhanced our working capital hygiene through the following priorities: shrinking our receivables cycle through better terms of trade with our primary customers (trade partners), extension of our payables cycle, marketing products with strong offtake and graduation to a value-added product mix.

We place a premium on cash flows, preferring liquidity over profitability when the alternative is between maximum revenues with stretched liquidity and centrist revenues with enhanced liquidity. The success of this approach was evident in the cash flows. Over the years, the Company recognised the importance

of working with an under-stretched Balance Sheet, marked by attractive cash in hand, rising interest cover, stronger gearing and lower Net debt/EBITDA. The Company focussed on protecting terms of trade (within tolerance limits), leveraging cash in hand to generate raw material discounts and addressing fresh capital expenditure with resources at the Company's disposal (no incremental debt).

The result of this financial discipline was the Company possessed ₹57.56 Crore cash or equivalents (raw material inventory included) during the last financial year while gearing was an attractive 2.85%. This represents a watershed in the Company's existence. By breaking the debt-funded chain, the Company will generate additional cash flows (that would otherwise have serviced debt), strengthening reinvestment, cash flow generation and enhance value.

Year	FY20	FY21	FY22
Cash and cash equivalents (₹ Crore)	22.83	6.55	7.18

## Debt management

The Company's total debt declined from ₹62.97 Crore in FY 2020-21 to ₹7.35 Crore during the year under review; net worth strengthened from ₹218.66 Crore to ₹257.46 Crore during this period; gearing declined from 0.29 in FY 2020-21 to 0.03 in FY 2021-22 as the Company grew net worth on the one hand and nominally used short-term debt to address its working capital requirements.

We believe that the capital expenditure notwithstanding, the Company is proceeding to a net cash position (cash on hand being higher than the total debt on the books). The cost of debt on the Company's books was 5.24% during the year under review (4.49% in the previous year), which we consider to be reasonable.

Year	FY20	FY21	FY22
Debt repaid (₹ Crore)	Nil	Nil	55.62

Year	FY20	FY21	FY22
Debt-equity ratio	0.21	0.29	0.03





THE COMPANY DID WELL TO MODERATE ITS INVENTORY SIZE IN TERMS OF DAYS OF TURNOVER EQUIVALENT, A VALIDATION OF ITS SUPPLY CHAIN PARTNERSHIPS AND CAPACITY TO PAY ON TIME AND IN FULL

# 257.46

₹ Crore, net worth available with the Company as on 31st March 2022

## Working capital management

Our focus is not just the quantitative growth of our business but also the hygiene of our numbers, reflected in our working capital management. We generally seek to draw less working capital than that sanctioned by the banks. During the course of the year under review, the Company drew less than 10% of the sanctioned working capital. There was a premium on competent working capital management during the year under review; there was a sharp increase in the cost of raw materials. The raw material for hot rolled coil used by the Company appreciated by 70% from trough to peak and 70% from year-start to year-end, putting a premium on the ability to buy right (timing, price and quantity).

Working capital as a proportion of the total employed capital increased from 12.10% to 52.60% across the last two years; the proportion of inventory in the working capital outlay remained approximately the same. The working capital tenure increased from 32 days of turnover equivalent in FY 2020-21 to 101 days in FY 2021-22. This was to mitigate the volatility of the market. The Company's receivables cycle declined from 28 days of turnover equivalent to 13 days during the year under review. The Company did well to moderate its inventory size in terms of days of turnover equivalent, a validation of its supply chain partnerships and capacity to pay on time and in full.

Year	FY20	FY21	FY22
Working capital as % of total capital employed	36.84	12.10	52.60

## Way forward

The Company had a strong financial basis at the end of the fiscal year under review. Its net worth stood at ₹257.46 Crore as on 31st March, 2022, with ₹0.28 Crore in long-term debt and ₹7.07 Crore in short-term debt. The Company's large net worth was the outcome

of a long-term build-up of surpluses. In an unpredictable world, this significant net worth bias implies relative de-risking; it provides the Company patient and resilient capital in challenging periods.

**Rajesh Singhania**  
Chief Financial Officer

### Brand

The Company's '5 star' brand is respected in the markets of its presence for its trust, quality and dependability

### Integration

The Company provides a product bouquet of cold rolled sheets, galvanised sheets and colour coated sheets and coils, a versatile consumer offering

### Important downstream sectors

The Company services the growing needs of the domestic and industrial roofing segments in addition to the appliance sector

### Under-borrowed

The Company is extensively under-borrowed; against a net worth of ₹257.46 Crore, the Company possessed total debt of ₹7.35 Crore as on 31st March 2022

### Convertor

The Company manufactures rolled products for some of the largest secondary steel producers in India on a conversion arrangement, whereby raw material is provided to the Company, making it a working capital-light segment of the Company's revenues.

### Accruals-driven

The Company generated ₹0.62 Crore in free cash flows during the year under review, which was 9.60% higher than the previous year, strengthening cash and cash equivalents on hand to ₹7.18 Crore.



## OUR COMPETITIVE STRENGTHS



### Low competition

The Company enjoyed relatively low competition; the nearest peer competitor was 150 kilometer from the Company's location; there were only two competitors within a 500 kilometer radius

### Location

The Company's location in Haldia ensured a dual advantage: 300 kilometer from the nearest primary steel manufacturer and a port-based location that facilitated raw material imports

### Team

The Company comprises a team of worker professionals who possess a multi-year insight into rolling technologies, practices and customer requirements

### Resource security

The Company procured 75% of its hot rolled coils from two of the largest primary steel manufacturers in India; 90% of its principal raw material was sourced from within a radius of 300 kilometer

### Cash

The Company possessed cash and cash equivalents of ₹7.18 Crore as on 31st March 2022, a 9.6% increase over the corresponding figure on 31st March 2021.

### Treasury income

The Company generated ₹8.23 Crore through treasury income from its cash and cash equivalents, accounting for 20% of its pre-tax profit for FY 2021-22



# HOW OUR MANUFACTURING FUNCTION PERFORMED IN 2021-22

## Overview

Manaksia Steel processes hot rolled steel for construction and cladding.

The Company has carved out a superior recall among consumers on account of its reliable and branded product.

The Company is engaged in the manufacture and sale of products under its brand as well as executing job work for some of the most demanding Indian steel giants.

This approach has helped enhance the utilisation of its manufacturing assets, strengthening profitability and competence to address the national growth.

## STRENGTHS



### Brand

The Company's production is marketed under the '5 Star' brand, respected for product integrity and dependability



### Market presence

The products of the Company are marketed across rural West Bengal, Bihar, Uttar Pradesh, Bhutan and Assam, which are growing markets for construction sheets



### Research and development

The Company focuses on research-led product and process improvements (physical and chemical testing), strengthening product (width and thickness) and profitability attributes



### Repairs and maintenance

The Company engaged in proactive and preservative maintenance of equipment, enhancing uptime



### Automation

The investments of the Company in process automation enhanced quality consistency and productivity



### Team

The cross-functional manufacturing team of the Company (electrical and mechanical capabilities) enhanced equipment uptime and productivity

## Highlights, FY 2021-22

- The Company produced around 43500 tonnes of sheets compared to around 39500 tonnes of sheets in FY 2020-21, an increase due to market acceptance.
- The Company dispatched around 15,000 metric tonnes of galvanised/coloured sheets/coils in Q4, FY 2021-22, among the best performing quarters in the history of the Company
- The Company made a complete modification of the rolling mill to increase operational speed; the mill was automated

through the automatic gauge control system.

- The Company installed a solar captive power plant with a 1MW capacity
- The Company reduced downtime by 3.5% over FY 2020-21
- The Company launched two new profiles of colour coating sheets, widening its portfolio
- The Company maintained all Covid protocols, vaccinated employees and deployed hand sanitisers for active use

- The Company manufactured customised products, moderating inventory

### Outlook

The Company plans to increase colour coating capacity from 150 tonnes per day to 200 tonnes per day in FY 2022-23. It intends to enhance solar power plant capacity by another 1 MW. It plans to start a new galvanising line to address growing demand, facilitating a larger output of colour coating sheets.

# HOW WE STRENGTHENED OUR SALES AND DISTRIBUTION FUNCTION DURING FY 2021-22

## Overview

Manaksia Steel widened customer reach and enhanced product awareness.

The Company widened channel sales

through the appointment of distributors.

The Company's '5 star' brand continued to be trusted on account of its quality

and pricing consistency at par with industry standards across West Bengal, Bihar and Assam.

## Our competitive strengths

### Distribution support

The Company's products are delivered to consumers through a network of about 85 distributors and 450 retailers.

### Prompt delivery

The Company has established a recall for timely products delivery that has made possible lower inventories and moderated working capital outlay among trade partners

### Brand

The '5 Star' brand of the Company enjoys visibility and popularity due to its consistent quality

## Initiatives, FY 2021-22

- The Company added 10 new distributors for widening its network. The Company strengthened its supply chain, ensuring adequate raw material inventory in a volatile market environment
- The Company engaged deeper with trade partners at a time of commodity inflation, lockdowns and other challenges

## Outlook, FY 2022-23

The Company seeks to widen its presence by entering Jammu and Kerala, enhance its visibility in the colour coated sheet segment and strengthen its marketing team to address a wider geographic footprint.

### The superior value of Manaksia's colour coated steel products

- Attractive appearance; enhances the beauty of houses
- High durability compared to galvanised corrugated sheets
- Reflects heat, which helps reduce indoor temperature

## Big numbers

10

%, Manaksia Steels' market share of colour coated sheets from among secondary flat steel manufacturers in the regions of the Company's presence in FY 2021-22

15

%, Manaksia Steels' market share of galvanised sheets from among secondary flat steel manufacturers in the regions of the Company's presence in FY 2021-22

38.68

%, share of colour coated sheet revenues in FY 2021-22

49.62

%, share of galvanised steel revenues in FY 2021-22

# THE SOUL OF MANAKSIA STEEL

## EMPLOYEES RELATE THEIR EXPERIENCE OF WORKING WITH THE COMPANY

"The speed at which the Company has digitalised is incredible. This has eliminated extensive paperwork, loss of documents in transit and replaced numerous visits to government departments with seamless engagement."

**Ajit Kumar Gupta,**  
 Senior Manager, Exports

"I joined Manaksia Steel as a fresher in 1993 and since then I never thought of leaving this company due to the collaborative engagement of colleagues and a professional working environment. This is a professional, yet personalised, company that has empowered me with the knowledge and confidence to address complex issues."

**Amitava Goswami,**  
 Senior Manager, Imports

"The management always appreciates for our efforts regardless of the outcome. Being appreciated enhances our motivation. Years ago, once I was critically ill and couldn't attend office for several months, the management stood by my side during that tough period."

**Rishi Sharma,**  
 Marketing Manager

"We treat the entire work force as a member of our extended Manaksia family. I always find the Board of Directors beside me with guidance during any crisis and is accessible from anywhere-anytime. This encourages me to do my best all the time."

**Indrajit Guha,**  
 Plant Head, Haldia Factory

"I have worked with this management for 38 years and never felt the need to explore better career opportunities. The management cares for its people and catalyses their personal and professional advancement."

**Prabir De,**  
 Purchase Manager

"The Company provides a family culture where each person is supportive. We try to help in each other's problems, professional or personal."

**Narayan Kabra,**  
 Assistant Manager, Accounts

"A few years ago I was critically ill and couldn't perform my duties. My company stood beside me during the crisis and empowered me to work from home. This is the culture that enhances employee retention at the Company."

**Ajay Sharma,**  
 Company Secretary



# ESG: THE CORE OF MANAKSIA STEELS'S PERSONALITY

## Overview

The magic abbreviation being increasingly used the world over to appraise and filter companies is 'ESG'. ESG has emerged as a litmus test being used by analysts, opinion makers, governance agencies, media,

communities and bankers to appraise the quality of corporate managements. This has helped extend the appraisal discipline beyond the Balance Sheet; in a number of instances, this appraisal has been extended

backwards to ESG with the perspective that soon the effects of high/low compliance will inevitably translate to the Balance Sheet.

## So what is ESG?

At one level, ESG is the abbreviated form of Environment-Social-Governance. The environment segment of the business addresses the various initiatives taken by the Company to moderate its carbon footprint through a more responsible utilisation of finite resources coupled with extensive compliances. The Social component of ESG comprises a mix of the Company's relationships – with vendors (land, capital equipment and raw materials), employees, customers and communities. The Governance

component comprises a review of how the Company intends to manage its business, comprising an understanding of processes, practices and systems.

The combination of E, S and G covers virtually every relevant aspect of a operations of the Company critical to its sustainability. There is a growing recognition that even a company beginning to respect ESG standards is on a journey towards a global benchmark and likely to be evaluated favourably

anywhere in the world.

However, there is a contribution of ESG that extends beyond compliance. There is a practical and business-relevant perspective as well. In a world marked by Black Swans, robust governance makes it possible to shorten downcycles coupled with extended up-cycles, enhancing stakeholder confidence and shareholder value.

## Manaksia and ESG

At Manaksia Steels, environment-social-governance (ESG) is particularly critical as the product needs to be built with inputs derived from nature directly or indirectly and any deviation from the mean or perceived irresponsibility can affect respect or market position.

The environment component at our Company ensures that our business consumes environmentally responsible

resources, consumes only as much as is moderately needed, recycles waste, consumes moderate fossil fuels and builds resistance to climate change.

The social component addresses the need to invest in employees, vendors, customers and community engagement, a framework of relationships that protects the Company from unexpected supply or demand or production shocks.

The Company's commitment to governance comprises the articulation of business strategy, values, codes of conduct, Board responsibilities and composition as well as the organisational commitment to UNGC principles.

## OUR SOCIAL RESPONSIBILITY

## Environment initiatives



- The Company installed a 1 MW solar plant as a pilot project at its Haldia plant
- The Company intends the use of the relatively clean LPG over high sulphur liquid fuel
- The Company produces an environment friendly product that can be recycled
- The Company is in compliance with all environment-related statutory norms.

## Social initiatives



- The Company provided free vaccination to its entire workforce and family members
- The Company facilitated the distribution of free masks and hand sanitisers
- The Company provided a work-from-home convenience to employees
- The Company developed standard operating protocols to enhance employee safety
- The Company trained workers related to safety measures

## Governance initiatives



- The Company appointed experienced Directors on the Board with more than 50% of the Directors being Independent
- The Company implemented the Whistleblower mechanism that enabled employees to report concerns to the Chairman of the Audit Committee.
- The Company addressed investor complaints in time.
- The Company encourages auditors to engage in a real-time internal audit; it submitted quarterly audit reports to the Audit Committee and Board along with an Action Taken report.
- The Company framed necessary policies stipulated by the Companies Act and SEBI
- Listing Regulations and the endeavors to implement policies
- A separate meeting of the Independent Directors is held every year inter alia to evaluate the performance of individual Directors and the Board
- The Board was updated about the latest statutory and regulatory amendments issued by various government departments.
- The Company maintained transparent shareholder communication and price-sensitive information was provided to shareholders through announcements filed with the stock exchanges

## Overview

Manaksia Steel engages in various corporate social responsibility activities. The Company provided preference to the local areas around which it operates. Over the years, the Company contributed in education, health care and livestock development through its CSR programmes.

**Friends of Tribal Society (FTS):** FTS is a non-government and voluntary organisation committed to the uplift of underprivileged rural and tribal masses. It provides functional literacy,

health care / arogya, development education / gramathan, empowerment, ethics & value education / sanskar. FTS runs about 100,000 Ekal Vidyalayas (one teacher school). Manaksia has sponsored around 330 such Ekal Vidyalayas.

## Girl child education

Manaksia Steel believes that girl child education prioritises economic and social upliftment. The Company makes an annual contribution towards girl child education.



## Global economic review

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to the increased vaccination rollout, the world over and a revival in economic activity based on catch-up consumption.

The global economy was affected by prohibitive shipping freight rates, a

shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

## Performance of major economies

### United States

The country reported a GDP growth of 5.7% in 2021 compared to a de-growth of 3.4% in 2020, following the government's investment of trillions of dollars in COVID relief.

### China

The country's GDP grew 8.1% in 2021 compared to 2.3% in 2020 despite it being the novel coronavirus epicentre.

### United Kingdom

The country's GDP grew 7.5% in 2021 compared to a 9.9% de-growth in 2020.

### Japan

The country reported a growth of 1.7% in 2021 following a contraction in the previous year.

### Germany

The country reported a GDP growth of 2.9% in 2021 compared to a decline of 4.9% in 2020.

(Source: World Bank, IMF, Business Standard, Times of India)



## Indian economic overview

The Indian economy reported an attractive recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3% in FY 2020-21 to a growth of 8.7% in FY 2021-22. By the close of

FY 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (except China), its population is around 1.40 Billion, the second most

populous in the world and its rural under-consumed population, arguably the largest in the world.

### Y-o-Y growth of the Indian economy

	FY19	FY20	FY21	FY22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

### Growth of the Indian economy, 2021-22

	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (%)	20.1	8.4	5.4	4.1

The country's manufacturing sector grew an estimated 12.5%, the agriculture sector grew by 3.9%, mining and quarrying grew by 14.3%, construction grew by 10.7% and electricity, gas and water supply grew by 8.5% in FY 2021-22.

There were positive features of the Indian economy during the year under review.

Foreign direct investments (FDI) in India increased by 15% to USD 74.01 Billion in 2021 from USD 87 Billion in 2020, a validation of global investing confidence in India's growth story. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in the Union Budget 2021-22.

India surpassed the ₹88,000 Crore target set for asset monetisation in FY 2021-22, rising over ₹97,000 Crore with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year ₹6 Lakh Crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railway station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railway stadiums, airports, projects in major ports, coal

mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received USD 87 Billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of USD 642.45 Billion as on 3rd September, 2021, crossing USD 600 Billion in forex reserves for the first time.

India's currency weakened 3.59% from ₹73.28 to ₹75.91 to a US dollar through FY 22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 Lakh Crore, which is 15% higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹51,000 Crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market

capitalisation of USD 3.21 Trillion in March 2022.

The fiscal deficit was estimated at ₹15.91 Trillion for the year ending 31st March, 2022 on account of higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹1.29 Lakh in FY 2020-21 to ₹1.50 Lakh in FY 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹27.07 Lakh Crore in FY 2021-22 compared with a budget estimate of ₹22.17 Lakh Crore. While direct taxes increased 49%, indirect tax collections increased 30%. The tax-to-GDP ratio jumped from 10.3% in FY21 to 11.7% in FY 2021-22, the highest since 1999.

Retail inflation in March at 6.95% was above the RBI's tolerance level of 6% but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month. (Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

## Indian economic reforms and Budget 2022-23 provisions

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasising the role of PM gatishakti, inclusive development, productivity enhancement & investment, sunrise opportunities, energy transition and

climate action, as well as financing of investments.

The capital expenditure target of the Indian government expanded by 35.4% from ₹5.54 Lakh Crore to ₹7.50 Lakh Crore. The effective capital expenditure for FY 2022-23 is seen at ₹10.7 Lakh Crore. An outlay of ₹5.25 Lakh Crore

was made to the Ministry of Defence, which is 13.31% of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly ₹20,000 Crore was made for the PM Gati Shakti National Master Plan to catalyse the

infrastructure sector. An expansion of 25,000 kilometer was initiated for FY 2022-23 for the national highways network. To boost the agricultural sector, an allocation of ₹2.37 Lakh Crore was made towards the procurement of wheat and paddy under the MSP operations. An outlay of ₹1.97 Lakh Crore was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

## Outlook

The Indian economy is projected to grow by around 7% in FY 2022-23 following inflation impact and higher interest rates. Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should be about ₹5 Trillion. Besides, the government's production

linked incentives (PLI)-led capex should generate an incremental ₹1.4 Trillion in sectors like consumer durables, pharmaceuticals and automobiles. These realities are likely to ensure sustained national growth across the foreseeable future.

## Indian steel industry review

India manufactured 120 Million tonnes of steel during FY 2021-22, growing by 18% compared to the last fiscal year. The growth in the Indian steel sector was fueled by growing consumer demand, domestic availability of raw materials such as iron ore and cost-effective labour. Steel consumption in the country stood at 106 Million tonnes during the year under review. India exported finished steel totaling 13.5 Million tonnes worth ₹1 Lakh Crore in FY 2021-22.

India became the only country among the top 10 steel manufacturing nations globally to have enhanced steel

production between January to March 2022 compared to the same period in the previous year. India produced 31.9 Million tonnes of steel, a growth of 5.9% during this period. Out of this, 10.9 Million tonnes of steel was produced only in March 2022 with a growth rate of 4.45% over the corresponding period last year.

According to the National Steel Policy 2017, the government has set a goal to increase the country's crude steel production output to 300 Million tonnes by 2030. The policy intends to ramp up the domestic per capita

steel consumption to 160 kilogram by 2030. Amid concerns of global and demand uncertainties, the Indian steel sector is expected to remain firm on account of robust domestic demand from government and private sector. However, India Ratings and Research has maintained a 'neutral outlook' on the steel sector for FY 2022-23 due to high raw material inflation that would result in higher prices and reduction of volume and margin. (Source: Economic Times, Business Standard, SP global)

## Government initiatives

- The production-linked incentive (PLI) scheme for specialty steel was approved by the Union cabinet. The scheme is expected to attract investment worth ₹400 Billion and expand steel capacity by 25 Million tonnes till FY 2026-27.
- The government signed a MoU with Russia to carry out R&D in the steel sector and produce coking coal (used in steelmaking).
- The government signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government

of Japan, to strengthen the steel sector through joint activities under the framework of India-Japan steel dialogue.

- The Government plans to invest USD 70 Million in the eastern region of the country through rapid development of the steel sector.
- The government allocated ₹47 Crore (USD 6.2 Million) to the Ministry of Steel under the Union Budget 2022-23.
- The Government approved the National Steel Policy (NSP) 2017 with the goal to

create a globally competitive steel industry in India.

- The Ministry of Steel established an industry-driven Steel Research and Technology Mission of India (SRTMI) along with the public and private sector steel companies to spearhead research and development activities.
- The Government of India increased import duty on most steel items twice by 2.5% and measures like anti-dumping and safeguard duties on iron and steel items were imposed.

## SWOT analysis

### Strengths

- Substantial availability of iron ore and other minerals
- Experienced manpower and low per unit labour cost
- Increasing demand during post pandemic period

### Weaknesses

- High cost of capital
- Reduced labour productivity
- High cost of basic inputs
- High social costs
- Poor quality of basic infrastructure
- Unorganised distribution network

### Opportunities

- Low per capita consumption
- Growing rural market
- Governments thrust on infrastructure development
- Affordable international market penetration

### Threats

- Slow industrial growth
- Technological evolution
- Substitution from aluminum and plastics
- Extended Russia-Ukraine war

## Company review

Manaksia Steels Limited is a multi-location, multi-product, light engineering company in the field of metal products and metal formation. The Company has been engaged in various manufacturing activities since 2014-15; its core

manufacturing activity is to produce steel flat products like cold rolled steel sheets, galvanised steel sheets and color coated sheets. The major products of the Company include cold rolled steel sheets and coils (5.94% of revenues

in FY 22), galvanised steel sheets and coils (49.62% of revenues in FY 22) and colour coated steel sheets and coils (38.68% of revenues in FY 22).

## Financial review

**Revenues:** Revenue from operations reported a 30% growth from ₹387.96 Crore in 2020-21 to reach ₹504.52 Crore in 2021-22. Other income of the Company reported a 38.40% growth and accounted for a 1.60% share of the Company's revenues, reflecting the Company's dependence on its core business operations.

**Expenses:** Total expenses increased by 29.28% from ₹360.24 Crore in 2020-21 to ₹465.72 Crore due to the increased scale of operations and investments made in the future. Raw material cost, accounting for a 77.42% share of the Company's revenues increased by 34.20% from ₹295.81 Crore in 2020-21 to ₹396.98 Crore in 2021-22 owing to an increase in

the operational scale. Employees expenses accounting for a 2.57% share of the Company's revenues increased by 6.82% from ₹12.33 Crore in 2020-21 to ₹13.17 Crore in 2021-22.

## Key ratios

Particulars	2021-22	2020-21
EBITDA/turnover (%)	9.32	8.70
EBITDA/net interest ratio (x)	58.21	29.65
Debt-equity ratio	0.03	0.29
Return on net worth (%)	12.42	9.56
Book value per share (₹)	39.29	33.37
Earnings per share (₹)	4.51	3.00
Debtors turnover ratio	28.37	13.09
Inventory turnover (days)	65	86
Interest coverage ratio (x)	51.24	24.60
Current ratio (x)	6.17	1.42
Net profit margin (%)	5.86	5.07

## Internal control systems and their adequacy

The Company has a strong internal control procedures in place that commensurates with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information through SAP, compliance with all applicable laws and regulations and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

## Human resources

Manaksia Steel's human resource practices helped reinforce market leadership. The Company invested in formal and informal training as well as on-the-job learning. It emphasised engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management. The Company creates leaders from within, strengthening prospects. The Company's employee strength stood at 176 as on 31st March, 2022.

## Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments.



# RISK MANAGEMENT

## Economic risk

Economic slowdown might hamper steel industry growth

### Mitigation

The Indian economy grew by 8.7% in 2021-22, rebounding from the sharp contraction of 7.3% in 2020-21. The Company intends to capitalise on the macroeconomic opportunities and headroom of growth available in the steel sector on account of low per capita consumption figures.

## Currency volatility risk

Volatile forex movements can affect profitability in case of product exports and imports.

### Mitigation

The Company protected the receivables & payables through timely and effective hedging to mitigate the risk

## Employee risk

The steel industry is marked by high attrition levels and inability to attract skilled professionals

### Mitigation

Nearly 70% of the employees were associated by the Company for more than five years. The retention of senior management executives stood at 100% in FY 2021-22

## Funding risk

Inability to fund its capex would affect the business operations of the Company

### Mitigation

The Company possesses surplus funds; capex is funded largely from accruals, minimising external risk.

## Competition risk

Entry of new players might affect the market share of the Company.

### Mitigation

The Company is increasing its production to gain market share by introducing cost effective value added products. The Company intends to mitigate this challenge by enhancing its penetration across new geographies and acquire new customers while increasing wallet share with existing customers.

## Quality risk

Decline in product quality might hamper the Company's brand and revenues

### Mitigation

The Company's operations are marked by stringent quality norms stated by customers or quality agencies and certifications (ISO 9001:2015). The Company is registered with Bureau of Indian Standard and produces all its products with ISI marks.

# Corporate Information

## Corporate Identity Number:

L27101WB2001PLC138341

## Directors

**Mr. Varun Agrawal** – *Managing Director*

DIN : 00441271

**Mr. Suresh Kumar Agrawal** - *Non Executive Director*

DIN : 00520769

**Dr. Kali Kumar Chaudhuri** - *Independent Director*

DIN : 00206157

**Mr. Ajay Kumar Chakraborty** - *Independent Director*

DIN : 00133604

**Mr. Ramesh Kumar Maheshwari** - *Independent Director*

DIN : 00545364

**Mr. Mrinal Kanti Pal** - *Non Executive Director*

DIN : 00867865

**Mrs. Nidhi Baheti** - *Independent Director*

DIN : 08490552

## Chief Executive Officer

**Mr. Vineet Agrawal**

## Company Secretary

**Mr. Ajay Sharma**

## Chief Financial Officer

**Mr. Rajesh Singhania**

## Auditors

Agrawal Tondon & Co.

## Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.

Vaishno Chambers, 6 Brabourne Road,

Room No.502 & 503,

5th Floor, Kolkata - 700001

## Registered Office

Turner Morrison Building,

6 Lyons Range, 1st Floor, Kolkata – 700001

## Bankers

Axis Bank Limited

HDFC Bank Limited

IDBI Bank Limited

IndusInd Bank Limited

Yes Bank Limited

# Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 21st (Twenty First) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2022.

## FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2021-22	2020-21	2021-22	2020-21
<b>Total Income</b>	<b>51274.85</b>	<b>39399.18</b>	<b>61915.58</b>	<b>51154.59</b>
<b>Profit Before Tax (PBT)</b>	<b>4058.69</b>	<b>2685.95</b>	<b>4893.43</b>	<b>3440.62</b>
Less: Tax Expenses				
- Current Tax	1065.50	700.00	1156.34	760.88
- Deferred Tax	37.21	17.46	205.36	25.41
<b>Profit for the period</b>	<b>2955.98</b>	<b>1968.49</b>	<b>3531.73</b>	<b>2654.33</b>
<b>Other Comprehensive Income / (Loss)</b>	<b>924.19</b>	<b>572.50</b>	<b>791.06</b>	<b>510.38</b>
<b>Total Comprehensive Income for the period</b>	<b>3880.17</b>	<b>2540.99</b>	<b>4322.79</b>	<b>3164.71</b>
Balance brought forward from previous year	8393.12	5852.12	8809.63	5644.91
Total Amount available for appropriation	12273.29	8393.11	13132.42	8809.62
<b>Appropriations:</b>				
Transfer to General Reserve	-	-	-	-
Surplus Carried to Balance Sheet	12273.29	8393.11	13132.42	8809.62
<b>Total</b>	<b>12273.29</b>	<b>8393.11</b>	<b>13132.42</b>	<b>8809.62</b>

## STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Kindly refer to 'Management Discussion and Analysis Report' which forms a part of this Annual Report.

## CHANGES IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company during the year under review.

## DIVIDEND

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its future and therefore do not propose any dividend for the Financial Year ended 31st March, 2022.

No amount was required to be transferred to Investor Education and Protection Fund (IEPF) during the period under review.

## TRANSFER TO RESERVES

The Board did not propose any amount for transfer to General Reserve.

## CHANGES IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2022 stood at Rs. 655.34 Lacs. During the year under review, the Company has not issued any further shares.

## DETAILS PERTAINING TO SHARES IN SUSPENSE ACCOUNT

Details of shares held in the demat suspense account as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as

amended (hereinafter referred to as "Listing Regulations") forms a part of the Corporate Governance Report.

## DETAILS UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013 (HEREINAFTER REFERRED TO AS 'THE ACT') IN RESPECT OF ANY SCHEME OF PROVISIONS OF MONEY FOR PURCHASE OF OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES

There were no such instances during the year under review.

## OPERATIONS AND BUSINESS PERFORMANCE

The Financial Year 2021-22 was very volatile and volume and price were also unstable. However, the operation of the Company at standalone level has grown by 25% and at the consolidated level by 20%. The standalone profit has also gone up by 50% compared to last fiscal. The Company was able to get hold of its market share due to its brand value created over the years for quality and durability of its products. The market is slowly but steadily shifting towards colour coated from galvanized sector. The end users also prefer steel roofing sheets compared to asbestos considering the health hazards. During the FY 2022-23, the management is exploring the possibility of increasing capacity utilization in the colour coated segment and it is expected that the Company can see a growth both in the top and bottom line. The management is also focusing on using the non-conventional source of energy and a solar plant of 1 mw capacity as a pilot project has been installed in the plant. In coming years, the Company is focusing on increasing the utilization of environment friendly LPG and Solar Energy.



Further, the details of operation and business performance of the Company has been elaborated in the 'Management Discussion and Analysis Report' forming part of this Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Para B to Schedule V of the Listing Regulations forms part of this Annual Report.

## DETAILS RELATING TO MATERIAL VARIATIONS

The Company has not issued any prospectus or letter of offer during the last five years and raised no money from public and as such the requirement for providing the details relating to material variation is not applicable to the Company for the year under review.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no material change and commitment of the Company during the period between the end of the financial year 2021-22 and the date of this report which can affect the financial position of the Company for the year under review.

## EXTRACT OF ANNUAL RETRUN

Pursuant to Section 92(3) and 134(2)(a) of the Act, draft Annual Return in Form MGT-7 has been uploaded on the website of the Company and the web link thereto is [https://www.manaksiasteels.com/pdf/MGT-7\\_FY 2021-22](https://www.manaksiasteels.com/pdf/MGT-7_FY 2021-22).

The final Annual Return in Form MGT-7 will be filed with the MCA, as per the provisions of the Companies Act, 2013 shall also be uploaded on the website of the Company.

## CORPORATE GOVERNANCE REPORT

The Company follows the corporate governance guidelines and best practices sincerely, and discloses timely and accurate information regarding the operations and performance of the Company.

Pursuant to Regulation 34 read with Para C to Schedule V of the Listing Regulations, a Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company confirming compliance with the conditions of the Corporate Governance is forming part of this Directors' Report and marked as **Annexure-"A"**.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The details of number of meetings of the Board of Directors of the Company held during the year have been provided in the Corporate Governance Report forming part of this Directors' Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls (IFC) and compliance systems established and maintained by the Company,

work performed by the internal auditors, statutory auditors, cost auditors, secretarial auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's IFC were adequate and effective during Financial year 2021-22.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors of the Company, to the best of its knowledge and ability, confirms that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had 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 as at the end of the financial year 2021-22 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts had been prepared on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Changes in Directors and Key Managerial Personnel

During the year under review, Mr. Varun Agrawal, Managing Director of the Company has been re-appointed for a further period of three years w.e.f. 11th February, 2022 and the same has been approved by the shareholders through postal ballot e-voting. Except as stated above, there has been no change in the composition of Board of Directors of the Company.

### Retirement by Rotation

In accordance with the provision of Section 152 of the Act read with Article 87(1) of the Articles of Association of the Company, Mr. Suresh Kumar Agrawal (DIN: 00520769), Director, is liable to retire by rotation at the ensuing 21st Annual General Meeting and being eligible, offer himself for re-appointment.

### Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

All the Independent Directors of the Company have registered themselves with the Independent Directors' Data Bank maintained by the Indian Institute of Corporate Affairs. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two years from the date of inclusion of their names in the data bank unless they fall within the exempted category. The Independent Directors who were not falling within exempted category have qualified the online self-assessment proficiency. In the opinion of the Board, all the Independent Directors of the Company possesses requisite integrity, expertise and experience.

## SECRETARIAL STANDARDS

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standard-1 (SS-1) on 'Meeting of the Board of Directors' and Secretarial Standard-2 (SS-2) on 'General Meeting' and both the Secretarial Standards have been approved by the Central Government under section 118(10) of the Act. Pursuant to the provisions of section 118(10) of the Act, it is mandatory for the company to observe the secretarial standards with respect to the Board Meeting and General Meeting. The Company has adopted and followed the set of principles prescribed in the respective Secretarial Standards for convening and conducting Meetings of Board of Directors, General Meeting and matters related thereto. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

## STATUTORY AUDITOR AND AUDITORS' REPORT

Agrawal Tondon & Co., Chartered Accountants, (Firm Registration No. 329088E) had been appointed as Statutory Auditors of the Company at the 18th Annual General Meeting (AGM) of the Company held on 25th September, 2019, for a period of five consecutive years to hold office from the conclusion of the 18th AGM till the conclusion of the 23rd AGM of the Company on such remuneration as may be determined by the Board of Directors based on the recommendation of the Audit Committee and mutually agreed by the Statutory Auditors, in addition to the reimbursement of out-of-pocket expenses, as may be incurred by them for the purpose of audit.

There is no observation (including any qualification, reservation, adverse remarks or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. The specific notes forming part of the accounts referred to in Auditor's Report are self-explanatory and give complete information.

## SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of the Listing Regulations, the Board of Directors of the Company had appointed MKB & Associates, Practicing Company Secretaries, Kolkata as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year 2021-22.

## SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in Form MR-3 as given by the Secretarial Auditors for the financial year ended 31st March, 2022, forms a part of the Directors' Report and marked as **Annexure- "B"**.

As detailed in the previous year's Directors Report, BSE Limited and National Stock Exchange of India Limited had imposed fine upon the Company for non compliance with Regulation 17(1) of the Listing Regulations. The Company had paid fine, rectified the unintentional default and filed application before relevant committees of the respective Stock Exchanges for waiver of fine. National Stock Exchange of India Limited, based on the Company's application has waived the fine and refunded the fine amount. BSE Limited, based on the Company's application has also waived the fine for March, 2019 quarter.

The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances. There are no observations (including any qualifications, reservations, adverse remarks or disclaimer) of the Secretarial Auditors in their Audit Report that may call for any explanations from the Director's of the Company.

The Company has appointed Bajaj Todi & Associates, Practicing Company Secretaries, Kolkata to carry out necessary audit in terms of Regulation 24A of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019. The Annual Secretarial Compliance Report received from Bajaj Todi & Associates was placed before the Board and had been filed with the Stock Exchanges where the Securities of the Company are listed.

## COST AUDITORS

Pursuant to the requirement of Section 148 of the Act, cost audit is applicable on your Company for manufacturing items covered under Rule 3 of the Companies (Cost Records and Audit) Rules, 2014. The Board of Directors of your Company on the recommendation of the Audit Committee had appointed B. Mukhopadhyay & Co, Cost Accountants, Kolkata, as Cost Auditors of the Company for the Financial Year 2021-22. As required under the Act, the remuneration payable to the Cost Auditors for FY 2021-22 was ratified by the shareholders in the AGM held on 21st September, 2021.

The Board, pursuant to the provisions of Section 148 of the Act, read with Companies (Cost Records and Audit) Rules, 2014 has re-appointed M/s B. Mukhopadhyay & Co, Cost Accountants, Kolkata, as the Cost Auditors of the Company for the Financial Year 2022-23 and accordingly, a resolution for seeking Members ratification for the remuneration payable to the Cost Auditors for the FY 2022-23, would be placed before the forthcoming 21st AGM of the Company. The Cost Auditors are expected to file the cost audit report with Central Government within the specified period.

## FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Act to the Audit Committee or the Board of Directors during the financial year under review.

## DISCLOSURE ON EMPLOYEE STOCK OPTION/ PURCHASE SCHEME

During the year under review, your Company has not provided any employee stock option / purchase scheme.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The full particulars of the loans given, investments made, guarantees given or security provided and the purpose for which the loan or investment or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Act are provided in the notes to the Financial Statements (Refer note no. 4 and 8)

## PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES

In compliance with the provisions of the Act and the Listing Regulations, Related Party Transactions (RPTs) were placed before the Audit Committee for approval. Omnibus approval of the Audit Committee was obtained on an yearly basis for the transactions which are foreseen and repetitive in nature. The transactions pursuant to the omnibus approval so granted, were reviewed periodically and a detailed quarterly statement of all Related Party Transactions duly certified by the Chief Financial Officer of the Company was placed before the Audit Committee. The policy on RPTs, as approved by the Board, is available on the Company's website at <http://www.manaksiasteels.com> and the weblink thereto <http://www.manaksiasteels.com/upload/media/corporate-policies/Policy-on-Related-Party-Transactions.pdf>

During the year under review, all RPTs were on Arm's Length Price basis and in the Ordinary Course of Business. The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act in the prescribed Form AOC-2, forms part of this Annual Report.

There was no other material RPT entered into by the Company with Promoters, Directors, KMPs or other designated persons during the FY 2021-22.

In compliance with the requirements of Regulation 23 of Listing Regulations and the Act shareholders' approval shall be taken for material related party transactions to be entered into by the Company and/or its subsidiaries during the FY 2022-23.

There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnels (KMPs), which have potential conflict with the interest of the Company at large.

## PARTICULARS OF LOANS/ADVANCES/INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR AS REQUIRED UNDER SCHEDULE V OF THE LISTING REGULATIONS

The details of related party disclosures with respect to loans/ advances/ investments at the year end and maximum outstanding amount thereof during the year as required under Para A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company (Refer note no. 36).

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

The details required pursuant to the provisions of Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo forms part of this Directors Report and marked as **Annexure- "C"**.

## RISK MANAGEMENT SYSTEM

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

The Company has structured Risk Management System, designed to safeguard the organization from various risks through adequate and timely actions. The Company manages, monitors and reports on its risks and uncertainties that can impact its ability to achieve its objectives. The major risks have been identified by the Company and its mitigation process/measures have been formulated.

## AUDIT COMMITTEE

The Company pursuant to the provisions of Section 177 of the Act read with Regulation 18 of the Listing Regulations, has in place an Audit Committee. The Committee focuses on certain specific areas and makes informed decisions in line with the delegated authority and function according to the roles and defined scope. The details of composition, terms of reference and number of meetings held for the Committee is provided in the Corporate Governance Report.

There were no such instances wherein the Board had not accepted recommendation of the Audit Committee.

## NOMINATION AND REMUNERATION COMMITTEE

The Company pursuant to the requirement of provisions of Section 178(1) of the Act read with Regulation 19 of the Listing Regulations has in place the Nomination and Remuneration Committee. The details of composition, terms of reference and number of meetings held for the Committee is provided in the Corporate Governance Report.

The Company, pursuant to provisions of Section 178 of the Act and Regulation 19 read with Para A of Part D of Schedule II of the Listing Regulations, upon recommendation of Nomination and Remuneration Committee has devised a Remuneration Policy applicable to all Executives of the Company i.e. Directors, Key Managerial Personnels and Senior Management. The said policy forms part of this Director's Report and marked as **Annexure- "D"**.

There were no such instances wherein the Board had not accepted recommendation of the Nomination and Remuneration Committee.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

As required by the provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, the Company has in place the Stakeholders Relationship Committee. The details of

composition, terms of reference and number of meetings held for the Committee is provided in the Corporate Governance Report.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee (hereinafter referred to as "CSR Committee") in accordance with Section 135 of the Act and Rules made thereunder. The composition and the detailed terms of reference of the CSR Committee are provided in the Corporate Governance Report. The CSR activities are *inter-alia*, focused on Improving Literacy among Rural Tribal People and Promoting Education.

The report on CSR activities pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of this Director's Report and marked as **Annexure-"E"**.

The Company has formulated CSR Policy indicating the activities to be undertaken by the Company. The Policy has also been uploaded on the Company's website and the weblink thereto is: <https://www.manaksiasteels.com/upload/media/corporate-policies/Corporate-Social-Responsibility-Policy.pdf>

There were no such instances wherein the Board had not accepted recommendation of the CSR Committee.

## DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted Internal Complaint Committee in compliance with the provisions of Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Any employee may report the complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review, adequate access was provided to any complainant who wished to register a complaint. During the year, the Company has not received any complaint on sexual harassment.

## ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations read with the Guidance Note on Board Evaluation of SEBI dated 5th January, 2017, the NRC Committee has laid down the criteria for performance evaluation, in a structured questionnaire form after taking into consideration various aspects of the Boards functioning, composition of the Board and its Committees, culture, execution, diligence, integrity, awareness and performance of specific laws, duties, obligations and governance, on the basis of which, the Board has carried out the Annual Evaluation of its own performance, the performance of Board Committee and of Directors individually, by way of individual and collective feedback from Directors. Further, pursuant to para VII of Schedule IV of the Act and provisions

of the Listing Regulations, the Independent Directors of the Company, without participation of Non-Independent Directors and Members of Management, convened a separate meeting on 16th June, 2021, to *inter-alia* perform the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Assess 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 criteria for evaluation are briefly provided below:

The review of performance of Non-Independent Directors was done, after discussing with them on various parameters, such as, skill, competence, experience, degree of engagement, ideas & planning, etc. The Board performance was reviewed on various parameters, such as, adequacy of the composition of the Board, Board culture, appropriateness of qualification & expertise of Board Members, process of identification and appointment of Independent Directors, inter-personal skills, ability to act proactively, managing conflicts, managing crisis situations, diversity in knowledge and related industry expertise, roles and responsibilities of Board members, appropriate utilization of talents and skills of Board Members, etc. The evaluation of Independent Directors has been done by the entire Board of Directors which includes performance of the Directors and fulfillment of the independence criteria and their independence from the Management as specified in the Listing Regulations.

The Board of Directors of the Company expressed their satisfaction towards the process of review and evaluation of Board, its Committees and of Individual Directors during the year under review and also concluded that no further action is required based on the current year's observations.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of Listing Regulations, your Company is required to conduct Familiarization Programme for Independent Directors (IDs) to familiarize them about your Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of Listing Regulations, the Company is required to disseminate on its website, details of Familiarization Programme imparted to IDs including the details of:

- i) number of programmes attended by IDs (during the year and on a cumulative basis till date),
- ii) number of hours spent by IDs in such programmes (during the year and on a cumulative basis till date), and;
- iii) other relevant details.

Familiarization Programme undertaken for Independent Directors is provided at the following weblink: <https://www.manaksiasteels.com/pdf/Details%20of%20familiarisation%20programme%20imparted%20to%20Independent%20Directors%20during%20the%20FY%202021-22.pdf>



## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the details containing salient features of the Financial Statements of subsidiary companies/ associate companies/ joint ventures in Form AOC-1 forms a part of this Annual Report.

The details of performance of the Subsidiary Companies are as follows:

### Foreign Subsidiaries & Associates:

#### Technomet International FZE

This Company is a subsidiary of Manaksia Steels Limited. The Revenue of the Company during the year ended 31st March, 2022 stood at AED 26.06 Lacs (equivalent to Rs. 527.75 Lacs). During the said period the company had a net gain of AED 15.37 Lacs (equivalent to Rs. 311.34 Lacs).

#### Federated Steel Mills Ltd

This Company is a subsidiary of Technomet International FZE. The Revenue of the Company during the year ended 31st March, 2022 stood at Naira 55911.92 Lacs (equivalent to Rs. 10201.29 Lacs). During the said period the Company had a net gain of Naira 1581.57 Lacs (equivalent to a net profit of Rs. 288.56 Lacs).

#### Far East Steel Industries Ltd

This Company is a subsidiary of Technomet International FZE. There was no Revenue of the Company during the year ended 31st March, 2022.

#### Sumo Agrochem Ltd

This Company is a subsidiary of Technomet International FZE. The Revenue of the Company during the year ended 31st March, 2022 stood at Naira 9.56 Lacs (equivalent to Rs. 1.75 Lacs). During the said period the Company had a net loss of Naira 104.58 Lacs (equivalent to a net loss of Rs. 19.84 Lacs).

#### Metchem Resources Zambia Limited

This Company has become an Associate Company of the Company during the year under review. The Revenue of the Company during the year ended 31st March, 2022 was NIL. During the said period the Company had a net loss of ZMB 1.49 Lacs (equivalent to a net loss of Rs. 6.32 Lacs).

Except as stated hereinabove, the Company does not have any other subsidiary, joint venture or associate company and further, the Company has not formed any new Subsidiary, Joint Ventures or Associate and no existing company has ceased to be the Subsidiary, Joint Venture or Associate of the Company during the year.

## MATERIAL SUBSIDIARY COMPANIES

In accordance with Regulation 16(1)(c) of the Listing Regulations, material subsidiary shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Federated Steel Mills Limited is a material subsidiary of the Company. The Company has formulated a Policy for determining Material Subsidiaries in accordance with the Listing Regulations, and the said Policy for

determining Material Subsidiaries is available at the following weblink:

<https://www.manaksiasteels.com/upload/media/corporate-policies/Policy-for-determining-Material-Subsidiaries.pdf>

## DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year under review in terms of the provisions of Chapter V of the Act.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which may impact its going concern status and its operations in future.

## STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. 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. To commensurate the internal financial control with its size, scale and complexities of its operations, the Board based on the recommendation of the Audit Committee had appointed S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP (Previously S K Agrawal and co), (Firm Regn. No. E300272) as Internal Auditors of the Company.

The Audit Committee reviews the Report submitted by the Internal Auditors. The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems. In this regard, the Board confirms the following:

- a) Systems have been laid down to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
- b) Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and timely preparation of reliable financial information.
- c) Access to assets is permitted only in accordance with the management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with the terms of employment or except as specifically permitted.
- d) The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
- e) Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act and the Listing Regulations, the Company has framed a Whistle Blower Policy to establish a vigil mechanism for Directors and employees to report genuine concerns about actual or suspected unethical behavior, malpractice, wrongful conduct, discrimination, sexual harassment, fraud, violation of the Company's policies including Code of Conduct without fear of reprisal/retaliation. The Whistle Blower Policy/Vigil Mechanism has also been uploaded on Company's website and the weblink thereto is:

<https://www.manaksiasteels.com/upload/media/corporate-policies/Whistle-Blower-Policy.pdf>

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

During the Financial Year 2021-22, the Company has not made any application or proceeding which is pending under the Insolvency and Bankruptcy Code, 2016.

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

There was no one time settlement made with the Banks or Financial Institutions during the Financial Year 2021-22 and accordingly no question arises for any difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from Banks or Financial Institutions during the year under review.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosure pertaining to remuneration and other details as required under the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this Directors' Report and marked as **Annexure - "F"**

Details of employees of the Company drew remuneration in excess of the limits specified under the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in **Annexure - "F"** of the Annual Report.

## CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of the Act and Listing Regulations, the Consolidated Financial Statements of the Company and its subsidiaries are attached. The Consolidated Financial Statement has been prepared in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India and sets out the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiaries.

## ACKNOWLEDGEMENT

Your Company continues its relentless focus on strengthening competition in all its businesses. It is the endeavor of your Company to deploy resources in a balanced manner so as to secure the interest of shareholders in the best possible manner in short, medium and long terms.

Your Directors convey their grateful appreciation for the valuable patronage and co-operation received and goodwill enjoyed by the Company from its esteemed Customers, Commercial Associates, Banks, Financial Institutions, Central and State Government, various Government and Local Authorities, other stakeholders and the media.

Your Directors also wish to place on record their deep sense of appreciation to all the employees at all levels for their commendable team-work, professionalism and enthusiastic contribution towards the working of the Company.

Your Directors look forward to the future with hope and conviction.

**For and on behalf of the Board of Directors**

**Varun Agrawal** **Mrinal Kanti Pal**

*Managing Director* *Director*

Place: Kolkata

Date : 27th May, 2022

DIN: 00441271

DIN: 00867865

## Annexure – A

# Corporate Governance Report

Your Company has complied with the provisions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A report on the implementation of Corporate Governance by the Company as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below.

## Philosophy of the Company on Corporate Governance

The Company's philosophy on Corporate Governance is to ensure adoption of high standard of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and compliance with regulatory guidelines on Governance. The Company has adopted the principles of good Corporate Governance and is committed to adopt best relevant practices for Governance to achieve the highest levels of transparency and accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. As such the Company aims at always remaining progressive, competent and trustworthy, creating and enhancing value of stakeholders and customers to their complete satisfaction. The Company continues to focus its resources, strengths and strategies to achieve the core values of quality, trust, leadership and excellence.

## BOARD OF DIRECTORS

### Composition of the Board

As on 31st March, 2022, the Board comprised of seven directors of whom four are Independent Directors (including One Independent Woman Director), one is an Executive Director and two are Non-Executive Directors. The composition of the Board of Directors is in conformity with the Companies Act, 2013 (hereinafter referred to as "the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

### Number of Board Meetings held and attended by Directors

During the financial year 2021-22, five meetings of the Board of Directors of the Company were held and gap between any two consecutive meetings did not exceed 120 days. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The dates on which the Board meetings were held are 20th May, 2021, 16th June, 2021, 11th August, 2021, 11th November, 2021 and 14th February, 2022. The attendance record of each of the directors at the Board Meetings held during the year ended 31st March, 2022 and of the last Annual General Meeting is as under:

Name of the Directors	Category of Directors	Number of Board Meetings held during FY 2021-22	Number of Board Meetings attended during FY 2021-22	Whether attended AGM held on 21st September, 2021	Number of Directorship in other Public Limited Companies* (including this Company)		Number of Committee positions held in other Public Limited Companies** (including this Company)		Directorship in other Listed Companies	
					Chairperson of the Board	Board Member	Chairperson of the Committee	Committee Member	Name of the Listed Entity	Category of Directorship
Mr. Ajay Kumar Chakraborty DIN: 00133604	NEI	5	2	No	2	3	2	2	Manaksia Coated Metals & Industries Limited Manaksia Aluminium Company Limited	NEI/ Chairman NEI/ Chairman
Dr. Kali Kumar Chaudhuri DIN: 00206157	NEI	5	5	Yes	None	4	1	4	Duroply Industries Limited Manaksia Limited	NEI NEI
Mrs Nidhi Baheti# DIN: 08490552	NEI	5	3	Yes	None	3	None	3	Manaksia Limited	NEI
Mr. Mrinal Kanti Pal DIN: 00867865	NED	5	4	Yes	None	1	None	None	-	-
Mr. Suresh Kumar Agrawal DIN: 00520769	PD/ NED	5	5	Yes	None	3	None	1	Manaksia Limited	PD/MD
Mr. Varun Agrawal DIN: 00441271	PD/MD	5	5	Yes	None	3	None	2	-	-
Mr. Ramesh Kumar Maheshwari DIN: 00545364	NEI	5	5	Yes	None	3	None	4	Manaksia Limited	NEI

PD: Promoter Director; MD: Managing Director; NEI: Non-Executive Independent Director, NED: Non-Executive Director, WTD: Whole Time Director.

\* This excludes Directorship held in Indian Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Act.

\*\* Committee refers to Audit Committee and Stakeholders Relationship Committee.

# Appointed as Independent Director of the Company w.e.f. 16th June, 2021

None of the Directors hold Directorship in more than the permissible number of companies prescribed under the Act or Directorships / Membership / Chairpersonship of Board Committees as permissible under Regulations 25 and 26 of the Listing Regulations.

## Shares/ Convertible instruments held by the NEDs

The number of Shares held by Non-Executive Directors as on 31st March, 2022 is as follows:

Name of Non- Executive Directors	No. of Shares Held
Mr. Suresh Kumar Agrawal	1,23,50,360
Mr. Mrinal Kanti Pal	396

## Disclosures of relationships between Directors *inter-se*:

Mr. Suresh Kumar Agrawal and Mr. Varun Agrawal are relatives within the meaning of section 2(77) of the Act. None of the other directors of the Company, except the aforesaid, have any relationship *inter-se*.

## Independent Directors

The Company has ensured that the persons, who have been appointed as the Independent Directors of the Company, have the requisite qualifications and experience which they would continue to contribute and would be beneficial to the Company. In terms of requirement of Section 149(7) of the Act read with Rules made thereunder and Listing Regulations, all Independent Directors have given declaration that they meet the criteria of independence as stated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The requisite papers were placed before the Board. In the opinion of your Directors, the Independent Directors fulfil the conditions specified in the Listing Regulations and they are independent of the management. None of the Independent Directors of the Company have resigned during the Financial year 2021-22.

## Formal letter of Appointment

A formal letter of appointment of Independent Directors had been issued at the time of appointment/re-appointment. The terms and conditions of their appointment are disclosed on the website of the Company at the following weblink:

<http://www.manaksiasteels.com/upload/media/management-team/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>

## Performance Evaluation

### Board of Directors

As per the applicable provisions of the Act and Listing Regulations and based on the Guidance Note on Board Evaluation of SEBI dated 5th January, 2017, the Board carries out an annual evaluation of its own performance, as well as the working of its Committees. The Board works with the Committees to lay down the criteria for the performance evaluation. The contribution and impact of individual Directors is reviewed through a peer evaluation on parameters such as level of engagement and participation, flow of information, independence of judgement, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. Feedback-cum-assessment of individual Directors, the Board as a whole and its Committees is conducted. The feedback obtained are discussed in detail and, where required, independent and collective action points for improvement are put in place.

### Independent Directors

Performance evaluation of Independent Directors was done by the entire Board of Directors excluding the director being evaluated. On the basis of that evaluation the performance of the Independent Directors have been found satisfactory and the Board of Directors were of the view that the performance of the Independent Directors is beneficial for the Company. The parameters used by Board of Directors for the performance evaluation of Independent Directors *inter-alia* include:

- Roles and responsibilities to be fulfilled as an Independent Director;
- Participation in Board Processes

## Separate Meeting of the Independent Directors

During the Financial Year 2021-22, as per the requirement of Schedule IV of the Act and Listing Regulations, one separate meeting of Independent Directors was held on 16th June, 2021 without the presence of the Non-Independent Directors and the members of the management to discuss *inter-alia* the following:

- Performance of Non-Independent Directors and the Board as a whole; and
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## Familiarization Programme for the Independent Directors

The Company has organised a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the operation of the Company, its business, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis.

During the financial year 2021-22, on an ongoing basis as a part of Agenda of Board/ Committee Meetings, Independent Directors regularly discuss on various matters *inter-alia* covering the Company's and the businesses & operations of its subsidiaries, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of Familiarization Programme for Independent Directors is provided at the following weblink:

<https://www.manaksiasteels.com/pdf/Details%20of%20familiarisation%20programme%20imparted%20to%20Independent%20Directors%20during%20the%20FY%202021-22.pdf>

## Non-Executive Directors

Non-Executive Directors, including Independent Directors, play a crucial role in imparting balance to the Board processes by bringing independent judgement on issues of strategy, performance, resources, standards of Company's conduct etc.



## Expertise and Competency of the Board of Directors

The Board of Directors of the Company comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contribution to the Board and its Committees.

The Directors possess required skills / expertise / competencies as identified by the Board, for efficient functioning of the Company in the context of the Company's businesses and sectors are tabulated below:

Core skills/competencies/expertise	Mr. Varun Agrawal	Mr. Suresh Kumar Agrawal	Dr. Kali Kumar Chaudhuri	Mr. Ajay Kumar Chakraborty	Mr. Ramesh Kumar Maheshwari	Mr. Mrinal Kanti Pal	Mrs. Nidhi Baheti
Understanding of Business/Industry	√	√	√	√	√	√	√
Strategy and strategic planning	√	√	√	√	√	√	√
Critical and innovative thoughts	√	√	√	√	√	√	√
Financial understanding	√	√	√	√	√	√	√
Market understanding	√	√	√	√	√	√	√
Board Cohesion	√	√	√	√	√	√	√
Risk and compliance oversight	√	√	√	√	√	√	√

## Board Agenda

The meetings of the Board are governed by a structured agenda. The Agenda for the Board Meeting covers items set out as per the requirements of the Act and Listing Regulations to the extent these are relevant and applicable. The Managing Director and the Chairperson of the Meeting ensures that relevant issues are on the Board agenda and the Board is kept informed on all matters of importance. All agenda items are supported by relevant information and documents to enable the Board to take informed decisions. Members of the Senior Management are occasionally present in the meeting as special invitees, as and when required. The Notice and Agenda of each Board Meeting is given in advance to all Directors in compliance with the requirements of the Secretarial Standards.

## Information placed before the Board

Necessary information as required under statute and as per the guidelines on Corporate Governance are placed before the Board, from time to time. The Board periodically reviews compliances of various laws applicable to the Company and the items required to be placed before it. Draft minutes are circulated amongst the Directors for their comments within the period stipulated under the applicable law. The minutes of the proceedings of the meetings are entered in the Minutes Book and thereafter signed by the Chairperson of the meeting or by the Chairperson of the next meeting.

## Code of Conduct

The Company has adopted a "Code of Conduct" for Board Members and Senior Management of the Company. The Code anchors ethical and legal behaviour within the organisation. The Code is available on the Company's website at the following weblink:

<http://www.manaksiasteels.com/upload/media/corporate-policies/Code-of-Conduct-Board-Members.pdf>

All Board members and senior management executives have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is forming part of this Report.

Pursuant to the provisions of Section 149(8) of the Act, the Independent Directors shall abide by the provisions specified in Schedule IV to the Act, which lay down a code for Independent Directors. The said Schedule forms part of the appointment letter of the Independent Directors.

## WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Whistle Blower Policy provides for sufficient guard against any possible victimisation of Whistle Blower. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy of the Company is available on the Company's website at the following weblink, <http://www.manaksiasteels.com/upload/media/corporate-policies/Whistle-Blower-Policy.pdf>

## BOARD COMMITTEES

The Board of Directors of the Company play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as and when appropriate and required. The Company has five Board level committees:

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee
- e) Committee of Directors

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various committees. The minutes of all the Board and Committee meetings are placed before the Board and noted by the Directors present at the meetings. The role and composition of the Committees including the number of meeting(s) held and the related attendance during financial year 2021-22 are as follows:

#### Audit Committee

The Company has in place a qualified and independent Audit Committee. The terms of reference of the Audit Committee includes the powers as laid down in Regulation 18(2)(c) and role as stipulated in Regulation 18(3) of the Listing Regulations read with Section 177 of the Act. The Audit Committee also reviews the information as per the requirement of Regulation 18(3) of the Listing Regulations read with Section 177 of the Act.

The brief description of the terms of reference of the Audit Committee *inter-alia* includes the following:

- (a) Overview of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Review with the management, quarterly and annual financial statements before submission to the Board.
- (c) Review with the management, performance of the statutory and internal auditors and adequacy of Internal Control system.
- (d) Recommending to the Board, re-appointment of Statutory Auditors and the fixation of their Audit Fees.
- (e) Recommending to the Board, terms and conditions for appointment of Cost Auditor.
- (f) Discussion with the internal auditor on any significant findings and follow up thereon.
- (g) Review of related party transactions and transfer pricing.
- (h) Approval or any subsequent modification of transactions of the Company with related parties.
- (i) Scrutiny of inter-corporate Loans and investments.
- (j) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary, and
- (k) Generally all items listed in Part-C of Schedule-II of the Listing Regulations and Section 177 of the Act.

The Committee may in addition to above given functions, carry out any other functions as referred by the Board, from time to time, or referred by any statutory notification/ amendment or modification, as may be, applicable.

The Audit Committee is also provided with the following information on the Related Party Transactions (whenever applicable):

- (i) A statement of transactions with related parties in summary form in the ordinary course of business.
- (ii) Details of material individual transactions with related parties, other than with its wholly owned subsidiaries whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval, which are not in the ordinary course of business.

#### Composition

The composition of the Audit Committee is in accordance with the requirement of Regulation 18 of the Listing Regulations and Section 177 of the Act. All members of the Audit Committee have the ability to read and understand financial statements.

As on 31st March, 2022, the Committee comprised of Three Independent Directors and One Executive Director and the members of the Audit Committee elect one Independent Director among themselves as the Chairperson of the Committee in each meeting. The composition as on 31st March, 2022 consists of Dr. Kali Kumar Chaudhuri (Independent Director), Mr. Ramesh Kumar Maheshwari (Independent Director), Mrs. Nidhi Baheti (Independent Woman Director) and Mr. Varun Agrawal (Executive Director). The Company Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee meetings are also attended by Chief Financial Officer (CFO), representatives of Statutory Auditors, representatives of Internal Auditors and Senior Executives of the Company, if required.

#### Meetings and Attendance

Five Audit Committee Meetings were held during the Financial Year 2021-22. The dates on which the Audit Committee meetings were held are 20th May, 2021, 16th June, 2021, 11th August, 2021, 11th November, 2021 and 14th February, 2022. The details of the attendance of members are as under:

Name of the Members	No. of meetings during the financial year 2021-22	
	Held	Attended
Dr. Kali Kumar Chaudhuri	5	5
Mrs. Nidhi Baheti*	5	3
Mr. Varun Agrawal	5	5
Mr. Ramesh Kumar Maheshwari	5	5

There is no permanent Chairperson of the Audit Committee; all the members of the Audit Committee were present at the last Annual General Meeting held on 21st September, 2021.

\* Inducted in the Audit Committee w.e.f. 16th June, 2021

#### Nomination and Remuneration Committee

Pursuant to the requirement of provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has in place the Nomination and Remuneration Committee. The terms of reference of the Nomination and Remuneration Committee, *inter-alia*, includes the following:

- a) To lay down criteria to identify persons who are qualified to become Directors and may be appointed in senior management and to recommend to the Board their appointment and /or removal.

- b) To evaluate the balance of skills, knowledge and expertise required on the board of the Company and on the basis of such evaluation, prepare a description of the roles and capabilities required of an independent director in the Company, and to recommend an independent director on the basis of the same
- c) To evaluate performance of every Director.
- d) To formulate criteria for determining qualifications, positive attributes and independence of Directors.
- e) To recommend remuneration policy of Directors, Key Managerial Personnel and other employees.
- f) To recommend to the Board, all remuneration, in whatever form, payable to senior management as defined under the Listing Regulations.
- g) To formulate the criteria for evaluation of Independent Directors and the Board and to recommend/review remuneration payable to Whole-time Directors/Managing Director/ relatives of Directors based on their performance and defined assessment criteria.
- h) To devise a policy on Board diversity.
- i) To carry out any other functions as is referred by the Board of Directors, from time to time, or referred by any statutory notification/amendment or modification, as may be applicable, and
- j) Generally all items listed in Part-D of Schedule-II of the Listing Regulations and Section 178 of the Act.

### Composition

As on 31st March, 2022 the Committee comprised of Two Independent Directors and One Non-Executive Director. The members of the Committee elect one Independent Director among themselves as the Chairperson of the Committee in each meeting. Dr. Kali Kumar Chaudhuri (Independent Director), Mr. Ramesh Kumar Maheshwari (Independent Director), and Mr. Suresh Kumar Agrawal (Non-Executive Director) are members of the Committee. The Company Secretary of the Company acts as Secretary to the Committee.

The composition of the Committee is in line with the requirement given in Section 178 of the Act and Regulation 19 of the Listing Regulations.

### Meeting and Attendance

3 (Three) Nomination and Remuneration Committee meeting were held during the financial year 2021-22 on 16th June, 2021, 11th November, 2021 and 14th February, 2022. The details of attendance of members are as under:

Name of the Members	No. of meetings during the financial year 2021-22	
	Held	Attended
Dr. Kali Kumar Chaudhuri	3	3
Mr. Suresh Kumar Agrawal	3	3
Mr. Ramesh Kumar Maheshwari	3	3

All the members of the Nomination and Remuneration Committee attended the last Annual General Meeting held on 21st September, 2021.

The Committee has fixed the criteria viz. knowledge and competency, functions, ability to perform as a team, commitment, contribution, integrity etc. for appointment and evaluation of performance of independent directors. All the directors take part in the evaluation process yearly and the same is placed before and considered by the Committee.

### Remuneration of Directors

The Managing Director is paid remuneration as per the agreement with the Company. The agreement is approved by the Board and the terms are also approved by the shareholders of the Company. The remuneration structure of the Managing Director comprises of salary, perquisites and other benefits which are within the overall limits prescribed under the Act. The Managing Director is not paid sitting fee for attending Meetings of the Board or Committees thereof.

The Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof which are within the limit prescribed under the Act. The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Audit Committee is Rs. 7,500/- per meeting and for attending other Committee meetings was Rs. 1,000/- per meeting for the Financial Year 2021-22. The remuneration paid to the Managing Director is within the overall limits approved by the Shareholders of the Company.

The Directors are not entitled to any other benefits, bonuses, pension, etc. and are also not entitled to performance linked incentives. The Company does not have any Employee Stock Option Scheme.

There is no Executive Director in the Company apart from Mr. Varun Agrawal, Managing Director of the Company. The details of terms of appointment including notice period, etc. was provided in the notice sent to the shareholders relating to his appointment.

The Managing Director is entitled to a minimum remuneration even in case of no profit or inadequate profit as per the terms of his appointment. The details in accordance with the requirement of Section II of Part II of Schedule V of the Companies Act, 2013 are provided herein after:

### I. General Information:

Nature of Industry	Manufacturing
Date or expected date of Commercial Production	Not Applicable since the Company has already commenced its business activities
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

## Financial performance:

(₹ in Lacs)

Particular	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Revenue	51274.85	39398.38	49061.56
Total Expenses	46572.47	36023.49	48085.07
Net Profit (after tax)	2955.98	1968.50	870.18
Paid up Capital	655.34	655.34	655.34
Other Equity/ Reserves & Surplus	25090.53	21210.36	18669.36

**Foreign Investments or collaborations, if any** – There is no direct foreign investment or collaborations in the Company except to the extent shares held by Foreign Institutional Investors (FII) and NRI (Repatriation & Non-Repatriation) acquired through secondary market.

## II. Information about the Appointees :

Name	Mr. Varun Agrawal
Background details	Mr. Varun Agrawal is a commerce graduate and having more than fifteen years of experience in operations and marketing of valued added steel and aluminium products.
Past Remuneration (Rs. in Lacs)	Rs. 240.00 Lacs per annum
Recognition and Awards	-
Job profile and his suitability	Mr. Varun Agrawal, in the capacity of the Managing Director looking after the purchase, sale, export and other business operations of the Company. Under his leadership, the Company has been performing consistently.
Current remuneration (Rs. in Lacs)	Rs. 240.00 Lacs per annum
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration being paid by the Company is in line with the remuneration being paid to its Managing Director by the companies of comparable size.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Mr. Varun Agrawal holds 12,761,241 equity shares in the Company. Apart from receiving remuneration as stated above, Mr. Varun Agrawal does not have any other pecuniary relationship with the company. Mr. Varun Agrawal, Managing Director and Mr. Suresh Kumar Agrawal, Non Executive Director are relatives within the meaning of Companies Act, 2013.

## III. Other information:

### 1) Reasons of inadequate profits:

During the year, the profit before tax of the Company has increased by more than fifty percent as compared to the last year. The business of the company was adversely affected due to COVID-19 pandemic at the earlier part of the financial year and global volatility in the price and demand of the steel sector. The Company could improve its performance inspite of the volatility and adverse global situation due to timely decision making ability and implementation of well defined short term business plan by the management. The management is striving hard and confident of doing better in the years to come. Details of operations and business performance of the Company has been provided in the Director's Report.

### 2) Steps taken or proposed to be taken for improvement:

The performance of the Company during the year was exceptional and the management is taking constructive measures to consolidate its performance and to enhance bottom lines.

### 3) Expected increase in productivity and profits in measurable terms:

It is difficult to forecast the expected increase in productivity and profits in measurable terms due to global volatility in steel price. The profitability depends upon various national and international factors including short term and long term measures taken by Government. The steps are being taken for improvement in productivity and profitability of the Company and is expected to improve the performance and the profitability in coming years.



**IV. Disclosures:**

i) Details of Remuneration paid or payable to Directors for the Financial Year ended 31st March 2022:

(₹ in Lacs)

Name of the Directors	Service contract/ Notice period	Salary*	Sitting Fees**
Mr. Varun Agrawal	Appointed as Managing Director liable to retire by rotation, for a further period of three years with effect from 11th February, 2022 with the approval of the Shareholders through Postal Ballot process.	240.00	-
Mr. Vineet Agrawal	Appointed as Chief Executive Officer of the Company w.e.f. 15th February, 2019	228.00	-
Mr. Mrinal Kanti Pal	Appointed as Non-Executive Director with effect from 23rd November, 2014	NA	0.31
Mr. Suresh Kumar Agrawal	Appointed as Non-Executive Director with effect from 11th February, 2016	NA	0.45
Mr. Ajay Kumar Chakraborty	Re-appointed as Independent Director for a period of Five years with effect from 26th September, 2019	NA	0.16
Dr. Kali Kumar Chaudhuri	Re-appointed as Independent Director for a period of Five years with effect from 26th September, 2019	NA	0.82
Mr. Ramesh Kumar Maheshwari	Appointed as Independent Director for a period of Five years with effect from 16th July, 2019	NA	0.81
Mrs Nidhi Baheti	Appointed as Independent Director for a period of Five years with effect from 16th June, 2021	NA	0.53

ii) No Commission, Perquisites, Pensions, Other Allowances and performance linked incentive were paid to any Director during the year under review.

iii) The sitting fees include fees paid for committee meetings. The Company does not pay any severance fees. Apart from the above-mentioned remuneration, the Company had no pecuniary relationship or transactions with the Non-Executive Directors during the year under review.

iv) None of the Directors hold any stock option in the Company.

The Non-Executive Directors are only receiving sitting fees for attending the Meeting of the Board and the Committees of the Board. The criteria for making payment to Non-Executive Directors is as per the Remuneration Policy of the Company which forms the part of the Directors' Report. The Remuneration Policy of the Company can be viewed here:

[https://www.manaksiasteels.com/upload/media/26022019/Remuneration-Policy\\_Manaksia%20Steels\\_111-26022019.pdf](https://www.manaksiasteels.com/upload/media/26022019/Remuneration-Policy_Manaksia%20Steels_111-26022019.pdf)

**Stakeholders Relationship Committee**

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Company has in place the Stakeholders Relationship Committee.

The terms of reference of the Committee *inter-alia* includes the following:

1. Redressal of shareholder and investor complaints like transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends, interests, etc;

2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent of the Company;
4. 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;
5. Reference to statutory and regulatory authorities regarding investor grievances;
6. To ensure proper and timely attendance and redressal of investor queries and grievances;
7. Oversee the performance of Registrar and Share Transfer Agent of the Company;
8. To approve the request for transfer, transmission, etc. of shares;
9. To approve the dematerialization of shares and rematerialisation of shares, splitting and consolidation of Equity Shares and other securities issued by the Company;
10. Review of cases for refusal of transfer/ transmission of shares and/or any other securities as may be issued by the Company from time to time, if any;
11. To review from time to time, overall working of the Secretarial Department of the Company relating to the shares of our Company and functioning of the Registrar

and Share Transfer Agent of the Company and other related matters;

12. To consider and approve issue of duplicate / split / consolidated share certificates;
13. To issue duplicate certificates and new certificates on split / consolidation / renewal etc;
14. Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended by the Committee.

### Composition

As on 31st March, 2022 the Committee comprised of One Independent Director, One Executive Director and One Non-Executive Director. Mr. Ramesh Kumar Maheshwari (Independent Director), Mr. Varun Agrawal (Executive-Director) and Mr. Suresh Kumar Agrawal (Non-Executive Director) are members of the Committee. The members elect one of the non-executive director among themselves as the Chairperson of the Committee in each meeting. Mr. Ajay Sharma, Company Secretary of the Company acts as the Secretary and Compliance Officer to the Committee.

### Meeting and Attendance

1 (One) Stakeholders Relationship Committee meeting was held during the financial year 2021-22 on 16th June, 2021. The details of attendance of members are as under:

Name of the Members	No. of meetings during the financial year 2021-22	
	Held	Attended
Mr. Suresh Kumar Agrawal	1	1
Mr. Varun Agrawal	1	1
Mr. Ramesh Kumar Maheshwari	1	1

### Investors' Complaints

Details of Investors Complaints received and redressed during the Financial Year 2021-22:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

It is the endeavour of the Company to attend investors' complaints and other correspondence within 15 days of receipt except where constrained by disputes or legal impediments. In terms of SEBI circular, the Company has obtained necessary SCORES (SEBI Complaints Redressal System) authentication. This has facilitated the investors to view online status of the action taken against the complaints made by logging on to SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in).

Mr. Ajay Sharma, Company Secretary of the Company has been designated as Compliance Officer for speedy redressal of the Investor complaints. As on date of the Report, the Company affirms that no shareholder's complaint is pending under SCORES.

### Corporate Social Responsibility Committee

The Company has in place the Corporate Social Responsibility Committee and as on 31st March, 2022; the Committee comprised of One Independent Director, One Executive Director and One Non-Executive Director. The terms of reference of the committee are in compliance with the requirements of the Act and rules made thereunder. Mr. Suresh Kumar Agrawal (Non-Executive Director), Mr. Varun Agrawal (Managing Director) and Dr. Kali Kumar Chaudhuri (Independent Director) are members of the Committee. The Company Secretary of the Company acts as Secretary to the Committee.

### Meeting and Attendance

Two meetings of Corporate Social Responsibility Committee were held during the financial year 2021-22 on 16th June, 2021 and 14th February, 2022. The details of attendance of members are as under:

Name of the Members	No. of meetings during the financial year 2021-22	
	Held	Attended
Mr. Suresh Kumar Agrawal	2	2
Dr. Kali Kumar Chaudhuri	2	2
Mr. Varun Agrawal	2	2

### Committee of Directors

The Board of Directors of the Company has constituted a Committee of Directors comprising of Mr. Suresh Kumar Agrawal (Non-Executive Director), Mr. Varun Agrawal (Managing Director) and Mr. Mrinal Kanti Pal (Non-Executive Director). The Board has delegated certain powers to the Committee of Directors as permitted, pursuant to Section 179(3) of the Act and/ or not restricted by the Secretarial Standards -1.

### Meeting and Attendance

One meeting of Committee of Directors was held during the financial year ended 31st March, 2022 on 19th April, 2021. The details of attendance of members are as under:

Name of the Members	No. of meetings during the financial year 2021-22	
	Held	Attended
Mr. Suresh Kumar Agrawal	1	1
Mr. Varun Agrawal	1	1
Mr. Mrinal Kanti Pal	1	1

## GENERAL BODY MEETINGS

### (A) Annual General Meetings :

The location and time of last three AGMs held is as under:

No.	Financial Year / Time	Date	Venue	No. of Special Resolution passed
20th AGM	2020-21 03.00 P.M.	21.09.2021	Turner Morrison Building, 6, Lyons Range, 1st Floor, Kolkata – 700 001  The 20th AGM of the Company was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	-
19th AGM	2019-20 03.00 P.M.	29.09.2020	Turner Morrison Building, 6, Lyons Range, 1st Floor, Kolkata – 700 001  The 19th AGM of the Company was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	-
18th AGM	2018-19 12.30 P.M.	25.09.2019	Bhasha Bhawan, National Library Auditorium, Near Alipore Zoo, Belvedere Road, Kolkata- 700 027	6

### (B) Extra-Ordinary General Meeting

During the financial year 2021-22 no Extra-Ordinary General Meeting of the Company was held.

### (C) Special resolution through Postal Ballot

No Special Resolution was passed through the postal ballot during financial year 2021-22. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing of Special Resolution through postal ballot.

#### Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2021-22 which, *inter-alia*, includes audit of compliance with the Act and the Rules made thereunder, the Listing Regulations and Guidelines prescribed by the Securities and Exchange Board of India, Foreign Exchange Management Act, 1999 and other applicable laws, if any. Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. MKB & Associates, Practising Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2021-22.

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 has specified that the listed entities shall additionally, on an annual basis, require a check by a Company Secretary in Practice on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and accordingly your Company has appointed M/s. Bajaj Todi & Associates (formerly PS & Associates), Practising Company Secretaries to carry out necessary audit for the FY 2021-22. A certificate received from M/s. Bajaj Todi & Associates, Practising Company Secretaries was placed before the Board and was filed with the Stock Exchanges where the securities of the Company are listed.

## MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the quarterly, half-yearly and yearly financial results in the format prescribed under Regulation 33 of the Listing Regulations.

The Company sends such approved financial results to BSE Limited and National Stock Exchange of India Limited. These results are also been published in leading newspapers like Business Standard (English) and Ek Din (Bengali).

The financial results and the official news releases of the Company are displayed on the website of the Company at [www.manaksiasteels.com](http://www.manaksiasteels.com).

As mandated by Ministry of Corporate Affairs (MCA), the Company will send Annual Report, Notices, etc. to the shareholders at their email address registered with their Depository Participants and/ or Company's Registrar and Share Transfer Agent (RTA). To continue its support to the GREEN INITIATIVES measures of MCA, the Company has requested shareholders to register and/ or update their email address with the Company's RTA, in case of shares held in physical mode and with their respective Depository Participants, in case of shares held in dematerialized mode.

The Company has not made any presentation to the institutional investors/ analysts during the financial year 2021-22.

In compliance with the requirement of the Listing Regulations, the official website of the Company contains information about its business, shareholding pattern, compliance with corporate governance, contact information of the compliance officer, etc. and the same are updated regularly.

## SUBSIDIARY COMPANIES

All subsidiaries of the Company are managed by their respective Board of Directors in the best interest of those companies and their shareholders.

Pursuant to the Listing Regulations, the minutes of the Board meetings of the subsidiary companies and statement containing

all significant transactions and arrangements entered into by subsidiary companies, as and when required, are placed before the Board. The financial statements of the subsidiary companies are reviewed by the Audit Committee of the Company. The disclosure as required under Section 129(3) of the Act in Form AOC-1, forms part of this Annual Report.

#### Policy on Material Subsidiary

The Company has formulated a policy for determining "material" subsidiaries and the same is available on the website of the Company- [www.manaksiasteels.com](http://www.manaksiasteels.com) and the weblink thereto is <http://www.manaksiasteels.com/upload/media/corporate-policies/Policy-for-determining-Material-Subsidiaries.pdf>

### DISCLOSURES

#### Related Party Transactions

The transactions entered into with Related Parties during the financial year 2021-22 were on arm's length basis and in the ordinary course of business pursuant to the provisions of Section 188 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

Pursuant to the requirement of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website [www.manaksiasteels.com](http://www.manaksiasteels.com) and the weblink thereto is <http://www.manaksiasteels.com/upload/media/corporate-policies/Policy-on-Related-Party-Transactions.pdf> The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The details of the related party transactions have been disclosed by way of Note No. 36 of Financial Statements 2021-22.

#### Details of Non Compliance by the Company

During the FY 2019-20, BSE Limited had imposed a fine of Rs.5,000/- on the Company for delay of one day in submitting the financial results in 'quick results' format with the BSE Limited for the quarter ended March, 2019 due to repeated technical glitches faced by it, which the Company had paid.

Further during the FY 2018-19 BSE Limited and National Stock Exchange of India Limited had imposed fine upon the Company for non compliance with Regulation 17(1) of the Listing Regulations. The Company had paid fine, rectified the unintentional default and filed application before relevant committees of the respective exchanges for waiver of fine. The National Stock Exchange of India Limited, based on the Company's application has waived the fine and refunded the fine amount. The BSE Limited, based on the Company's application has also waived the fine.

There were no other non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority during the last three years.

#### Material significant related party transactions which may have potential conflict with the interests of the Company at large:

The Company does not have any material significant related party transactions which may have potential conflict with the interests of the Company at large.

#### Details of utilization of funds raised through preferential allotment or through qualified institution placement

The Company has not raised any amount through preferential allotment or through qualified institution placement during the financial year under review.

#### Certificate from Practising Company Secretary

The Company has received a certificate from M/s Bajaj Todi & Associates (formerly PS and Associates) (CP No. 7270), Company Secretary in Practice that none of the Directors on the Board of the Company 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. A copy of the said certificate is enclosed and forming part of this Annual Report.

#### Recommendation from the Committees to the Board

There were no such instances where the Board has not accepted the recommendations of/ submissions by the Committees which were required for the approval of the Board of Directors during the Financial Year under review.

#### Details of total fees paid to the Statutory Auditor

The Company has paid Rs. 8,00,000/- (Rupees Eight Lacs Only) to the Statutory Auditors as the statutory audit fees for the Financial year 2021-22.

The Company or any of its subsidiaries has not received any other services from any entity in the network firm/ network entity of which the Statutory Auditor is a part.

#### Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Details of Complaints received and redressed during the Financial Year 2021-22:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

#### Compliance with Mandatory Requirements

The Company has complied with all applicable mandatory requirements of the Listing Regulations. The Company has complied with all the applicable requirements of corporate governance as specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has complied with all the requirement of Corporate Governance Report as stated under sub-Para (2) to (10) of section (C) of Schedule V to the Listing Regulations.

#### Accounting Treatment

Your Company has followed all the relevant Indian Accounting Standards (IND AS) while preparing the Financial Statements.

#### Management Discussion and Analysis Report

The Management Discussion and Analysis Report is forming part of this Annual Report.

#### Disclosure regarding Appointment/Re-appointment of the Directors

As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/ re-appointment at



the forthcoming 21st AGM will be given in the Notice of the ensuing 21st AGM of the Company.

#### Resignation of Directors

During the financial year 2021-22, none of the Directors have resigned from the Directorship of the Company.

#### Foreign Exchange Risk

The Company does not speculate in foreign exchange. The Company's policy is to actively manage its foreign exchange risk within the framework laid down by the Company's risk management policy approved by the Board.

#### Proceeds from Public Issue

During the financial year 2021-22, the Company has not made any public issue.

#### Chief Executive Officer/ Chief Financial Officer Certification

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have given a certificate to the Board of Directors of the Company under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2022. The said certificate forms a part of this Annual Report. Pursuant to Regulation 33 of the Listing Regulations, the CEO and CFO of the Company also provide the quarterly certification on Financial Results while placing the same before the Board of Directors of the Company.

#### Compliance Certificate of the Auditors

Certificate from the Company's Auditor M/s. Agrawal Tondon & Co., Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Annual Report.

#### Code for Prevention of Insider Trading Practices

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Code of

Conduct to regulate, monitor and report trading by insiders. All the Directors, Designated Persons, Officers and other Connected Persons of the Company are governed by the Code and accordingly, the Directors, Designated Persons, Officers and connected persons cannot use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the stakeholders at large. The Company has adopted Prohibition of Insider Trading code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in line with the PIT Regulations, as amended.

The particulars regarding dealing in Company's shares by Directors, Designated Persons, Officers and Connected Persons are placed before the Board at its next meeting. The Code also prescribes sanction framework and any instance of breach of code is dealt in accordance with the same. A copy of the said Code is made available to all employees of the Company and compliance of the same is ensured.

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on the website of the Company [www.manaksiasteels.com](http://www.manaksiasteels.com) and the weblink thereto is <http://www.manaksiasteels.com/upload/media/03-04-2019/Code%20of%20Conduct%20for%20Regulating-Monitoring-03042019.pdf>

#### AFFIRMATION AND DISCLOSURE

There were no material financial or commercial transaction, between the Company and members of the Management that may have a potential conflict with the interests of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board of Directors of the Company and the interested Directors neither participate in the discussion nor vote on such matters.

### GENERAL SHAREHOLDER INFORMATION

#### a) Annual General Meeting:

Date  
Time  
Venue

} As mentioned in the notice convening the 21st Annual General Meeting for the Financial Year 2021-22

#### b) Financial Calendar: 1st April, 2022 – 31st March, 2023. The Financial results will be declared as per the following schedule:

Particulars	Schedule
Quarter ended 30th June, 2022	On or before 14th August, 2022 (Tentative)
Quarter ended 30th September, 2022	On or before 14th November, 2022 (Tentative)
Quarter ended 31st December, 2022	On or before 14th February, 2023 (Tentative)
Annual Results of 2022-23	On or before 30th May, 2023 (Tentative)

#### c) Dates of Book Closure:

As mentioned in the notice convening the 21st Annual General Meeting of the Company for the Financial Year 2021-22.

#### d) Dividend Payment:

The Board of Directors of the Company has not recommended any dividend for the financial year 2021-22.

**e) Remittance of Dividend through Electronic Mode:**

Shareholders are required to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective Depository Participants (DPs), where shares are held in the dematerialised form and to the RTA where the shares are held in the certificate form, respectively for remittance of dividend through electronic mode.

**f) Address and Bank Details**

Shareholders holding shares in the physical share certificate form are requested to promptly advise Registrar and Transfer Agent (herein after referred to as "the RTA") of the Company regarding any change in their address/ mandate/ bank details etc. to facilitate better servicing.

**g) Service of Documents**

The Company sends Notices, Report and Accounts and other communications in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Shareholders. Shareholders who wish to register or update their e-mail addresses may send their request to the RTA or the Company.

**h) Permanent Account Number (PAN)**

Shareholders holding shares in the physical share certificate form are requested to send copies of their PAN Cards to the RTA to facilitate better servicing. Furnishing of PAN Card, however, is mandatory as follows:

- Transferees' and Transferors' PAN Cards for transfer of shares,
- Legal heirs' / Nominees' PAN Cards for transmission of shares,
- Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- Joint holders' PAN Cards for transposition of shares.

**i) Nomination Facility**

Shareholders who hold shares in the physical share certificate form and wish to make any nomination/ change nomination made earlier in respect of their shareholding in the Company, should submit to the RTA the prescribed Form.

**j) Listing on Stock Exchanges:**

The shares of the Company are listed on the following Stock Exchanges:

**(i) National Stock Exchange of India Limited (NSE)**

Exchange Plaza, C-1, Block "G"  
Bandra Kurla Complex,  
Bandra East, Mumbai- 400051  
SYMBOL: MANAKSTEEL

**(ii) BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001  
Scrip Code: 539044

The annual listing fees have been paid to both the Stock Exchanges for the financial year 2022-2023.

**k) Custodial Fees to Depositories:** Annual Custody/ Issuer fee for the financial year 2022-23 has been paid to CDSL and NSDL.

**l) Unclaimed shares lying in the Demat Suspense Account:**

The Company has opened a separate demat account in the name of "Manaksia Steels Limited-Suspense Account" in order to credit the unclaimed shares of the IPO of Manaksia Limited which could not be allotted to the rightful shareholders due to insufficient/ incorrect information or for any other reason. The voting rights in respect of said shares will be frozen till the time the rightful owner claims such shares. In terms of requirement of Listing Regulations, the details of shares lying in the aforesaid demat account are as follows:

Particulars	No. of Shares	No. of shareholders
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. 1st April, 2021.	3149	36
Number of shareholders who approached Company for transfer of shares from suspense account during the year.	0	0
Number of shareholders to whom shares were transferred from suspense account during the year.	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March, 2022.	3149	36

Any corporate benefits in terms of the securities accruing on such shares viz. bonus shares, split, etc., shall also be credited to aforesaid suspense account. Shareholders who have yet not claimed their shares are requested to immediately approach the Company/ Registrar and Share Transfer Agent of the Company along with documentary evidence, if any.

**m) Stock Code / Symbol : ISIN No.: INE824Q01011**

National Stock Exchange of India Limited: MANAKSTEEL  
BSE Limited: 539044

**n) Share Transfer System:**

99.99% of shares of the Company are held in electronic mode. Intimation about transfer/ transmission of these shares to RTA is done through the depositories i.e. NSDL & CDSL with no involvement of the Company.

Effective from 1st April, 2019, transfer of shares of a listed company can only be affected in dematerialised form in terms of Listing Regulations. Shareholders holding shares in the physical share certificate form are therefore requested to dematerialise their shares in their own interest. Communication in this respect had been sent by the Company to the concerned Shareholders. However, transfer

deeds which were lodged with the Company on or before 31st March, 2019, if any, but were returned due to any deficiency, will be processed upon re-lodgement.

The yearly Compliance Certificate pursuant to Regulation 40(9) of the Listing Regulations for the year ended 31st March, 2022 received from M/s. Drolia & Co., Practicing Company Secretary (CP No. 1362) has been submitted to both the Stock Exchanges within the stipulated time.

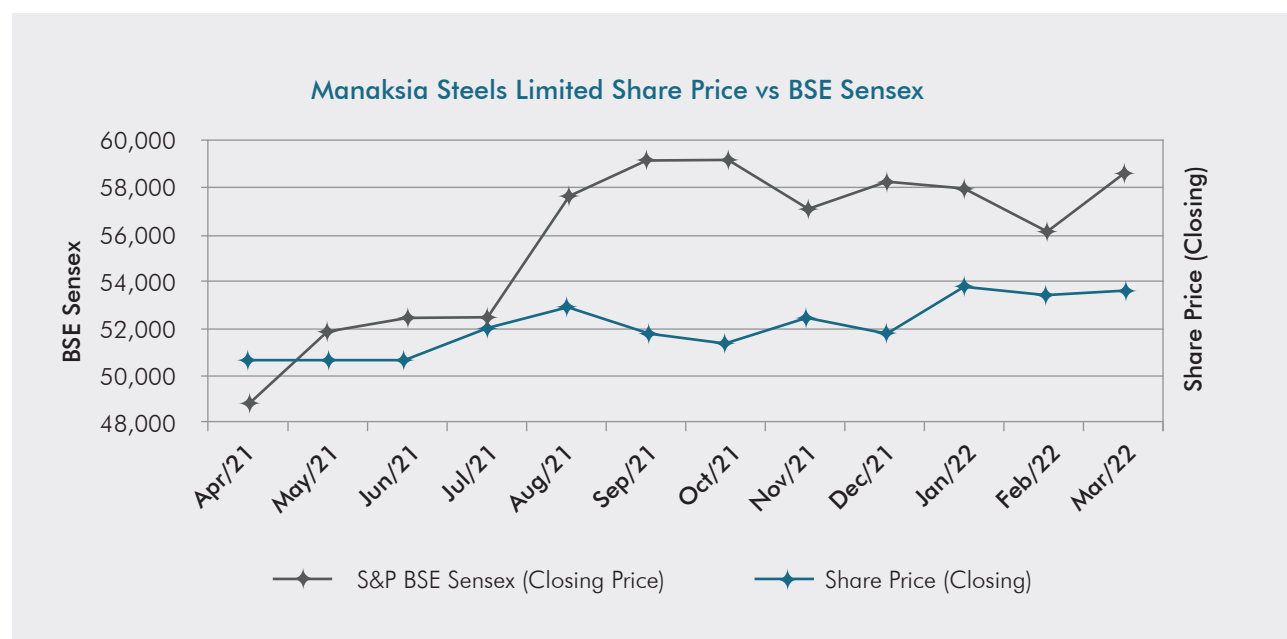
Pursuant to provisions of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 the Company has submitted Reconciliation of Share Capital Audit Report received from Meenakshi Agarwal, Practicing Company Secretary (CP No. 8292) / Sanjay Kumar Vyas, Company Secretary in Practice (CP No. 21598) on quarterly basis to both the Stock Exchanges within the stipulated time.

#### o) Market Price Data

The details of monthly high and low quotations of the equity shares of the Company traded at BSE Limited and National Stock Exchange of India Limited during the financial year 2021-22 are given hereunder:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (Rs.)	Low (Rs.)	Total Number of Shares Traded	High (Rs.)	Low (Rs.)	Total Number of Shares Traded
April, 2021	28.95	21.70	2,69,454	28.90	21.65	14,43,990
May, 2021	29.65	24.05	5,78,430	29.55	24.15	18,85,324
June, 2021	30.35	23.35	17,18,528	30.45	23.00	47,77,159
July, 2021	37.60	23.45	20,35,622	37.60	23.40	69,20,248
August, 2021	39.90	29.80	41,08,380	39.70	29.75	85,81,779
September, 2021	40.25	30.50	7,09,485	40.20	30.00	30,00,151
October, 2021	33.85	28.10	3,15,229	33.80	28.10	14,04,090
November, 2021	40.00	29.05	4,67,780	40.10	28.30	20,21,578
December, 2021	37.60	29.60	5,93,061	37.95	29.55	40,52,443
January, 2022	55.00	31.45	21,12,338	54.60	31.75	1,39,79,145
February, 2022	48.00	32.00	4,19,979	48.70	32.05	22,08,248
March, 2022	51.25	38.75	5,43,088	51.00	38.80	30,19,209

#### Performance in comparison with BSE Sensex:



**p) Registrar and Share Transfer Agent (RTA):**

Link Intime India Private Limited is acting as the Registrar and Share Transfer Agent (herein after referred to as "the RTA") of the Company. The address of the RTA is given hereunder:

Link Intime India Private Limited  
Vaishno Chamber, 6 Brabourne Road  
Room No. 502 & 503, 5th Floor, Kolkata- 700001  
Ph: +91-22-4918 6000, Fax: +91-22-4918 6060  
Contact Person: Mr. Kuntal Mustafi  
Email id: kolkata@linkintime.co.in

**q) Distribution of Equity Shareholding as on March 31, 2022:**

No. of Equity shares held From – To	Shareholders		Shares	
	Number	% Total Holders	Number	% Total Capital
1 – 500	25,107	91.13	24,29,898	3.71
501 – 1000	1,158	4.20	9,52,368	1.45
1001 – 2000	607	2.20	9,29,853	1.42
2001 – 3000	225	0.82	5,89,549	0.90
3001 – 4000	110	0.40	3,83,383	0.58
4001 – 5000	75	0.27	3,55,807	0.54
5001 – 10000	129	0.47	9,67,111	1.48
10001 – And above	141	0.51	5,89,26,081	89.92
<b>TOTAL</b>	<b>27,552</b>	<b>100.00</b>	<b>6,55,34,050</b>	<b>100.00</b>

**r) Categories of Equity Shareholders as on March 31, 2022**

Sl. No.	Category	No. of Shares	% of Shareholdings
1	Promoters Group	4,89,85,319	74.75
2	Mutual Funds & UTI	-	-
3	Financial Institutions / Banks	501	0.00
4	Central Government / State Government(s)	-	-
5	Venture Capital Fund	-	-
6	Foreign Institutional Investors	-	-
7	Foreign Venture Capital Investors	-	-
8	Bodies Corporate	12,67,002	1.93
9	Public	1,42,90,667	21.82
10	NRI's / OCB's / Foreign National	2,22,823	0.34
11	Clearing Members	35,953	0.05
12	Hindu Undivided Family (HUF)	5,57,783	0.85
13	Trusts	-	-
14	Foreign Portfolio Investors (Corporate)	68,445	0.10
15	NBFC's registered with RBI	-	-
16	Limited Liability Partnership	1,05,557	0.16
	<b>TOTAL</b>	<b>6,55,34,050</b>	<b>100</b>

**s) Dematerialization of Equity Shares**

The equity shares of the Company are currently traded only in dematerialized form and the Company has entered into agreements with the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE824Q01011. As on 31st March 2022, 6,55,33,108 equity shares representing about 99.99% of the share capital are held in dematerialized form.

**t) Outstanding GDRs / ADRs / Warrants / Other Convertible instruments:**

The Company does not have any outstanding GDRs / ADRs / Warrants / Other Convertible instruments as on 31st March, 2022.

**u) Commodity Price Risk and Hedging Activities:**

The Company considers exposure to commodity price fluctuations to be an integral part of its business and its usual policy is to sell its products at prevailing market prices, and not to enter into price hedging arrangements.



v) **Plants Locations (Manufacturing Units as on 31st March, 2022)**

471, Birsinghapur, Barjora, Bankura – 722 202	1, Bhuniaraichak, Jhikurkhali, Haldia, Purva Mednipur, West Bengal
--	--

w) **Address for Correspondence:**

Manaksia Steels Limited  
Turner Morrison Building,  
6, Lyons Range, 1st Floor, Kolkata – 700 001  
Phone No: +91-33-2231 0055  
Email: investorrelmsl@manaksiasteels.com  
Website: www.manaksiasteels.com

x) **Credit Rating:** The Company obtained credit rating from CARE Ratings Limited. The credit rating w.r.t. Long Term Bank Facilities is CARE A-; Stable (Single A Minus; Outlook: Stable) and credit rating w.r.t. Short Term Bank Facilities is CARE A2+ (A Two Plus).**COMPLIANCE WITH GOVERNANCE FRAMEWORK**

The Board of Directors of the Company periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliances, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. The Company has complied with the applicable requirements specified in Regulations 17 to 27 and Regulation 46(2) of the Listing Regulations.

**COMPLIANCE OFFICER**

In accordance with Regulation 6 of the Listing Regulations, the Company Secretary acts as the Compliance Officer of the Company. The details of the compliance officer are:

Mr. Ajay Sharma  
Company Secretary & Compliance Officer  
Manaksia Steels Limited,  
Turner Morrison Building,  
6, Lyons Range, 1st Floor,  
Kolkata – 700 001,  
Phone No: +91-33-2231 0055  
Fax: +91-33 2230 0336

**DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF THE LISTING REGULATIONS**

The status of compliance with discretionary requirements of Regulation 27 of the Listing Regulations is provided below:

- **Shareholders' Rights:** As the quarterly and half-yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- **Modified Opinion in Auditors Report:** The Company's financial statement for the financial year 2021-22 does not contain any modified audit opinion.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

For and on behalf of the Board of Directors

	<b>Varun Agrawal</b>	<b>Mrinal Kanti Pal</b>
Place: Kolkata	<i>Managing Director</i>	<i>Director</i>
Date : 27th May, 2022	DIN: 00441271	DIN: 00867865

## Chief Executive Officer / Chief Financial Officer Certification

The Board of Directors  
Manaksia Steels Limited

Dear Madam/ Sirs,

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Manaksia Steels Limited ("Company"), in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereby certify that:

- (a) We have reviewed the Financial Statements, including the Cash Flow Statement, of the Company for the Financial Year ended 31st March, 2022 and to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) 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 the steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated, wherever applicable, to the Auditors and the Audit committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year 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.

Place: Kolkata  
Date : 27th May, 2022

**Vineet Agrawal**  
Chief Executive Officer

**Rajesh Singhania**  
Chief Financial Officer

## Auditors Certificate on Corporate Governance

To

The Members of **Manaksia Steels Limited**

1. We, Agrawal Tondon & Co., the statutory auditors of Manaksia Steels Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2022, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. 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.
6. 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 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.

7. 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

8. Based on our examination of the relevant records and according to the information and explanations provided to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 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 31st March, 2022.

### Other Matter

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 **Agrawal Tondon & Co.**

*Chartered Accountants*

Firm Registration No. – 329088E

**Kaushal Kejriwal**

*Partner*

Membership No 308606

UDIN: 22308606AKBIYO5735

Place: Kolkata

Date: 27th May, 2022

## CERTIFICATION OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to confirm that the Company has received declarations affirming compliance of the Code of Conduct from the Board of Directors and Senior Management for the Financial Year ended 31st March, 2022.

Place: Kolkata  
Date: 27th May, 2022

**Varun Agrawal**  
Managing Director  
DIN: 00441271

## 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)

To,  
The Members of **Manaksia Steels Limited**  
Turner Morrison Building,  
6 Lyons Range, 1st Floor, Kolkata, West Bengal 700001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Manaksia Steels Limited** having CIN L27101WB2001PLC138341 and having registered office at **Turner Morrison Building, 6 Lyons Range, 1st Floor, Kolkata, West Bengal 700001** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ending on **31st March, 2022**, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Ajay Kumar Chakraborty	00133604	09/01/2013
2	Dr. Kali Kumar Chaudhuri	00206157	17/11/2014
3	Mr. Varun Agrawal	00441271	17/11/2014
4	Mr. Suresh Kumar Agrawal	00520769	23/11/2014
5	Mr. Ramesh Kumar Maheshwari	00545364	16/07/2019
6	Mr. Mrinal Kanti Pal	00867865	27/12/2012
7	Mrs. Nidhi Baheti	08490552	16/06/2021

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 **Bajaj Todi & Associates**

**(Priti Todi)**  
Partner

Place: Kolkata  
Date: 23-04-2022

C.P. No.: 7270, ACS: 14611  
Udin no : A014611D000194890



## Annexure – B

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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,  
**MANAKSIA STEELS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MANAKSIA STEELS 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.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the 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 and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, other laws/acts which are specifically applicable to the Company are as follows:
  - a) The Indian Boilers Act, 1923 and rules/regulations made thereunder;
  - b) Inflammable Substances Act, 1952;
  - c) The Indian Explosives Act, 1884 and the Static and Mobile Pressure Vessels (Unfired) Rules, 2016;

d) Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

For MKB & Associates  
Company Secretaries  
Firm Reg No: P2010WB042700

Date: 27.05.2022  
Place: Kolkata  
UDIN: A017190D000410891

**Raj Kumar Banthia**  
Partner  
Membership no. 17190  
COP no.18428

## Annexure- I

To  
The Members,  
**MANAKSIA STEELS 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 records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MKB & Associates  
Company Secretaries  
Firm Reg No: P2010WB042700

Date: 27.05.2022  
Place: Kolkata  
UDIN: A017190D000410891

**Raj Kumar Banthia**  
Partner  
Membership no. 17190  
COP no.18428

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

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

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

### A CONSERVATION OF ENERGY

#### i) Steps taken or impact on conservation of energy

The thrust for energy conservation continued during the year across all manufacturing processes through combined use of systems and devices. The various measures taken during the year include:

- (a) Installation of solar power plant of 1mw capacity.
- (b) Conducting training programmes at various factories for conservation of energy.

#### ii) Steps taken for utilizing alternate sources of energy

The Company is constantly taking steps to identify various alternative sources of energy both for thermal and power generation applications. In pursuit of its goal towards savings in energy cost, the Company while procuring new machinery under phased modernization/ replacement program takes into account its impact on energy conservation.

#### iii) Capital investment on energy conservation equipments: Nil

### B TECHNOLOGY ABSORPTION

#### i) Efforts made towards technology absorption:

- (a) Modification of manufacturing process
- (b) Improvement in Automation
- (c) Development of new products
- (d) Installing upgraded pollution control equipment for air/water
- (e) Improvement in safety and reliability of the Plant

#### ii) Benefits derived as a result of such efforts

- (a) Improved market share
- (b) Improvement in productivity
- (c) Energy conservation
- (d) Increase in in-house capability

#### iii) No fresh technology has been imported during the year.

#### iv) The expenditure on Research & Development: - Nil

### C FOREIGN EXCHANGE EARNINGS & OUTGO

During the year under review foreign exchange earnings were Rs. 1783.89 Lacs (Previous Year Rs. 9417.18 Lacs) and foreign exchange outgo was Rs. 9795.63 Lacs (Previous Year Rs. 14315.18 Lacs)

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 27th May, 2022

**Varun Agrawal**  
Managing Director  
DIN: 00441271

**Mrinal Kanti Pal**  
Director  
DIN: 00867865



## Annexure – D

## REMUNERATION POLICY OF MANAKSIA STEELS LIMITED

Framed under Section 178 (3) of the Companies Act, 2013 & Regulation 19 Read with Schedule II of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amended pursuant to Enactment of SEBI LODR (Amendment) Regulations, 2018 and Companies (Amendment) Act, 2017.

Amended further pursuant to Enactment of Companies Amendment Act, 2020.

### CLARIFICATIONS, AMENDMENTS AND UPDATES

This Policy shall be implemented as per the provisions of the Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them, in the Applicable Law under reference, that is to say, the Companies Act, 2013 and Rules framed thereunder, or SEBI LODR, as amended, from time to time.

### I. INTERPRETATION CLAUSES

For the purposes of this Policy references to the following shall be construed as:

<b>"Applicable Law"</b>	:	shall mean the Companies Act, 2013 and allied rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any other statute, law, standards, regulations or other governmental instruction as may be applicable to the Company from time to time.
<b>"Company"</b>	:	refers to Manaksia Steels Limited.
<b>"Board"</b>	:	refers to the Board of Directors of the Company.
<b>"Committee"</b>	:	refers to Nomination & Remuneration Committee of Board of Directors of the Company
<b>"Directors"</b>	:	refers to the managing director and all whole-time Directors.
<b>"Executives"</b>	:	refers to the Directors, key managerial personnel and senior management personnel.
<b>"Key Managerial Personnel" or KMP</b>	:	refers to the a. Managing Director, Manager, Chief Executive Officer; b. Chief Financial Officer; c. Company Secretary; d. Officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board of Directors of the Company; e. Officers as may be prescribed under Applicable Law.
<b>"Non Executive Directors" or NED</b>	:	refers to Directors other than Managing Director and whole time director and includes Independent Director.
<b>"Policy" or "this Policy"</b>	:	shall mean the contents herein including any amendments made by the Board of Directors of the Company.
<b>"Senior Management Personnel" or SMP</b>	:	shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

All terms not defined herein shall take their meaning from the Applicable Law.

### II. EFFECTIVE DATE

This Policy shall become effective from the date of its adoption by the Board.

### III. SCOPE

- This Policy applies to all the "Executives" of the Company.
- In addition, this Policy also extends to the remuneration of Non-Executive Directors, including principles of selection of the independent Directors of the Company.
- The Board of Directors has adopted this remuneration Policy with effect from 18.05.2019, on the recommendation of the Committee. This Policy shall be valid for all employment agreements entered into after the approval of the Policy for appointment of the Executives and for changes made to existing employment agreements thereafter.

- d) In order to comply with local regulations, the Company may have remuneration policies and guidelines which shall apply in addition to this policy.

The Board of Directors of the Company may deviate from this Policy if there are explicit reasons to do so in individual case(s). Any deviations on elements of this Policy under extraordinary circumstances, when deemed necessary in the interests of the Company, shall be reasoned and recorded in the Board's minutes and shall be disclosed in the Annual Report of the year at which the said deviations takes place.

#### **IV. PURPOSE**

This Policy reflects the Company's objectives for good corporate governance as well as sustained and long-term value creation for stakeholders. This Policy will also help the Company to attain optimal Board diversity and create a basis for succession planning. In addition, it is intended to ensure that –

- a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;
- c) remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals.

#### **V. GUIDING PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT**

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Company may attract and retain competent Executives. In determining the Policy, the Committee ensures that a competitive remuneration package for all Executives is maintained and is also benchmarked with other multinational companies operating in national and global markets.

#### **VI. RESPONSIBILITIES AND POWERS OF THE COMMITTEE**

The Committee, in addition to the functions and powers as endowed by its terms of reference, would also be responsible for –

- a) preparing and recommending for the Board's decisions on issues concerning principles for remunerations (including pension and severance pay) and other terms of employment of Executives and Non-Executive Directors;
- b) reviewing and recommending to the Board regarding share and share-price related incentive programs, if any, to be decided upon by the Annual General Meeting;
- c) formulating criteria of qualifications and positive attributes to assist the Company in identifying the eligible individuals for the office of Executives;
- d) monitoring and evaluating programs for variable remuneration, if any, both ongoing and those that have ended during the year, for Executives and Non-Executive Directors;
- e) monitoring and evaluating the application of this Policy;
- f) monitoring and evaluating current remuneration structures and levels in the Company.

#### **VII. PRINCIPLES FOR SELECTION OF INDEPENDENT DIRECTORS**

The nomination of the independent Directors of the Company shall be in accordance with the principles as stated hereunder and other relevant provisions of Applicable Law:

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives—
  - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- (ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, for an amount of fifty lakhs rupees or more at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of fifty lakhs rupees or more, at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
  - (iv) has or had any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company or their promoters, or directors amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii) during the two immediately preceding financial years or during the current financial year;;
- (e) who, neither himself nor any of his relatives—
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;  
Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f) is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director;
- g) is not of less than 21 years of age.

## VIII. OVERALL CRITERIA FOR SELECTION OF EXECUTIVES

The assessment for Senior Management will be done on the basis of below parameters by the concerned interview panel of the Company -

### a) Competencies:

- Necessary skills ( Leadership skill, communication skills, Managerial skills etc )
- Experiences & education to successfully complete the tasks.
- Positive background reference check.

### b) Capabilities:

- Suitable or fit for the task or role.
- Potential for growth and the ability and willingness to take on more responsibility.
- Intelligent & fast learner, Good Leader, Organiser & Administrator, Good Analytical skills Creative & Innovative.

### c) Compatibility:

- Can this person get along with colleagues, existing and potential clients and partners.
- Strong Interpersonal Skills.
- Flexible & Adaptable.

### d) Commitment:

- Candidate's seriousness about working for the long term
- Vision & Aim

**e) Character:**

- Ethical, honest, team player

**f) Culture:**

- Fits with the Company's culture. (Every business has a culture or a way that people behave and interact with each other. Culture is based on certain values, expectations, policies and procedures that influence the behavior of a leader and employees. Employees who don't reflect a company's culture tend to be disruptive and difficult)
- Presentable & should be known for good social & corporate culture.

## **IX. GENERAL POLICIES FOR REMUNERATION**

The various remuneration components would be combined to ensure an appropriate and balanced remuneration package.

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. **Retirement benefits** - contribution to Provident Fund, superannuation, gratuity, etc as per Company Rules, subject to Applicable Law.
4. **Motivation/ Reward** - A performance appraisal to be carried out annually and promotions/ increments/ rewards are to be decided by Managing Director based on the appraisal and recommendation of the concerned Head of Departments, where applicable.
5. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

Any remuneration payable to the Executives of the Company shall abide by the following norms -

- i. The base salary shall be competitive and based on the individual Executive's key responsibilities and performance;
- ii. Base salaries would be based on a function-related salary system and be in line with the market developments shown by the benchmark research and additional market studies. The annual review date for the base salary would be April 1 or any other date as may be determined by the Committee from time to time, subject to the Company's Policy;
- iii. The Executives will be entitled to customary non-monetary benefits such as Company cars, phone and such other fixed entitled benefits;
- iv. Pension contributions shall be made in accordance with applicable laws and employment agreements;
- v. The Executives resident outside India or resident in India but having a material connection to or having been resident in a country other than India, may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans;
- vi. A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;
- vii. If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
- viii. A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.
- ix. Pension contributions shall be made in accordance with applicable laws and employment agreements;
- x. The Committee has decided to adopt a share-based incentive program for the Executives;
- xi. The Executives resident outside India or resident in India but having a material connection to or having been resident in a country other than India, may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans;
- xii. A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;
- xiii. If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;



- xiv. Subject to the provisions under Applicable Law, a Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report;
- xv. In case of inadequate or no profits in a financial year, a Director may be paid minimum remuneration in accordance to Schedule V of the Companies Act, 2013. The Company may pay remuneration in excess of minimum limit specified in the Schedule, by passing a special resolution of its members;
- xvi. The Company shall place the Policy on its website.
- xvii. The Company shall make necessary disclosure of remuneration of the Executives and the salient features of the Policy along with the web link of the Policy in its Annual Report as may be required under Applicable Law.
- A. Any fee/ remuneration payable to the non-executive Directors of the Company shall abide by the following norms –
  - i. If any such Director draws or receives, directly or indirectly, by way of fee/ remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
  - ii. Such Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law.
  - iii. An independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission, as may be permissible under the Applicable law.
  - iv. In case of inadequate or no profits in any financial year, an Non Executive Director may be paid minimum remuneration exclusive of any fees payable under section 197(5) of the Companies Act, in accordance with Schedule V of the Companies Act, 2013. The Company may pay remuneration in excess of minimum limit specified in the Schedule, by passing a special resolution of its members.

#### **X. NOTICE OF TERMINATION AND SEVERANCE PAY POLICY**

The notice of Termination and Severance pay shall be as per the terms of appointment as mentioned in the Employment Agreement or Letter of Appointment.

#### **XI.DISCLOSURE AND DISSEMINATION**

- i. The Policy shall be disclosed in the Board's report to shareholders of the Company.
- ii. The annual report of the Company would specify the details of remuneration paid to Directors.
- iii. The Company is required to publish its criteria of making payments to non-executive Directors in its annual report. Alternatively, this may also be put up on the Company's website and reference be drawn in the annual report.

#### **Notes:**

1. Based on the recommendation of the Nomination & Remuneration Committee at its meeting held on 15th May, 2015, the policy was approved and adopted by the Board of Directors of the Company at its meeting held on 15th May, 2015.
2. The Policy was amended in order to align the same with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by the Nomination & Remuneration Committee at its meeting held on 10th February, 2016 and recommended to the Board of Directors for their approval. The Board of Directors of the Company at its meeting held on 10th February, 2016 approved the amended policy.
3. The Policy was further amended in order to align the same with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018], by the Nomination & Remuneration Committee at its meeting held on 30th May, 2019 and recommended to the Board of Directors for their approval. The Board of Directors of the Company at its meeting held on 30th May, 2019 approved the amended policy.
4. The Policy has been further amended in order to align the same with the Companies Act, 2013 [as amended by the Companies (Amendment) Act, 2020], by the Nomination and Remuneration Committee at its meeting held on 16th June, 2021 and recommended to the Board of Directors for their approval. The Board of Directors of the Company at its meeting held on 16th June, 2021 approved the amended Policy.

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder]

### 1. A brief outline of the Company's CSR Policy

In line with the provisions of the Companies Act, 2013, the Company has framed its CSR Policy towards enhancing welfare measures of the society and the same has been approved by the CSR Committee of the Board. The Company also gives preference to the local area and areas around which it operates for spending the amount earmarked for CSR activities. The Company has proposed to undertake activities as mentioned under Schedule VII of the Companies Act, 2013, *inter-alia*, activities relating to promotion of education, rural development including livestock development, protecting fauna and health care.

### 2. The composition of the CSR Committee of the Board as on 31st March, 2022 is as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Suresh Kumar Agrawal	Non-Executive Director	3	3
2.	Dr. Kali Kumar Chaudhuri	Independent Director	3	3
3.	Mr. Varun Agrawal	Managing Director	3	3

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Composition of CSR committee, CSR Policy and CSR Projects are disclosed on the website of the company and can be accessed at the following links:

Composition of CSR Committee: [https://www.manaksiasteels.com/pdf/Composition-of-Various-Committees\\_MSL-28022020.pdf](https://www.manaksiasteels.com/pdf/Composition-of-Various-Committees_MSL-28022020.pdf)

CSR Policy: <https://www.manaksiasteels.com/upload/media/corporate-policies/Corporate-Social-Responsibility-Policy.pdf>

CSR Projects approved by the Board: [https://www.manaksiasteels.com/CSR Projects.pdf](https://www.manaksiasteels.com/CSR%20Projects.pdf)

### 4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2021-22	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

### 6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013:

The average net profit of the Company as per Section 135(5) of the Companies Act, 2013 for the last three years is Rs. 1764.46 Lacs.

### 7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 35.29 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Not Applicable

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 35.29 Lacs

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Rs. in Lacs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40.48	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in Lacs).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.
				State	District			
1.	Not Applicable	Promotion of Education in society	Yes	West Bengal	Kolkata	40.48	Yes	Not Applicable

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year: Rs. 40.48 Lacs (8b+8c+8d+8e)

(g) Excess amount for set off, if any: Rs. 5.19 Lacs

Sl. No.	Particular	Amount (In Lacs)
i.	Two percent of average net profit of the company as per section 135(5)	35.29
ii.	Total amount spent for the Financial Year	40.48
iii.	Excess amount spent for the financial year [(ii)-(i)]	5.19
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.19

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2018-19	NA	NA	-	-	-	NA
2.	2019-20	NA	NA	-	-	-	NA
3.	2020-21	NA	NA	-	-	-	NA
	<b>Total</b>						

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): This is not applicable as the Company does not have any ongoing project.

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.) lacs	Status of the project - Completed / Ongoing.
	NA							

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Nil

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital): Not Applicable

**11. Specify the reason(s), if the company has failed to spent two per cent of the average net profit as per section 135(5) :** Not Applicable

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 27th May, 2022

**Varun Agrawal**  
Managing Director  
DIN: 00441271

**Suresh Kumar Agrawal**  
Chairman of CSR Committee  
DIN: 00520769

## Annexure - F

## INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

### A) Ratio of Remuneration of each Director / KMP to the median remuneration of all the employees of the Company for the financial year 2021-2022

Median Remuneration of all the employees of the Company:	Rs. 2,12,230
Percentage increase in Median Remuneration of all the employees:	6.52
Number of permanent employees on the rolls of Company:	176

Name of the Directors and KMP	Remuneration (Rs./ Lakhs)		% increase in remuneration in FY 2021-22	Ratio to median Remuneration of all employees
	FY 21-22	FY 20-21		
Executive Director				
Mr. Varun Agrawal	240.00	240.00	-	113.08:1
Non Executive Directors				
Mr. Suresh Kumar Agrawal	0.45	0.43	-	0.21:1
Mr. Mrinal Kanti Pal	0.31	0.22	-	0.15:1
Independent Directors				
Dr. Kali Kumar Chaudhuri	0.82	0.73	-	0.39:1
Mr. Ajay Kumar Chakraborty	0.16	0.15	-	0.08:1
Mrs. Nidhi Baheti	0.53	-	-	N.A.
Mr. Ramesh Kumar Maheshwari	0.87	0.69	-	0.38:1
Other KMPs				
Mr. Vineet Agrawal - Chief Executive Officer	228.00	228.00	-	107.43:1
Mr. Rajesh Singhania - Chief Financial Officer	15.77	13.74	14.77	7.43:1
Mr. Ajay Sharma - Company Secretary	5.60	5.10	9.80	2.64:1

Note(s):

\*Independent Directors and Non-Executive Directors of the Company are entitled only for sitting fee as per the statutory provisions and within the limits. The details of sitting fees of Non-Executive Directors are provided in the Report on Corporate Governance and are governed by the Remuneration Policy of the Company, as provided in the Annual Report. In view of this, the calculation of percentage increase in remuneration of Independent Directors and Non-Executive Directors would not be relevant and hence not provided.

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

There is no increase of remuneration of managerial personnel during the last financial year.

Note: For the purpose of Managerial Personnel, Managing Director is only included.

It is hereby affirmed that the remuneration paid to all Directors, Key Managerial Personnel and employees during the financial year ended 31st March, 2022 is as per the Remuneration Policy of the Company



**B). Statement as per Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sl. No.	Particulars									
i)	The details of the top ten Employees based on remuneration drawn during the FY 2021-22:									
SN.	Name of the Employee	Designation	Remuneration Drawn	Nature of Employment	Qualification and Experience	Date of Joining	Age	Last Employment	Percentage of Shares held in Company	Related to Director of Company, if any
1)	Mr. Varun Agrawal	Managing Director	2,40,00,000/-	Permanent	Commerce Graduate and 17 years	17.11.2014	39	Manaksia Limited	19.4727%	Suresh Kumar Agrawal – Father
2)	Mr. Vineet Agrawal	Chief Executive Officer	2,28,00,000/-	Permanent	Commerce Graduate and 24 years	17.11.2014	46	Manaksia Aluminium Company Limited	Nil	None
3)	Mr. Santosh Agrawal	President (Export-Import)	81,32,350/-	Permanent	B.E, PGDBM and 40 years	01.01.2017	64	Manaksia Limited	0.0002%	None
4)	Mr. Rajesh Singhania	C.F.O.	15,77,000/-	Permanent	ACA, B.Com(H) and 33 years	23.11.2014	55	Manaksia Limited	0.0000%	None
5)	Mr. Santosh Kumar Agrawal	GM. Corp. Admn.	15,03,994/-	Permanent	B.Com(H) and 37 years	23.11.2014	59	Manaksia Limited	0.0002%	None
6)	Mr. Indrajit Guha	Sr. Manager (Elect)	14,45,594/-	Permanent	Diploma in Electrical Engineering and 34 years	23.11.2014	56	Manaksia Limited	0.0006%	None
7)	Dr. Khagendra Kumar Saha	Sr. Manager (Factory)	14,11,070/-	Contractual	Phd. in Chemistry and 43 years	01.04.2013	71	Manaksia Limited	Nil	None
8)	Mr. Anirudha Guha	Vice-President	13,71,850/-	Permanent	M. Com and 40 years	01.01.2017	60	Manaksia Limited	0.0006%	None
9)	Mr. Ajit Kumar Gupta	Sr. Manager (Export)	12,22,537/-	Permanent	B.com (H), MBA (International Marketing) and 27 years	10.09.2015	53	Manaksia Limited	Nil	None
10)	Mr. Prabir Kumar Dey	Manager	9,22,375/-	Permanent	B.com and 37 years	01.07.1984	60	--	0.0006%	None

- ii) Except Mr. Varun Agrawal, Managing Director and Mr. Vineet Agrawal, Chief Executive Officer as mentioned in the above table at point B (i), there is no employee employed throughout the Financial Year 2021-22 who were in receipt of remuneration during FY 2021-22, in the aggregate, was equal to or more than Rs. 1.02 crore.
- iii) Except Mr. Varun Agrawal, Managing Director and Mr. Vineet Agrawal, Chief Executive Officer as mentioned in the above table at point B (i), there is no employee employed for a part of the Financial Year 2021-22 who were in receipt of remuneration for such part during FY 2021-22 at a rate which, in the aggregate, was equal to or more than Rs. 8.50 lacs per month.
- iv) There are no employees employed throughout the financial year 2021-22 or for a part thereof, who were in receipt of remuneration during the FY 2021-22 or for part thereof which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the Managing Director and holds by himself/herself or along with his/her spouse and dependent children, equal to or more than 2 (Two) percent of the equity shares of the Company.

Note: For purpose of above point no. (B)(ii)(iii) & (iv), the term employees exclude Managing Director and Whole-Time Director.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 27th May, 2022

**Varun Agrawal**  
Managing Director  
DIN: 00441271

**Mrinal Kanti Pal**  
Director  
DIN: 00867865

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiary / Associate Companies/Joint Ventures

(₹ in Lacs)

### Part "A"

SR. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments (excluding Investments made in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Technomet International FZE	03.08.2017	April to March	AED (Rs.20.0285/AED)	2,487.46	749.01	3,358.17	121.70	-	527.75	311.34	-	311.34	-	100%
2	Federated Steel Mills Limited	17.12.2017	March to February	NGN (Rs.0.1937/NGN)	1,908.91	459.20	7,335.91	4,967.80	-	10,201.25	547.56	259.00	288.56	-	100%
3	Far East Steel Industries Limited	17.12.2017	November to October	NGN (Rs.0.1937/NGN)	189.00	(36.19)	219.23	66.41	-	-	-	-	-	-	100%
4	Sumo Agrochem Limited	01.04.2019	January to December	NGN (Rs.0.1937/NGN)	73.80	(63.36)	26.06	15.61	-	1.75	(19.84)	-	(19.84)	-	100%

### Part "B"

SR. No.	Name of the Associate	The date since when subsidiary was acquired	Latest audited Balance Sheet Date	Reporting currency and exchange rate as on the last date of the relevant Financial year	No. of shares held by the company in associate on the year end	Amount of Investment in associate	Extend of Holding %	Description of how there is significant influence	Reason why the associate is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year Considered in Consolidation	Profit / Loss for the year Not Considered in Consolidation
1	Melchem Resources Zambia Limited	21.01.2022	31st Dec'2022	ZMW (Rs.4.1954/ZMW)	13000	0.56	32.50%	Controls more than 20% of the total share capital.	-	-	(0.56)	(5.76)

## FORM NO. AOC- 2

### Particulars of contracts/arrangements with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under fourth proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were at arm's length basis.

Name(s) of the related party and nature of relationship	Manaksia Limited, entity over which KMP's and their relatives have significant influence
Nature of contracts/ arrangements/ transactions	Sale of Finished Goods like BP Sheets Galvanised Coils/Sheets, Spares, etc.
Duration of the contracts/ arrangements/transactions	During the FY 2021-22
Salient terms of the contracts or arrangements or transactions including the value, if any	Monetary value of the aggregate transactions during the FY 2021-22 was Rs. 58.01 Crores at prevailing market price and on general commercial terms of the Company.
Amount paid as advances, if any	Not Applicable

For and on behalf of the Board of Directors

Place: Kolkata  
Date : 27th May, 2022

**Varun Agrawal**  
Managing Director  
DIN: 00441271

**Mrinal Kanti Pal**  
Director  
DIN: 00867865



# Financial Statements

## Independent Auditor's Report

To the  
Members of  
**Manaksia Steels Limited**

### Report on the audit of Standalone Ind AS financial statements

#### Opinion

We have audited the standalone Ind AS financial statements of Manaksia Steels Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 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 Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the financial statements, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue from Sale of Goods</b>  The Company recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. As described in the accounting policy in note 2(II) and as reflected in note 25 to the Ind AS Standalone financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts.  Considering the judgment and estimates involved in revenue recognition, it is considered to be a key audit matter.	Our audit procedure includes the following: <ul style="list-style-type: none"> <li>• Considered the adequacy of the company's revenue recognition policy and its compliance in terms of Ind AS 115 "Revenue from contracts with customers."</li> <li>• Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition.</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested and the revenue has been recognized in accordance with Ind AS 115.</li> <li>• We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management.</li> <li>• Assessed the relevant disclosure made in the standalone Ind AS financial statement.</li> </ul>



We have determined that there are no other key audit matters to communicate in our report.

### Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that gives 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 Indian Accounting Standards prescribed 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 financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 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.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. 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 Statements of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2022 and 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".
  - g. With respect to the other matters to be included in the

Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 33 of the standalone Ind AS 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) As represented by the management, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) As represented by the management that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared and paid dividend during the year.

Date: 27th May, 2022  
Place: Kolkata

For **Agrawal Tondon & Co.**  
Chartered Accountants  
Firm Registration No.-329088E

Kaushal Kejriwal  
(Partner)  
Membership No. 308606  
UDIN: 22308606AJSUJG7798

## Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

In terms of the information and explanations sought by us and given by **Manaksia Steel Limited (Company)** and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The tile deed of the immovable property (other than the properties where the Company is the lessee and the lease agreement are duly executed in favour of lessee), as disclosed in Note 3 on Property, plant and equipment to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held since which date	Reason for not being held in the name of the Company
Leasehold Land at Haldia	160.42	Manaksia Limited	No	13th July, 2004	The Lease Deed has not been executed in the favour of company till date as the matter is pending before the Hon'ble High Court Kolkata.

- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification is commensurate with the size of the Company and no discrepancies of 10% or more in aggregate for each class of inventory were noticed by the Company
- (b) **As disclosed in Note 41 (I)** to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- iii. The Company has not provided loans or advance in nature of loans, or stood guarantee, or provided security to any other entity. Accordingly, paragraph 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits under the provisions of Sections 73 to Section 76 of the Companies Act, 2013 during the year. Hence, the provisions of Clause (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 of the Companies Act, 2013, and are of the opinion that prima-facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance,

Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, GST and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 22 for a period of more than six months from the date they became payable.

- (b) There are no dues of income tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of service tax, sales tax, duty of excise and value added tax have not been deposited by the Company on account of disputes:

Sl.	Name of the Statute	Nature of dues	Amount ₹ (In Lacs)	Financial year to which the Amount Relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise duty demand	3.60	2015-16 & 2016-17	Ac Cgst & Cx Bankura -1 Bankura Commissionerate
2	Income Tax Act, 1961	Income Tax	155.19	2015-16	Assistant Commissioner of Income Tax

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.  
(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.  
(c) The term loans were applied for the purpose for which they were raised.  
(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.  
(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.  
(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.  
(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.  
(b) According to the information and explanations given by the management, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanation given to us, the internal audit system of the Company is commensurate with the size and nature of its business.  
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company



- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
  - (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
  - (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable.
- xvii The Company has not incurred cash losses in the current year as well as in the immediately preceding financial year respectively.
- xviii There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix On the basis of the financial ratios as disclosed in Note XX to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx As disclosed in Note 31 of the standalone financial statements, there are no unspent amount which is required to be transferred in compliance with Section 135(5) and 135(6) of the Companies Act, 2013.

For **Agrawal Tondon & Co.**  
Chartered Accountants  
Firm Registration No.-329088E

Date: 27th May, 2022  
Place: Kolkata

Kaushal Kejriwal  
(Partner)  
Membership No. 308606  
UDIN: 22308606AJSUJG7798

## 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 over financial reporting of Manaksia Steels Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS 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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal 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 Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting 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 **Agrawal Tondon & Co.**  
Chartered Accountants  
Firm Registration No.-329088E

Kaushal Kejriwal  
(Partner)

Date: 27th May, 2022  
Place: Kolkata

Membership No. 308606  
UDIN: 22308606AJSUJG7798

## Standalone Balance Sheet as at March 31,2022

	Notes	As at March 31,2022	As at March 31,2021
		₹ in Lacs	₹ in Lacs
<b>ASSETS</b>			
<b>I. Non-Current Assets</b>			
a) Property, Plant and Equipment	3.1	3,678.88	3,995.38
b) Capital Work-in-Progress	3.2	501.57	31.58
c) Right-of-Use Asset	3.3	242.91	277.46
d) Financial Assets			
i) Investments	4	5,489.56	4,558.06
ii) Other Financial Assets	5	2,298.71	9,969.59
e) Other Non-Current Assets	6	123.56	116.11
		<b>12,335.19</b>	<b>18,948.18</b>
<b>II. Current Assets</b>			
a) Inventories	7	8,178.36	7,978.62
b) Financial Assets			
i) Investments	8	2,218.17	384.71
ii) Trade Receivables	9	1,883.92	1,672.99
iii) Cash and Cash Equivalents	10	717.92	655.07
iv) Other Bank Balances	11	57.55	20.71
v) Other Financial Assets	12	137.40	57.65
c) Other Current Assets	13	3,286.46	696.42
d) Current Tax Assets (Net)	14	146.20	83.01
		<b>16,625.98</b>	<b>11,549.18</b>
<b>TOTAL ASSETS</b>		<b>28,961.17</b>	<b>30,497.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>III. Equity</b>			
a) Equity Share Capital	15	655.34	655.34
b) Other Equity	16	25,090.53	21,210.36
		<b>25,745.87</b>	<b>21,865.70</b>
<b>IV. Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	28.19	34.97
ii) Lease Liabilities	39	70.29	94.76
b) Provisions	18	95.35	89.78
c) Deferred Tax Liabilities (Net)	19	325.15	270.64
		<b>518.98</b>	<b>490.15</b>
<b>V. Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	706.49	6,262.14
ii) Lease Liabilities	39	34.86	38.58
iii) Trade Payables	21		
A) total outstanding dues of micro and small enterprises; and		126.05	43.67
B) total outstanding dues of creditors other than micro and small enterprises		767.55	918.32
iv) Other Financial Liabilities	22	839.08	715.76
b) Other Current Liabilities	23	148.59	97.14
c) Provisions	24	73.70	65.90
		<b>2,696.32</b>	<b>8,141.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,961.17</b>	<b>30,497.36</b>
Significant Accounting Policies	2		
Notes to Financial Statements	3-44		

As per our Report attached of even date  
For **AGRAWAL TONDON & CO**  
Chartered Accountants  
Firm Regn. No. 329088E

For and on behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271

**Vineet Agrawal**  
(Chief Executive Officer)

**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865

**Kaushal Kejriwal**  
(Partner)  
Membership No. 308606  
Kolkata  
27th day of May, 2022

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

**Standalone Statement Of Profit And Loss** for the year ended March 31, 2022

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
		₹ in Lacs	₹ in Lacs
<b>I. INCOME</b>			
Revenue from Operations	25	50,452.14	38,796.03
Other Income	26	822.71	603.14
<b>Total Income</b>		<b>51,274.85</b>	<b>39,399.18</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed (including Trading Goods)	27	40,470.16	29,938.98
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(771.71)	(358.19)
Employee Benefits Expense	29	1,317.19	1,233.17
Other Expenses	31	5,556.84	5,210.31
<b>Total Expenses</b>		<b>46,572.47</b>	<b>36,024.28</b>
<b>III. Profit before Interest, Tax, Depreciation &amp; Amortisation</b>		<b>4,702.37</b>	<b>3,374.90</b>
Finance Costs	30	80.79	113.82
Depreciation and Amortization Expense	3	562.89	575.13
<b>IV. Profit before Tax</b>		<b>4,058.69</b>	<b>2,685.95</b>
<b>V. Tax Expenses</b>	<b>32</b>		
Current Tax		1,040.00	700.00
Short/(Excess) Provision for Taxation for Earlier Years		25.50	-
Deferred Tax		37.21	17.46
<b>Total Tax Expenses</b>		<b>1,102.71</b>	<b>717.46</b>
<b>VI. Profit for the period</b>		<b>2,955.98</b>	<b>1,968.49</b>
<b>VII. Other Comprehensive Income / (Loss)</b>			
A. (i) Items that will not be reclassified subsequently to Profit and Loss			
(a) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans		7.48	(0.60)
(b) Gains/(Losses) from Investment in Equity Instrument designated at FVTOCI		934.00	765.65
(ii) Tax on Items that will not be reclassified subsequently to Profit and Loss		(17.29)	(192.55)
<b>VIII. Total Comprehensive Income for the period</b>		<b>3,880.17</b>	<b>2,540.99</b>
<b>IX. Basic and Diluted Earnings per Equity Share of Face Value of ₹ 1/- each</b>	<b>34</b>	<b>₹ 4.51</b>	<b>₹ 3</b>
Significant Accounting Policies	2		
Notes to Financial Statements	3-44		

As per our Report attached of even date  
For **AGRAWAL TONDON & CO**

Chartered Accountants  
Firm Regn. No. 329088E

**Kaushal Kejriwal**  
(Partner)  
Membership No. 308606  
Kolkata  
27th day of May, 2022

For and on behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271

**Vineet Agrawal**  
(Chief Executive Officer)

**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## Statement of Cash Flows for the year ended March 31,2022

Amount in ₹ Lacs

PARTICULARS	March 31,2022	March 31,2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax :	4,058.69	2,685.95
Adjustment for:		
Depreciation/ Amortisation Expenses	562.89	575.13
Finance Cost	80.79	113.82
Interest Income	(356.34)	(370.04)
(Gain)/Loss on Property, Plant & Equipment Sold / Discarded (Net)	(18.10)	(0.79)
Dividend Received on Investment in Equity Shares	(134.30)	(3.43)
(Gain)/Loss from Sale of Current Investments	(219.66)	(81.05)
Fair Value changes of Investments in Current Investment	(94.31)	(147.83)
<b>Operating Profit before Working Capital Changes</b>	<b>3,879.64</b>	<b>2,771.77</b>
Adjustments for:		
(Increase)/Decrease in Non-Current/Current Financial and other Assets	(2,888.25)	4,637.47
(Increase)/Decrease in Inventories	(199.74)	697.44
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities/Provisions	140.98	(4,090.12)
<b>Cash Generated from Operations</b>	<b>932.63</b>	<b>4,016.55</b>
Direct Taxes Paid	(1,128.69)	(599.60)
<b>Net Cash Flow from Operating Activities</b>	<b>(196.06)</b>	<b>3,416.95</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment and change in Capital work in progress	(690.01)	(32.61)
Sale of Property, Plant & Equipment	26.29	3.49
Sale/(Purchase) of other Non-Current Investments	2.50	(526.09)
Sale/(Purchase) of Current Investments	(1,519.49)	122.63
Redemption/(Investment) in Fixed Deposits	7,345.43	(6,955.54)
Refund of Loans given	-	100.00
Interest Received	645.03	119.57
Dividend Received on Equity Shares	134.30	3.43
<b>Net Cash Flow from/(Used in) Investing Activities</b>	<b>5,944.06</b>	<b>(7,165.12)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(Repayment of)/ Proceeds from Long Term Borrowings (Net)	(6.78)	(6.23)
(Repayment of)/ Proceeds from Short Term Borrowings (Net)	(5,555.65)	2,254.20
Repayment of Principal portion of lease liabilities	(28.19)	(23.93)
Repayment of Interest portion of lease liabilities	(12.12)	(14.65)
Interest Paid	(82.42)	(88.22)
<b>Net Cash Flow From/(Used in) Financing Activities</b>	<b>(5,685.16)</b>	<b>2,121.17</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>62.85</b>	<b>(1,627.00)</b>
Cash and Cash Equivalents at the beginning of the period	655.07	2,282.07
Cash and Cash Equivalents at the end of the period	717.92	655.07
<b>E. Cash and Cash Equivalents comprise:</b>		
Balances with Banks	690.66	628.57
Cheques on Hand	13.04	11.81
Cash on Hand	14.22	14.69
<b>Cash and Cash Equivalents as at year end</b>	<b>717.92</b>	<b>655.07</b>

**Note:** Previous year's figures have been rearranged and regrouped wherever necessary.

As per our Report attached of even date

For and on behalf of the Board of Directors

For **AGRAWAL TONDON & CO**

Chartered Accountants

Firm Regn. No. 329088E

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271

**Vineet Agrawal**  
(Chief Executive Officer)

**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865

**Kaushal Kejriwal**

(Partner)

Membership No. 308606

Kolkata

27th day of May, 2022

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)



**Statement Of Changes In Equity** for the year ended March 31,2022**A. EQUITY SHARE CAPITAL**

Amount in ₹ Lacs

<b>Balance as at April 01,2020</b>	655.34
Changes in Equity Share Capital during the year 2020-21	-
<b>Balance as at March 31,2021</b>	655.34
Changes in Equity Share Capital during the year 2021-22	-
<b>Balance as at March 31,2022</b>	655.34

**B. OTHER EQUITY**

	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI	
<b>Balance as at April 01,2020</b>	5.00	4,673.93	8,138.32	6,040.28	-	18,857.53
Profit for the period	-	-	-	1,968.49	-	1,968.49
<b>Other Comprehensive Income</b>						
i) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans	-	-	-	(0.45)	-	(0.45)
ii) Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI	-	-	-	-	384.78	384.78
<b>Balance as at March 31,2021</b>	<b>5.00</b>	<b>4,673.93</b>	<b>8,138.32</b>	<b>8,008.32</b>	<b>384.78</b>	<b>21,210.36</b>
<b>Balance as at April 01,2021</b>	<b>5.00</b>	<b>4,673.93</b>	<b>8,138.32</b>	<b>8,008.32</b>	<b>384.78</b>	<b>21,210.36</b>
Profit for the period	-	-	-	2,955.98	-	2,955.98
<b>Other Comprehensive Income</b>						
i) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans	-	-	-	5.60	-	5.60
ii) Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI	-	-	-	-	918.59	918.59
<b>Balance as at March 31,2022</b>	<b>5.00</b>	<b>4,673.93</b>	<b>8,138.32</b>	<b>10,969.90</b>	<b>1,303.37</b>	<b>25,090.53</b>

## Statement Of Changes In Equity for the year ended March 31,2022

### Nature and Purpose of Reserves :

- A) Capital Reserve :** In terms of an earlier Scheme of Demerger, Share Capital of ₹ 5 lacs prior to such Demerger, had been transferred to Capital Reserve Account.
- B) Securities Premium :** This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- C) General Reserve :** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to general reserve can be utilised only in accordance with the specific requirement of Companies Act, 2013.
- D) Retained Earnings :** This reserve represents cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013
- E) Other Comprehensive Income Reserves :**
- Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI :** This reserve represents effect of remeasurements of fair valuation of Quoted Equity Instruments that will not be reclassified to Statement of Profit & Loss.

For **AGRAWAL TONDON & CO**

Chartered Accountants

Firm Regn. No. 329088E

**Kaushal Kejriwal**

(Partner)

Membership No. 308606

Kolkata

27th day of May, 2022

For and on behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271

**Vineet Agrawal**  
(Chief Executive Officer)

**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## Notes to Financial Statements for the year ended March 31, 2022

### 1. Company Overview

Manaksia Steels Limited ("the Company") is a public limited company incorporated in India having its registered office situated at 6, Lyons Range 1st Floor, Turner Morrison Building, Kolkata - 700 001. The Company has its shares listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is primarily engaged in the manufacture of value-added secondary steel products like Cold Rolled Sheets, Galvanised Corrugated Sheets, Galvanised Plain Sheets, Colour Coated (Pre-painted) Sheets, etc. The manufacturing units of the Company are located at Haldia & Bankura (West Bengal).

### 2. Significant Accounting Policies

#### I) Basis of Preparation

##### (a) Statement of compliance

These Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act, as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on **May 27, 2022**.

##### (b) Functional and presentation currency

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

##### (c) Basis of measurement

These financial statements are prepared under the historical cost convention on the accrual basis except for Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

##### (d) Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### II) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

##### Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the company believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms. Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

## Notes to Financial Statements for the year ended March 31,2022

### Contract Balances

#### Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income is recognized using the effective interest method.

### III) Property, Plant & Equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows :

Building	30 Years
Plant & Equipment	10 - 20 Years
Computers	3 Years
Office Equipment	3 - 5 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	8 Years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other 'Non-Current Assets' and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'.

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.

### IV) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortization expense on Intangible Assets with finite lives is recognized in the Statement of Profit & Loss. The Company amortizes intangible assets over their estimated useful lives using the straight line method.

Intangible Assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

## Notes to Financial Statements for the year ended March 31, 2022

### V) Inventories

Inventories are valued at cost or net realisable value whichever is lower except for saleable scraps, whose cost is not identifiable, which are valued at estimated net realisable value. Closing stock has been valued on Weighted Average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

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

### VI) Financial Instruments

#### Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Subsequent measurement

##### i. Non derivative financial instruments

###### a) Financial assets carried at amortized cost

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

###### b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

###### c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

###### d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

###### e) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

##### ii. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.

#### Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.



## Notes to Financial Statements for the year ended March 31, 2022

### VII) Fair Value Measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### VIII) Impairment

Impairment is recognized based on the following principles:

#### Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

#### Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash- generating unit) Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

### IX) Provisions and 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.

Contingent liabilities are disclosed 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 will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### X) Foreign Currency Transactions & Translations

The functional currency of the Company is Indian Rupee. These Financial Statements are presented in Indian Rupee (rounded off to the nearest Lacs).

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Gains & losses arising on account of realization are accounted for in the Statement of Profit & Loss.

Monetary Assets & Liabilities in foreign currency that are outstanding at the yearend are translated at the yearend exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

### XI) Cash and Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## Notes to Financial Statements for the year ended March 31, 2022

### XII) Employee Benefits

#### Defined Contribution Plan

The Company makes contributions towards provident fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

#### Defined Benefit Plan

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of the defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered

### XIII) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### XIV) Leases

The company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

#### Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.
- Building 3 to 15 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

## Notes to Financial Statements for the year ended March 31, 2022

### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## XV) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as received from the cost of asset and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

## XVI) Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## Notes to Financial Statements for the year ended March 31, 2022

### XVII) Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### XVIII) Current and Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realised within twelve months after the reporting period, or
- iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is:

- i) it is expected to be settled in the normal operating cycle,
- ii) it is due to be settled within twelve months after the reporting period, or
- iii) there is no unconditional right to defer 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 noncurrent.

### XIX) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### XX) Rounding of Amounts

All amounts disclosed in the standalone Financial Statements and notes have been rounded off to the nearest Lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

### XXI) Recent Accounting Pronouncements

On March 23, 2022 the Ministry of Corporate Affairs issued, The Companies (Indian Accounting Standards) Amendments Rules, 2022, notifying amendments to the following accounting standards. The amendments would be effective from April 1, 2022.

#### Ind AS 103, Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.

#### Ind AS 16, Property, Plant And Equipment

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statement.

## Notes to Financial Statements for the year ended March 31,2022

### 3. PROPERTY, PLANT & EQUIPMENT , CAPITAL WORK-IN-PROGRESS & RIGHT-OF-USE ASSET(CURRENT YEAR)

Amount in ₹ Lacs

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2021	Addition	Deletion/ Adjustment	As at March 31,2022	As at April 01, 2021	Deductions/ Adjustments	For the Year	Up to March 31,2022	As at March 31,2022	As at March 31, 2021
<b>3.1 Property, Plant &amp; Equipment :</b>										
a) Land	6.20	-	-	6.20	-	-	-	-	6.20	6.20
c) Building	1,905.92	-	-	1,905.92	417.68	-	83.54	501.22	1,404.71	1,488.24
d) Plant & Equipment	4,528.75	112.01	2.23	4,638.52	2,299.65	1.14	370.54	2,669.04	1,969.48	2,229.11
e) Computers	15.04	3.16	-	18.20	7.83	-	3.44	11.27	6.93	7.22
f) Office Equipment	24.89	3.39	0.69	27.59	21.61	0.66	0.18	21.14	6.45	3.27
g) Furniture & Fixtures	29.17	-	-	29.17	15.50	-	4.20	19.70	9.48	13.67
h) Vehicles	469.12	101.46	70.09	500.48	221.44	63.02	66.43	224.85	275.63	247.67
<b>Total :</b>	<b>6,979.09</b>	<b>220.01</b>	<b>73.01</b>	<b>7,126.09</b>	<b>2,983.71</b>	<b>64.82</b>	<b>528.33</b>	<b>3,447.22</b>	<b>3,678.88</b>	<b>3,995.38</b>
<b>3.2 Capital Work in Progress</b>	<b>31.58</b>	<b>470.00</b>	<b>-</b>	<b>501.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501.57</b>	<b>31.58</b>
<b>3.3 Right-of-Use Asset(Ref Note 39)</b>										
a) Leasehold Land*	160.42	-	-	160.42	4.28	-	2.14	6.42	154.00	156.14
b) Buildings	184.65	-	-	184.65	63.33	-	32.41	95.74	88.91	121.32
<b>Total :</b>	<b>345.07</b>	<b>-</b>	<b>-</b>	<b>345.07</b>	<b>67.60</b>	<b>-</b>	<b>34.55</b>	<b>102.16</b>	<b>242.91</b>	<b>277.46</b>

### 3.2 Capital-Work-in Progress (CWIP) aging schedule

CWIP	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
<b>Projects in progress</b>	470.00	1.71	29.87	501.57

**3.4** The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, plant and equipment and Right-of-use assets are held in the name of the Company, except for the following:

Relevant line item in the Balance sheet	Description of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
* 3.3 (a)	Leasehold Land at Haldia	160.42	Manaksia Limited	No	13/Jul/2004	Post Demerger from Manaksia Limited, the leasehold right has not been transfereed in the name of the Company and the matter is pending before Hon'ble High Court Kolkata.



## Notes to Financial Statements for the year ended March 31, 2022

### 3. PROPERTY, PLANT & EQUIPMENT , CAPITAL WORK-IN-PROGRESS & RIGHT-OF-USE ASSET(PREVIOUS YEAR)

Amount in ₹ Lacs

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2020	Addition	Deletion/ Adjustment	As at March 31, 2021	As at April 01, 2020	Deductions/ Adjustments	For the Year	Up to March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>3.1 Property, Plant &amp; Equipment :</b>										
a) Land	6.20	-	-	6.20	-	-	-	-	6.20	6.20
c) Building	1,905.92	-	-	1,905.92	334.14	-	83.54	417.68	1,488.24	1,571.78
d) Plant & Equipment	4,445.42	86.92	3.58	4,528.75	1,919.41	1.89	382.13	2,299.65	2,229.11	2,526.01
e) Computers	10.42	4.63	-	15.04	5.35	-	2.48	7.83	7.22	5.07
f) Office Equipment	19.74	5.15	-	24.89	13.66	-	7.95	21.61	3.27	6.08
g) Furniture & Fixtures	29.17	-	-	29.17	11.30	-	4.20	15.50	13.67	17.88
h) Vehicles	414.20	63.60	8.68	469.12	168.84	7.67	60.27	221.44	247.67	245.36
<b>Total :</b>	<b>6,831.07</b>	<b>160.29</b>	<b>12.26</b>	<b>6,979.09</b>	<b>2,452.70</b>	<b>9.56</b>	<b>540.58</b>	<b>2,983.71</b>	<b>3,995.38</b>	<b>4,378.37</b>
<b>3.2 Capital Work in Progress</b>	<b>159.25</b>	<b>1.71</b>	<b>129.38</b>	<b>31.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.58</b>	<b>159.25</b>
<b>3.3 Right-of-Use Asset(Ref Note 39)</b>										
a) Leasehold Land*	160.41	-	-	160.41	2.14	-	2.14	4.28	156.13	158.27
b) Buildings	184.65	-	-	184.65	30.91	-	32.41	63.33	121.32	153.74
<b>Total :</b>	<b>345.06</b>	<b>-</b>	<b>-</b>	<b>345.06</b>	<b>33.05</b>	<b>-</b>	<b>34.55</b>	<b>67.60</b>	<b>277.46</b>	<b>312.01</b>

### 3.2 Capital-Work-in Progress (CWIP) aging schedule

CWIP	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
<b>Projects in progress</b>	1.71	29.87	-	31.58

**3.4** The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, plant and equipment and Right-of-use assets are held in the name of the Company, except for the following:

Relevant line item in the Balance sheet	Description of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
* 3.3 (a)	Leasehold Land at Haldia	160.41	Manaksia Limited	No	13/Jul/2004	Post Demerger from Manaksia Limited, the leasehold right has not been transfereed in the name of the Company and the matter is pending before Hon'ble High Court Kolkata.

## Notes to Financial Statements for the year ended March 31,2022

### 4. Investments (Non-Current)

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Investments carried at Cost (Unquoted)</b>		
Investment in Equity Instruments in Subsidiary		
Technomet International FZE, Dubai (14 Nos. Equity Shares of AED 1 Million each)	2,487.46	2,487.46
<b>Investments carried at Amortised Cost (Unquoted)</b>		
Investment in Bonds		
9.70% UPPCL 2031 - UP Power Corporation Limited (50 Nos. Bonds of Face Value ₹ 1,00,000/- each)	50.10	52.60
<b>Investments carried at Fair Value Through Other Comprehensive Income (Quoted)</b>		
Investment in Equity Shares		
Manaksia Limited (Refer Note 36) (4000000 Nos. Equity Shares of Face Value ₹ 2/- each)	2,952.00	2,018.00
<b>Total</b>	<b>5,489.56</b>	<b>4,558.06</b>
<b>Aggregate Amount &amp; Market Value of Investments :</b>		
Quoted	2,952.00	2,018.00
<b>Aggregate Amount of Investments :</b>		
Unquoted	2,537.56	2,540.06

### 5. Other Financial Assets (Non-Current)

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at amortised cost (Unsecured, Considered Good)</b>		
Security Deposits	17.99	16.85
Fixed Deposits with Banks with original maturity of More than 12 months#	2,280.72	9,952.74
<b>Total</b>	<b>2,298.71</b>	<b>9,969.59</b>

# Includes Lien with Banks of ₹ 2079.67 lakhs ( PY 1386.71 Lakhs)

### 6. Other Non-Current Assets

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>(Unsecured, Considered Good)</b>		
Advances for Capital Goods	123.56	116.11
<b>Total</b>	<b>123.56</b>	<b>116.11</b>

## Notes to Financial Statements for the year ended March 31, 2022

### 7. Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>At Lower of Cost or Net Realisable Value</b>		
Raw Materials *	5,037.70	5,683.48
Work-in-Process	1,775.15	1,835.34
Finished Goods	1,020.49	190.00
Stores & Spares	274.17	207.64
Packing Material	66.92	59.64
<b>At Estimated Realisable Value</b>		
Scraps	3.93	2.52
<b>Total</b>	<b>8,178.36</b>	<b>7,978.62</b>
* Included above, Goods-in-Transit	-	2,249.93

### 8. Investments (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Investments carried at Fair Value through Profit &amp; Loss</b>		
Investments in Mutual Funds (Unquoted)	1,503.14	5.17
Investments in Equity Shares (Quoted)	715.03	379.54
<b>Total</b>	<b>2,218.17</b>	<b>384.71</b>

#### 8.1 Investments in Mutual Funds (Unquoted)

Particulars	No. of Units	Amt. in ₹ Lacs	No. of Units	Amt. in ₹ Lacs
HDFC Balanced Advantage Fund (NAV: 302.156)	58,458.617	176.65	-	-
HDFC Bank Arbitrage Fund (NAV: 16.083)	17,51,310.395	281.66	-	-
HDFC Money Market Fund DP Growth (NAV: 4654.7981)	23.082	1.07	23.082	1.03
HDFC ST Debt Fund Direct Growth (NAV: 26.2191)	4,207.800	1.10	4,207.800	1.05
IDFC Bond Fund-ST Plan-Growth (NAV: 27.2761)	-	-	3,756.048	1.02
Nippon India Arbitrage Fund (NAV: 22.828)	16,64,323.141	379.93	-	-
SBI Arbitrage Opportunities Fund (NAV: 28.5296)	6,70,626.968	191.33	-	-
SBI Savings Fund Direct Growth (NAV: 34.1958)	-	-	3,020.924	1.03
SBI STD Fund Direct Plan Growth (NAV: 27.2293)	3,974.870	1.08	3,974.870	1.03
TATA Arbitrage Fund (NAV: 11.9855)	39,23,992.570	470.32	-	-
<b>Total</b>		<b>1,503.14</b>		<b>5.17</b>

#### 8.2 Investments in Equity Shares (Quoted)

Particulars	No. of Share	Amt. in ₹ Lacs	No. of Share	Amt. in ₹ Lacs
Aditya Birla Capital Ltd. (FV : ₹ 10)	12,900	13.89	12,900	15.39
Amtek Auto Ltd. (FV : ₹ 2)	-	-	17,000	0.47
Artemis Medicare Services Ltd. (FV : ₹ 1)	19,300	8.86	-	-
Arvind Fashions Ltd. (FV : ₹ 4)	1,450	4.12	-	-
AXISCADES Engineering Technologies Ltd. (FV : ₹ 5)	8,100	10.23	5,200	2.07
Bajaj Hindusthan Sugar Ltd. (FV : ₹ 1)	1,00,000	14.20	-	-
Ballarpur Industries Ltd. (FV : ₹ 2)	3,00,000	3.45	-	-
Bank of Baroda (FV : ₹ 2)	9,500	10.60	10,100	7.48

## Notes to Financial Statements for the year ended March 31, 2022

### 8.2 Investments in Equity Shares (Quoted) (contd.)

Particulars	No. of Share	Amt. in ₹ Lacs	No. of Share	Amt. in ₹ Lacs
Bharat Heavy Electricals Ltd. (FV : ₹ 2)	30,600	15.10	30,600	14.92
BSE Ltd. (FV : ₹ 2)	-	-	1,270	7.25
CESC Ltd. (FV : ₹ 10)	6,400	4.85	500	2.97
CESC Ventures Ltd. (FV : ₹ 10)	-	-	100	0.34
CMI Ltd. (FV : ₹ 10)	-	-	5,435	2.29
Coal India Ltd. (FV : ₹ 10)	30,000	54.92	-	-
Cochin Shipyard Ltd. (FV : ₹ 10)	3,531	10.39	2,876	10.76
Den Networks Ltd. (FV : ₹ 10)	17,000	6.27	-	-
Digicontent Ltd. (FV : ₹ 2)	-	-	4,012	0.28
Dynatomic Technologies Ltd. (FV : ₹ 10)	-	-	535	5.07
Engineers India Ltd. (FV : ₹ 5)	9,700	6.21	3,800	2.93
Fiem Industries Ltd. (FV : ₹ 10)	-	-	170	0.95
GAIL (India) Ltd. (FV : ₹ 10)	6,650	10.35	-	-
Ganesh Housing Corporation Ltd. (FV : ₹ 10)	-	-	11,700	6.51
GFL Ltd. (FV : ₹ 1)	11,280	8.90	11,280	8.23
GHCL Ltd. (FV : ₹ 10)	-	-	3,200	7.34
Graphite India Ltd. (FV : ₹ 2)	4,600	23.13	-	-
Greaves Cotton Ltd. (FV : ₹ 2)	-	-	4,200	5.36
Gujarat Fluorochemicals Ltd. (FV : ₹ 1)	2,000	54.85	11,280	64.88
Gujarat Hotels Ltd. (FV : ₹ 10)	-	-	8,290	8.70
Hindustan Media Ventures Ltd. (FV : ₹ 10)	-	-	5,700	3.41
Hindustan Petroleum Corporation Ltd. (FV : ₹ 10)	4,100	11.04	-	-
HT Media Ltd. (FV : ₹ 2)	-	-	16,050	3.34
Indian Bank Ltd. (FV : ₹ 10)	3,000	4.62	-	-
Indian Oil Corporation Ltd. (FV : ₹ 10)	8,000	9.52	-	-
International Travel House Ltd. (FV : ₹ 10)	-	-	4,350	2.55
ITC Ltd. (FV : ₹ 1)	4,850	12.16	-	-
ITD Cementation India Ltd. (FV : ₹ 1)	-	-	3,000	2.34
Jagran Prakashan Ltd. (FV : ₹ 2)	-	-	8,449	4.96
LIC Housing Finance Ltd. (FV : ₹ 2)	2,600	9.33	1,770	7.58
Madhucon Projects Ltd. (FV : ₹ 1)	-	-	34,750	1.74
Mangalore Refinery & Petrochemicals Ltd (FV : ₹ 10)	11,400	4.74	5,750	2.23
McLeod Russel India Ltd. (FV : ₹ 5)	-	-	6,300	1.20
Mercator Ltd. (FV : ₹ 1)	-	-	16,000	0.13
NLC India Ltd. (FV : ₹ 10)	13,700	8.57	6,250	3.15
NMDC Ltd. (FV : ₹ 1)	35,000	56.89	-	-
Oil India Ltd. (FV : ₹ 10)	4,600	10.97	5,100	6.26
Pennar industries Ltd. (FV : ₹ 5)	23,100	7.98	19,000	3.10
Power Finance Corporation Ltd. (FV : ₹ 10)	9,000	10.13	-	-
Power Grid Corporation of India Ltd. (FV : ₹ 10)	4,740	10.28	-	-
Punjab National Bank (FV : ₹ 2)	-	-	2,964	1.09
Rana Sugars Ltd. (FV : ₹ 10)	16,000	4.60	-	-
Reliance Capital Ltd. (FV : ₹ 10)	-	-	2,105	0.23
Repco Home Finance Ltd. (FV : ₹ 10)	2,500	4.41	840	2.83
RITES Ltd. (FV : ₹ 10)	4,200	11.03	-	-
Rushil Decor Ltd. (FV : ₹ 10)	7,000	37.81	-	-

## Notes to Financial Statements for the year ended March 31, 2022

### 8.2 Investments in Equity Shares (Quoted) (contd.)

Particulars	No. of Share	Amt. in ₹ Lacs	No. of Share	Amt. in ₹ Lacs
SJVN Ltd. (FV : ₹ 10)	39,000	10.71	-	-
SPICEJET Ltd. (FV : ₹ 10)	25,000	13.60	-	-
Star Cement Ltd. (FV : ₹ 1)	1,39,513	125.00	1,41,985	137.37
Steel Authority of India Ltd. (FV : ₹ 10)	20,600	20.30	-	-
Tata Coffee Ltd. (FV : ₹ 1)	2,600	5.64	-	-
Tata Steel Ltd. (FV : ₹ 10)	835	10.92	-	-
Techno Electric & Engineering Company Ltd (FV : ₹ 2)	4,100	10.16	-	-
Texmaco Rail and Engineering Ltd. (FV : ₹ 1)	29,923	12.48	20,933	5.59
Titagarh Wagons Ltd. (FV : ₹ 2)	4,200	4.26	4,200	1.87
Unitech Ltd. (FV : ₹ 2)	-	-	60,000	1.00
Vodafone Idea Ltd. (FV : ₹ 10)	1,92,000	18.53	1,44,736	13.39
Zydus lifesciences Ltd. (FV : ₹ 1)	2,600	9.06	-	-
<b>Total</b>		<b>715.03</b>		<b>379.54</b>
<b>Aggregate Amount &amp; Market Value of Current Investments :</b>				
Quoted		<b>715.03</b>		<b>379.54</b>
Unquoted		<b>1,503.14</b>		<b>5.17</b>

### 9. Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at Amortised Cost (Considered Good - Unsecured)</b>		
Trade Receivables	1,883.92	1,672.99
<b>Total</b>	<b>1,883.92</b>	<b>1,672.99</b>

#### Trade Receivable ageing schedule as on March 31, 2022

Particulars	Outstanding for the followings period from due date of payment				
	Current but not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	Total
Undisputed Trade Receivables - Considered Good	220.92	1,650.15	12.85	-	1,883.92

#### Trade Receivable ageing schedule as on March 31, 2021

Particulars	Outstanding for the followings period from due date of payment				
	Current but not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	Total
Undisputed Trade Receivables - Considered Good	461.59	1,120.32	47.53	43.56	1,672.99

## Notes to Financial Statements for the year ended March 31,2022

### 10. Cash and Cash Equivalents

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at Amortised Cost</b>		
Balances with Banks	690.66	628.57
Cheques on Hand	13.04	11.81
Cash on Hand	14.22	14.69
<b>Total</b>	<b>717.92</b>	<b>655.07</b>

### 11. Other Bank Balances

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
Fixed Deposits with Banks with original maturity of More than 3 months but less than 12 months #	57.55	20.71
<b>Total</b>	<b>57.55</b>	<b>20.71</b>

# Pledged with Banks

### 12. Other Financial Assets (Current)

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at amortised cost (Unsecured, Considered Good)</b>		
Interest Accrued on Investment in Bonds	0.98	1.06
Advances to Employees	136.42	50.40
<b>Financial Assets carried at Fair Value through Profit &amp; Loss</b>		
Derivative financial instruments - Foreign Currency Forward Contracts Receivables	-	6.18
<b>Total</b>	<b>137.40</b>	<b>57.65</b>

### 13. Other Current Assets

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>(Unsecured, Considered Good)</b>		
Advances to Vendors	2,942.56	440.90
Balances with Statutory Authorities	285.73	187.49
Export Incentives Receivable	29.05	43.68
Prepaid Expenses	29.12	24.36
<b>Total</b>	<b>3,286.46</b>	<b>696.42</b>

### 14. Current Tax Assets (Net)

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
Advance Tax (Net of Provision for Income Tax)	146.20	83.01
<b>Total</b>	<b>146.20</b>	<b>83.01</b>



## Notes to Financial Statements for the year ended March 31, 2022

### 15. Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>a) Authorised:</b>		
7,50,00,000 Equity Shares of ₹ 1/- each	750.00	750.00
(P.Y. 7,50,00,000 Equity Shares of ₹ 1/- each)	750.00	750.00
<b>b) Issued, Subscribed and Paid-up Capital</b>		
6,55,34,050 Equity Shares of ₹ 1/- each fully paid up	655.34	655.34
( P.Y. 6,55,34,050 Equity Shares of ₹ 1/- each fully paid up)	655.34	655.34

### c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding
Varun Agrawal	1,27,61,241	19.47	1,27,61,241	19.47
Suresh Kumar Agrawal	1,23,50,360	18.85	1,23,50,360	18.85
Chandrakala Agrawal	1,07,50,000	16.40	1,07,50,000	16.40
Payal Agrawal	1,27,86,218	19.51	1,27,86,218	19.51

### d) Reconciliation of the shares outstanding is set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Equity Shares</b>		
At the beginning of the Year	6,55,34,050	6,55,34,050
Add : Changes during the year	-	-
<b>Outstanding at the end of the Year</b>	<b>6,55,34,050</b>	<b>6,55,34,050</b>

### e) Details of Shareholding of Promoters as defined in the Companies Act'2013

Disclosure of Shareholding of Promoters as on March 31, 2022:

SL No.	Promoter Name	No. of shares as on April 1, 2021	No. of shares as on March 31, 2022	% Holding	% Change during the FY 2021-22
1.	Varun Agrawal	1,27,61,241	1,27,61,241	19.47	-
2.	Suresh Kumar Agrawal	1,23,50,360	1,23,50,360	18.85	-
3.	Chandrakala Agrawal	1,07,50,000	1,07,50,000	16.40	-
4.	Payal Agrawal	1,27,86,218	1,27,86,218	19.51	-
5.	Suresh Kumar Agrawal HUF	3,37,500	3,37,500	0.51	-

Disclosure of Shareholding of Promoters as on March 31, 2021:

SL No.	Promoter Name	No. of shares as on April 1, 2020	No. of shares as on March 31, 2021	% Holding	% Change during the FY 2020-21
1.	Varun Agrawal	1,27,61,241	1,27,61,241	19.47	-
2.	Suresh Kumar Agrawal	1,23,50,360	1,23,50,360	18.85	-
3.	Chandrakala Agrawal	1,07,50,000	1,07,50,000	16.40	-
4.	Payal Agrawal	1,27,86,218	1,27,86,218	19.51	-
5.	Suresh Kumar Agrawal HUF	3,37,500	3,37,500	0.51	-

## Notes to Financial Statements for the year ended March 31,2022

### 15. Equity Share Capital (contd.)

#### f) Terms/rights attached to each class of shares

##### Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 1/-. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 16. Other Equity

	As at March 31,2022		As at March 31,2021	
	₹ in Lacs		₹ in Lacs	
<b>A. Securities Premium</b>				
As per last Balance Sheet	4,673.93		4,673.93	
Add: Addition during the Year	-		-	
Balance as at the end of the Year		4,673.93		4,673.93
<b>B. General Reserve</b>				
As per last Balance Sheet	8,138.32		8,138.32	
Add: Addition during the Year	-		-	
Balance as at the end of the Year		8,138.32		8,138.32
<b>C. Capital Reserve</b>				
As per last Balance Sheet	5.00		5.00	
Add: Addition during the Year	-		-	
Balance as at the end of the Year		5.00		5.00
<b>D. Surplus in the statement of profit and loss</b>				
As per last Balance Sheet	8,008.33		6,040.28	
Add : Profit for the Year	2,955.98		1,968.49	
Add:- Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans	5.60		(0.45)	
Balance as at the end of the Year		10,969.91		8,008.33
<b>E. Other Comprehensive Income</b>				
<b>i) Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI</b>				
As per last Balance Sheet	384.78		(188.17)	
Add: Addition during the Year	918.59		572.95	
Balance as at the end of the Year		1,303.36		384.78
		<b>25,090.53</b>		<b>21,210.36</b>

### 17. Borrowings (Non-Current)

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
<b>Secured</b>		
Term Loan from Financial Institution (Secured against Car)	34.95	41.05
Less:- Current Maturities of Long term Debt	(6.77)	(6.08)
<b>Total</b>	<b>28.19</b>	<b>34.97</b>

#### Notes :

Term Loan secured against Car is repayable in 48 monthly installment payable each month with effect from May'2019.

## Notes to Financial Statements for the year ended March 31, 2022

### 18. Provisions (Non-Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Provisions for Employee Benefits</b>		
Gratuity (Refer Note 37)	95.35	89.78
<b>Total</b>	<b>95.35</b>	<b>89.78</b>

### 19. Deferred Tax Liability (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Deferred Tax Liability</b>		
Timing difference in depreciable assets	377.30	424.82
Timing difference in Fair Value Gain on Financial Instruments	172.42	197.14
<b>Deferred Tax Asset</b>		
Expenses allowable against taxable income in future years	(224.56)	(351.31)
<b>Net Deferred tax Liability</b>	<b>325.15</b>	<b>270.64</b>

### 20. Borrowings (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
<b>Secured</b>		
<b>From Banks</b>		
Buyers' Credit (Term Loan)	-	4,170.91
Loans Repayable on Demand	699.72	300.00
Current Maturities of Long term Loan	6.77	6.08
<b>Unsecured</b>		
<b>From Banks</b>		
Buyers' Credit (Term Loan)	-	1,785.15
<b>Total</b>	<b>706.49</b>	<b>6,262.14</b>

#### Notes :

The Company's Working Capital facilities are secured by First Charge on the current assets of the Company ranking pari passu with the respective Working Capital Bankers.

The amount is further secured on second charge basis on movable fixed assets of the Company ranking pari passu with the respective Working Capital Bankers.

### 21. Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
Total outstanding dues of micro and small enterprises*	126.05	43.67
Total outstanding dues of creditors other than micro and small enterprises	767.55	918.32
<b>Total</b>	<b>893.60</b>	<b>961.98</b>

## Notes to Financial Statements for the year ended March 31,2022

### 21. Trade Payables (contd.)

\*Disclosure required under Clause 22 of Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	126.05	43.67
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

#### Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for the followings period from due date of payment					
	Current but not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	111.82	14.23	-	-	-	126.05
(ii) Others	466.54	279.69	6.74	3.70	10.88	767.55

#### Trade Payables ageing schedule as on March 31, 2021

Particulars	Outstanding for the followings period from due date of payment					
	Current but not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	30.93	12.74	-	-	-	43.67
(ii) Others	243.77	417.38	25.80	11.24	220.13	918.32

### 22. Other Financial Liabilities (Current)

Particulars	As at March 31,2022	As at March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
Interest accrued but not due on borrowings	-	13.75
Liabilities for Expenses	839.08	702.01
<b>Total</b>	<b>839.08</b>	<b>715.76</b>

## Notes to Financial Statements for the year ended March 31, 2022

### 23. Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
Contract Liability	116.53	67.85
Statutory Dues	32.06	29.29
<b>Total</b>	<b>148.59</b>	<b>97.14</b>

### 24. Provisions (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
Provisions for Employee Benefits		
Gratuity (Refer Note 37)	73.70	65.90
<b>Total</b>	<b>73.70</b>	<b>65.90</b>

### 25. Revenue from Operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Sale of Products	48,539.57	37,859.84
Sale of Services	1,896.73	756.06
Other Operating Income	15.83	180.14
<b>Total</b>	<b>50,452.14</b>	<b>38,796.03</b>

### 26. Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Interest Income	356.34	370.04
<b>Income from Investments carried at Fair Value through Profit and Loss</b>		
Dividend Income	134.30	3.43
Fair Value changes of Investments in Current Investments	94.31	147.83
Gain/(Loss) on Sale of Equity Shares	110.18	79.90
Gain/(Loss) on Redemption of Mutual Funds	109.48	1.15
Gain/(Loss) on sale of Property, Plant & Equipment	18.10	0.79
<b>Total</b>	<b>822.71</b>	<b>603.14</b>

### 27. Cost of Materials Consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Opening Stock	5,683.48	6,105.65
Add : Purchases including Traded Goods	39,824.38	29,516.81
Less : Closing Stock	5,037.70	5,683.48
<b>Total</b>	<b>40,470.16</b>	<b>29,938.98</b>

## Notes to Financial Statements for the year ended March 31,2022

### 28. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Opening Stock</b>		
Finished Goods	190.00	118.39
Work in Progress	1,835.34	1,547.87
Scrap	2.52	3.41
	<b>2,027.86</b>	<b>1,669.66</b>
<b>Closing Stock</b>		
Finished Goods	1,020.49	190.00
Work in Progress	1,775.15	1,835.34
Scrap	3.93	2.52
	<b>2,799.57</b>	<b>2,027.86</b>
<b>Total (Increase) / Decrease</b>	<b>(771.71)</b>	<b>(358.19)</b>

### 29. Employee Benefits Expense

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	₹ in Lacs	₹ in Lacs
Salaries, Wages and Bonus	982.31	937.15
Contribution to Provident & other funds	48.81	45.91
Staff Welfare Expenses	286.07	250.11
<b>Total</b>	<b>1,317.19</b>	<b>1,233.17</b>

### 30. Finance Costs

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	₹ in Lacs	₹ in Lacs
Interest Expenses	28.78	68.50
Interest on Lease Liabilities (Refer Note 39)	12.12	14.65
Other Borrowing Cost	39.89	30.67
<b>Total</b>	<b>80.79</b>	<b>113.82</b>

### 31. Other Expenses

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	₹ in Lacs	₹ in Lacs
<b>Consumption of Stores and Consumables</b>		
Indigenous	702.50	993.86
Imported	55.71	450.01
Power & Fuel	2,113.38	1,603.75
Processing Charges	14.32	24.98
Carriage Inward	155.44	40.88
<b>Repairs to:</b>		
Building	73.35	54.63
Machinery	232.08	555.79
Others	92.64	6.80
Other Manufacturing Expenses	408.67	353.33



## Notes to Financial Statements for the year ended March 31, 2022

### 31. Other Expenses (contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	1.20	1.20
Insurance	45.66	35.18
Rates & Taxes	51.85	48.68
Packing Expenses	455.33	274.80
Freight, Forwarding and Handling Expenses	416.56	179.82
Communication Expenses	14.42	16.65
Travelling & Conveyance	113.19	53.43
Foreign Currency Fluctuation Loss/(Gain) (Net)	15.50	(142.47)
<b>Auditors' Remuneration</b>		
As Auditors	8.00	8.00
For Taxation matters	0.50	0.50
For Other services	0.30	0.19
Donations #	42.87	84.99
Commission	0.34	-
Other Miscellaneous Expenses	543.02	565.30
<b>Total</b>	<b>5,556.84</b>	<b>5,210.31</b>

# Includes an amount of ₹ 40.48 Lacs (2020-21 : ₹ 37.25 Lacs) towards Corporate Social Responsibility as per Section 135 of Companies Act, 2013.

### Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

The details relating to Corporate Social Responsibility (CSR) expenditure during the year are as follows :

Particulars	2021-22	2020-21
a) Gross amount required to be spent by the Company during the year	35.29	36.64
b) Amount spent during the year on Education and Skill Development	40.48	37.25
c) Amount unspent during the year	-	-
d) Total of previous years shortfall	-	-

### 32. Effective Tax Reconciliation

The reconciliation of Estimated Income Tax to Income Tax Expense is as below :

Particulars	March 31, 2022	March 31, 2021
<b>A. Amount recognized in profit or loss</b>		
<b>Current Tax</b>		
Current period	1,040.00	700.00
Changes in respect of current income tax of previous years	25.50	-
(a)	1,065.50	700.00
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	(37.21)	(17.46)
(b)	(37.21)	(17.46)
<b>Tax expenses reported in the Standalone Statement of Profit and Loss (a-b)</b>	<b>1,102.71</b>	<b>717.46</b>
<b>B. Income tax recognized in Other Comprehensive Income</b>		
Deferred tax relating to items recognized in other comprehensive income during the year	(17.29)	(192.55)
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>(17.29)</b>	<b>(192.55)</b>

## Notes to Financial Statements for the year ended March 31, 2022

### 32. Effective Tax Reconciliation (contd.)

#### C. Reconciliation of tax expense and the accounting profit for March 31, 2021 and March 31, 2020: Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Accounting profit before income tax	4,058.69	2,685.95
Statutory Income Tax rate	25.168%	25.168%
Tax at the applicable India tax rate	1,021.49	676.00
<b>Tax impact on amounts that are adjusted in determining taxable profit:</b>		
Changes in respect of current income tax of previous year	25.50	48.91
Income Exempt from Tax / Items not deductible	22.55	(40.96)
Other adjustments	33.17	33.52
	<b>1102.71</b>	<b>717.46</b>

#### D. Recognized deferred tax assets and liabilities: Amount in ₹ Lacs

Particulars	Balance as on April 1, 2021	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2022
Property, plant and equipment	(359.51)	31.99	-	(327.52)
Other assets	(62.91)	(79.51)	(17.45)	(159.87)
Financial Liabilities	(33.56)	7.10	-	(26.47)
Provisions	185.34	3.22	0.14	188.70
<b>Total</b>	<b>(270.64)</b>	<b>(37.21)</b>	<b>(17.30)</b>	<b>(325.16)</b>

Particulars	Balance as on April 1, 2020	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2021
Property, plant and equipment	(391.38)	31.86	-	(359.51)
Other assets	185.59	(55.80)	(192.70)	(62.91)
Financial Liabilities	(39.58)	6.02	-	(33.56)
Provisions	184.73	0.46	0.14	185.34
<b>Total</b>	<b>(60.63)</b>	<b>(17.46)</b>	<b>(192.55)</b>	<b>(270.64)</b>

#### E. Deferred tax reflected in the Balance Sheet as follows: Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Deferred tax assets	224.56	154.17
Deferred tax liabilities	(549.72)	(424.81)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(325.16)</b>	<b>(270.64)</b>

### 33. Contingencies and Commitments

#### I) Contingent Liabilities

Claims against the company/disputed liabilities not acknowledged as Debts

Particulars	March 31, 2022	March 31, 2021
Service Tax & Excise Duty	3.60	4.98
Income Tax	155.19	155.19
Demand by Haldia Development Authority towards Land Premium	332.50	332.50
Stamp Duty for Registration of Land	49.45	49.45
<b>Total</b>	<b>540.74</b>	<b>542.12</b>

#### II) Contingent Liabilities Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Guarantees given by the Company not acknowledged as debt	21.06	-
<b>Total</b>	<b>21.06</b>	<b>-</b>

## Notes to Financial Statements for the year ended March 31, 2022

### 34. Earnings per share

Particulars	March 31, 2022	March 31, 2021
Profit as per Statement of Profit and Loss (₹ in lacs)	2,955.98	1,968.49
Weighted average number of equity shares	6,55,34,050	6,55,34,050
Nominal value per equity share (₹)	1.00	1.00
Earnings per share - Basic and Diluted (₹)	4.51	3.00

### 35. Entry Tax

The Company has made a provision of ₹ Nil Lakhs (Previous Year ₹ Nil Lakhs) in relation to matter under litigation/dispute as shown below :

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
Opening Balance	580.69	580.69
Provisions made during the year	-	-
<b>Closing Balance</b>	<b>580.69</b>	<b>580.69</b>

### 36. Related Party Disclosures

#### List of Related Parties :

1. Subsidiary , Step-down Subsidiaries & Associate	Relation	Country of Incorporation	Extent of Holding
Technomet International FZE	Subsidiary	United Arab Emirates	100%
Federated Steel Mills Limited	Step-down Subsidiary	Nigeria	100%
Far East Steel Industries Limited	Step-down Subsidiary	Nigeria	100%
Sumo Agrochem Limited	Step-down Subsidiary	Nigeria	100%
Metchem Resources Zambia Limited ( w.e.f 21st Jan' 2022)	Step- down Associate	Zambia	32.50%

2. Key Managerial Personnel	
Sri Varun Agrawal	Managing Director
Sri Vineet Agrawal	Chief Executive Officer
Sri Rajesh Singhania	Chief Financial Officer
Sri Ajay Sharma	Company Secretary

3. Other Directors	Relation
Sri Suresh Kumar Agrawal	Non-Executive Director
Sri Ajay Kumar Chakraborty	Independent Director
Dr. Kali Kumar Chaudhuri	Independent Director
Sri Ramesh Kr. Maheshwari	Independent Director
Smt. Smita Khaitan	Independent Director (upto 21st May, 2021)
Smt. Nidhi Baheti	Independent Director (w.e.f 16th June, 2021)
Sri Mrinal Kanti Pal	Non-Executive Director

4. Entities over which KMPs/Directors and their relatives have significant influence (with whom transactions have taken place during the year)	
Manaksia Limited	Jebba Paper Mills Limited
Manaksia Aluminium Company Limited	Vajra Machineries Private Limited
MINL Limited	Sumo Steels Limited
Leadstone Energy Limited	

## Notes to Financial Statements for the year ended March 31, 2022

### 36. Related Party Disclosures (contd.)

The following table summarises Related-Party Transactions and Balances included in the Financial Statements as at and for the year ended March 31, 2022 and March 31, 2021 :

Nature of Transactions	Subsidiary & Step-down Subsidiaries (1)	Key Managerial Personnel & Other Directors (2+3)	Entities where KMP/Directors and relatives have significant influence (4)	Total
Salary and Other Benefits	-	<b>489.37</b>	-	<b>489.37</b>
	-	486.83	-	486.83
Meeting Fees	-	<b>3.08</b>	-	<b>3.08</b>
	-	2.99	-	2.99
Sale of Goods*	<b>90.41</b>	-	<b>7,745.27</b>	<b>7,835.68</b>
	95.04	-	9,193.89	9,288.93
Purchase of Goods	-	-	<b>138.79</b>	<b>138.79</b>
	-	-	66.26	66.26
Service rendered	-	-	<b>116.67</b>	<b>116.67</b>
	-	-	132.98	132.98
Service received	-	-	<b>3.11</b>	<b>3.11</b>
	-	-	2.90	2.90
Interest Income recognised	-	-	<b>0.24</b>	<b>0.24</b>
	-	-	1.48	1.48
Dividend Received	-	-	<b>120.00</b>	<b>120.00</b>
	-	-	-	-
Outstanding Receivables	<b>15.50</b>	-	<b>733.62</b>	<b>749.12</b>
	3.49	-	207.51	211.00
Outstanding Payable	-	-	<b>18.15</b>	<b>18.15</b>
	-	-	124.34	124.34
Outstanding Investment in Equity	<b>2,487.46</b>	-	<b>1,503.80</b>	<b>3,991.26</b>
	2,487.46	-	1,503.80	3,991.26
Advance Given against Goods	-	-	<b>37.10</b>	<b>37.10</b>
	-	-	-	-

**Note :** Figures in italics represent comparative figures of previous years.

\* Total revenue from customers includes sales to related parties of ₹ 5,800.86 lacs (March 31, 2021: ₹ 6,136.43 lacs) which represents more than 10% of the total revenue to single customer.

### 37. Employee Benefits

#### I) Defined Contribution Plan

Contribution to defined contribution plan, recognized are charged off during the year as follows : **Amount in ₹ Lacs**

Particulars	March 31, 2022	March 31, 2021
Employers' Contribution to Provident Fund	41.77	38.74

#### II) Defined Benefit Plan

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

## Notes to Financial Statements for the year ended March 31, 2022

### 37. Employee Benefits (contd.)

<b>a) Change in Defined Benefit Obligations :</b>		<b>Amount in ₹ Lacs</b>	
Particulars	March 31, 2022	March 31, 2021	
Present Value of Defined Benefit Obligations at beginning of year	155.68	153.28	
Current Service cost	16.45	15.08	
Interest cost	10.27	9.96	
Past Service Cost	-	-	
<b>Re-measurement (or Actuarial (gains)/ losses) arising from :</b>			
Change in financial assumptions	(3.96)	(0.79)	
Experience Variance (i.e. Actual experience vs assumptions)	(3.52)	1.39	
Benefits paid	(5.87)	(23.23)	
<b>Present Value of Defined Benefit Obligations at the end of year</b>	<b>169.05</b>	<b>155.68</b>	

<b>b) Net Liability recognised in Balance Sheet :</b>		<b>Amount in ₹ Lacs</b>	
Particulars	March 31, 2022	March 31, 2021	
Net Liability recognised in Balance Sheet at beginning of year	155.68	153.28	
Expense recognised in Statement of Profit and Loss	26.72	25.04	
Expense recognised in Other Comprehensive Income	(7.48)	0.60	
Employer contributions	(5.87)	(23.23)	
<b>Net Liability recognised in Balance Sheet at end of year</b>	<b>169.05</b>	<b>155.68</b>	

<b>c) Net Liability recognised in Balance Sheet :</b>		<b>Amount in ₹ Lacs</b>	
Particulars	March 31, 2022	March 31, 2021	
Current Service Cost	16.45	15.08	
Past Service Cost	-	-	
Loss / (Gain) on settlement	-	-	
Net Interest Expense on the Net Defined Benefit Liability	10.27	9.96	
<b>Net Amounts recognised</b>	<b>26.72</b>	<b>25.04</b>	

<b>d) Expenses recognised in the Other Comprehensive Income consist of :</b>		<b>Amount in ₹ Lacs</b>	
Particulars	March 31, 2022	March 31, 2021	
Actuarial (gains) / losses due to :			
Change in financial assumptions	(3.96)	(0.79)	
Experience Variance (i.e. Actual experience vs assumptions)	(3.52)	1.39	
<b>Net Amounts recognised</b>	<b>(7.48)</b>	<b>0.60</b>	

<b>e) Actuarial Assumptions</b>		<b>Amount in ₹ Lacs</b>	
Particulars	March 31, 2022	March 31, 2021	
<b>Financial Assumptions</b>			
Discount Rate p.a.	7.10%	6.60%	
Rate of increase in salaries p.a.	5.00%	5.00%	
<b>Demographic Assumptions</b>			
Mortality Rate (% of IALM 12-14)	100.00%	100.00%	
Normal Retirement Age	58 Years	58 Years	
Attrition Rates, based on age (% p.a.)			
For all ages	2.00	2.00	

## Notes to Financial Statements for the year ended March 31,2022

### 37. Employee Benefits (contd.)

#### f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Amount in ₹ Lacs				
Particulars	March 31,2022		March 31,2021	
Defined Benefit Obligation (Base)	169.05		155.68	
Particulars	March 31,2022		March 31,2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	177.25	161.86	164.03	148.36
% change compared to base due to sensitivity	4.85%	-4.25%	5.37%	-4.70%
Salary Growth Rate (- / + 1%)	161.44	177.60	147.99	164.32
% change compared to base due to sensitivity	-4.50%	5.06%	-4.94%	5.55%
Attrition Rate (- / + 50%)	167.89	170.09	154.85	156.42
% change compared to base due to sensitivity	-0.69%	0.61%	-0.54%	0.48%
Mortality Rate (- / + 10%)	168.84	169.25	155.52	155.84
% change compared to base due to sensitivity	-0.12%	0.12%	-0.10%	0.10%

#### g) Maturity Profile of Defined Benefit Obligation

Amount in ₹ Lacs		
Particulars	March 31,2022	March 31,2021
Weighted average duration (based on discounted cashflow)	5 Years	6 Years
<b>Expected cash flows over the next (valued on undiscounted basis)</b>		
1 Year	73.70	65.90
2 to 5 years	45.71	41.78
6 to 10 years	54.85	48.09
More than 10 years	91.02	85.60

#### h) Summary of Assets and Liability (Balance Sheet Position)

Amount in ₹ Lacs		
Particulars	March 31,2022	March 31,2021
Present value of Obligation	169.05	155.68
Fair Value of Plan Assets	-	-
Unrecognized Past Service Cost	-	-
Effects of Asset Celling	-	-
<b>Net Asset / (Liability)</b>	<b>(169.05)</b>	<b>(155.68)</b>

#### i) Windup Liability / Discontinuance Liability

Amount in ₹ Lacs		
Particulars	March 31,2022	March 31,2021
Discontinuance Liability *	188.12	169.59
Present Value of Obligation	169.05	155.68
<b>Ratio (PV of Obligation / Discontinuance Liability)</b>	<b>90%</b>	<b>92%</b>

\* Discontinuance Liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.



## Notes to Financial Statements for the year ended March 31, 2022

### 38. Disclosures on Financial Instruments

#### I) Financial Instruments by Category

As at March 31, 2022

Amount in ₹ Lacs

Particulars	Amortised Cost / Cost	Fair Value through OCI	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets					
Investments	2,537.56	2,952.00	2,218.17	7,707.73	7,707.73
Trade Receivables	1,883.92	-	-	1,883.92	1,883.92
Cash and Cash Equivalents	717.92	-	-	717.92	717.92
Other Bank Balances	57.55	-	-	57.55	57.55
Other Financial Assets	2,436.10	-	-	2,436.10	2,436.10
<b>Total Financial Assets</b>	<b>7,633.05</b>	<b>2,952.00</b>	<b>2,218.17</b>	<b>12,803.22</b>	<b>12,803.22</b>
Financial Liabilities					
Borrowings	734.68	-	-	734.68	734.68
Lease Liabilities	105.15	-	-	105.15	105.15
Trade Payables	893.60	-	-	893.60	893.60
Other Financial Liabilities	839.08	-	-	839.08	839.08
<b>Total Financial Liabilities</b>	<b>2,572.51</b>	<b>-</b>	<b>-</b>	<b>2,572.51</b>	<b>2,572.51</b>

As at March 31, 2021

Amount in ₹ Lacs

Particulars	Amortised Cost / Cost	Fair Value through OCI	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets					
Investments	2,540.06	2,018.00	384.71	4,942.78	4,942.78
Trade Receivables	1,672.99	-	-	1,672.99	1,672.99
Cash and Cash Equivalents	655.07	-	-	655.07	655.07
Other Bank Balances	20.71	-	-	20.71	20.71
Other Financial Assets	10,021.06	-	6.18	10,027.24	10,027.24
<b>Total Financial Assets</b>	<b>14,909.89</b>	<b>2,018.00</b>	<b>390.89</b>	<b>17,318.78</b>	<b>17,318.78</b>
Financial Liabilities					
Borrowings	6,297.11	-	-	6,297.11	6,297.11
Lease Liabilities	133.35	-	-	133.35	133.35
Trade Payables	961.98	-	-	961.98	961.98
Other Financial Liabilities	715.76	-	-	715.76	715.76
<b>Total Financial Liabilities</b>	<b>8,108.21</b>	<b>-</b>	<b>-</b>	<b>8,108.21</b>	<b>8,108.21</b>

#### II) Fair Value Hierarchy

All Financial Assets & Financial Liabilities are carried at amortised cost except Current Investments and Foreign Currency Forward Contracts, which have been fair valued using Level 1 & Level 2 Hierarchy respectively.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## Notes to Financial Statements for the year ended March 31, 2022

### 38. Disclosures on Financial Instruments (contd.)

The following table represents the fair value hierarchy of Financial Assets and Financial Liabilities measured at Fair Value on a recurring basis :

Particulars	Fair Value Hierarchy Level	Amount in ₹ Lacs	
		March 31, 2022	March 31, 2021
<b>Financial Assets</b>			
Investments (Non-Current)	Level 1	2,952.00	2,018.00
Investments (Current)	Level 1	2,218.17	384.71
Derivative financial instruments - Foreign Currency Forward Contracts	Level 2	-	6.18

### III) 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 Company's focus is on foreseeing the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### a) Market Risk -

Market Risk Comprises of Foreign Currency Exchange Rate Risk, Interest Rate Risk & Equity Price Risk

#### i) Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the Statement of Profit and Loss and Equity, where any transactions are denominated in a currency other than the functional currency of the Company. The Company operates both in domestic market and internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies.

The Company's Exchange Rate Risk exposure is primarily due to Trade Payables, Trade Receivables and Borrowings in the form of Buyers' Credit denominated in foreign currencies. The Company uses foreign exchange and forward contracts primarily to hedge foreign exchange exposure.

The following table analyzes foreign currency risk from financial instruments:-

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
<b>Exposure Currency (USD)</b>		
<b>Financial Liabilities</b>		
Trade Payables	-	-
Buyer's Credit (Term Loan)	-	5,956.06
<b>A :-</b>	<b>-</b>	<b>5,956.06</b>
<b>Financial Assets</b>		
Trade Receivable	424.96	137.50
Bank Balance in EEFC	251.91	373.25
<b>B :-</b>	<b>676.87</b>	<b>510.75</b>
<b>Total A - B :-</b>	<b>(676.87)</b>	<b>5,445.30</b>

#### Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
<b>Less than 1 year</b>		
Forward Contract (Currency - USD) to cover both present and future export receivables	-	-
Forward Contract (Currency - USD) to cover both present and future import payables	-	915.88
<b>Total derivative financial instruments</b>	<b>-</b>	<b>915.88</b>

An appreciation/depreciation of the foreign currencies with respect to functional currency of the Company by 50 paise would result in an increase/decrease in the Company's Net Profit before Tax by approximately ₹ 4.46 lacs for the year ended March 31, 2022 (March 31, 2021 : ₹ -31.15 lacs)

## Notes to Financial Statements for the year ended March 31, 2022

### 38. Disclosures on Financial Instruments (contd.)

#### ii) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. The Company have interest bearing liabilities having MCLR based floating rate of interest. The Company's interest rate exposure is mainly related to its debt obligations.

Based on the composition of debt as at March 31, 2022 and March 31, 2021 a 100 basis points increase in interest rates would increase the Company's finance costs and thereby consequently reduce net profit and equity before considering tax impacts by approximately ₹7.35 lacs for the year ended March 31, 2022 (2020-21: ₹ 62.97 lacs).

This calculation 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.

#### iii) Security Price Risk

Security 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 held for deploying surplus fund.

The fair value of investments in equity and mutual funds, classified as Fair Value through Profit & Loss as at March 31, 2022 and March 31, 2021 was ₹ 2218.17 lacs and ₹ 384.71 lacs respectively.

A 10% change in prices of such securities held as at March 31, 2022 and March 31, 2021, would result in an impact of ₹ 221.82 lacs and ₹ 38.47 lacs respectively on Profit before tax.

Similarly, The fair value of investments in equity instrument, classified as Fair Value through Other Comprehensive Income as at March 31, 2022 and March 31, 2021, was ₹ 2952.00 lacs and ₹ 2018.00 lacs respectively.

A 10% change in prices of such securities held as at March 31, 2022 and March 31, 2021, would result in an impact of ₹ 295.20 lacs and ₹ 201.80 lacs respectively on profit before tax.

#### b) Liquidity Risk -

Liquidity risk refers to the risk that the Company may not 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 following table shows maturity analysis of the Company's Financial Liabilities on the basis of undiscounted contractual payments :

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
<b>One Year or less</b>		
Borrowings	706.49	6,262.14
Trade Payables	893.60	961.98
Lease Liabilities	34.86	38.58
Other Financial Liabilities	839.08	715.76
<b>More than One Year</b>		
Borrowings	28.19	34.97
Trade Payables	-	-
Lease Liabilities	70.29	94.76
Other Financial Liabilities	-	-

#### c) Credit Risk -

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The Company has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

## Notes to Financial Statements for the year ended March 31,2022

### 39. Leases

The Company has lease contracts for Guest House and office spaces used in its operations. These have lease terms of 6 years. Company also hold leasehold land having lease terms of 90 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

Particulars	Amount in ₹ Lacs	
	March 31,2022	March 31,2021
As on Beginning of the Year	277.46	312.01
Addition during the year	-	-
Depreciation Expense	(34.55)	(34.55)
<b>As at End of the Year</b>	<b>242.91</b>	<b>277.46</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Amount in ₹ Lacs	
	March 31,2022	March 31,2021
<b>As on Beginning of the Year</b>	<b>133.35</b>	<b>157.27</b>
Accretion of interest	12.12	14.65
Payments	(40.31)	(38.58)
<b>As at End of the Year</b>	<b>105.15</b>	<b>133.35</b>
Current	34.86	38.58
Non Current	70.29	94.76

The incremental borrowing rate for lease liabilities is 10.00%, with maturity between 2024-2025

The following are the amounts recognised in statement of Profit and Loss:

Particulars	Amount in ₹ Lacs	
	March 31,2022	March 31,2021
Depreciation expense of right-of use assets	34.55	34.55
Interest expenses on lease liabilities	12.12	14.65
Expense relating to other leases (including in other expenses)	-	-
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>46.67</b>	<b>49.21</b>

<b>Maturity analysis of lease liabilities are as follows:</b>	<b>2021-2022</b>	<b>March 31,2021</b>
1 Year	34.86	38.58
2 to 5 Years	70.29	94.76

### 40. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting 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 funding needs are met through cash generated from operations and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances, non current financial assets and current investments. The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	Amount in ₹ Lacs	
	March 31,2022	March 31,2021
Equity Share Capital	655.34	655.34
Other Equity	25,090.53	21,210.36
<b>Total Equity (A)</b>	<b>25,745.87</b>	<b>21,865.70</b>

## Notes to Financial Statements for the year ended March 31, 2022

### 40. Capital Management (contd.)

Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Short Term / Long Term Borrowings (Gross Debt) (B)	734.68	6,297.11
Less: Non - Current Financial Assets	2,280.72	9,952.74
Less: Current Investments	2,218.17	384.71
Less: Cash and Cash Equivalents	717.92	655.07
Less: Other Bank Balances	57.55	20.71
<b>Net Debt (C)</b>	<b>(4,539.67)</b>	<b>(4,716.11)</b>
Net Debt to Equity (C/A)	-	-

### 41. Additional Regulator Information

I) The Company is filing Quarterly Statement for Fund Based (Working Capital Loan) and Non Fund Based Loans with Banks.

Quarter	Particulars of Security	Amount as per Book	Amount as per Statement	Difference
June'21	Inventories	5,915.25	5,915.25	-
	Receivables < 6 Months	1,641.00	1,641.00	-
	Advance to Vendors	674.11	674.11	-
	Trade Payables	587.11	587.11	-
	Advance from Customers	52.02	52.02	-
September'21	Inventories	8,442.50	8,442.50	-
	Receivables < 6 Months	1,827.00	1,827.00	-
	Advance to Vendors	432.04	432.04	-
	Trade Payables	788.15	788.15	-
	Advance from Customers	106.45	106.45	-
December'21	Inventories	6,230.26	6,230.26	-
	Receivables < 6 Months	2,246.00	2,246.00	-
	Advance to Vendors	825.66	825.66	-
	Trade Payables	772.89	772.89	-
	Advance from Customers	57.18	57.18	-
March'22	Inventories	8,178.36	8,178.36	-
	Receivables < 6 Months	1,871.00	1,871.00	-
	Advance to Vendors	2,942.56	2,942.56	-
	Trade Payables	893.60	893.60	-
	Advance from Customers	116.53	116.53	-

## Notes to Financial Statements for the year ended March 31,2022

### 41. Additional Regulator Information (contd.)

#### II) Ratios:-

Amount in ₹ Lacs

Particulars	March 31,2022	March 31,2021	% Change	Reason For Change in Ratios
a) Current Ratio	6.17	1.42	334.68	Reduction in Buyer's Credit and Increase in Investment of Mutual Fund has lead to higher Current Ratio.
b) Debt Equity Ratio	0.03	0.29	(90.09)	Reduction in Buyer's Credit has lead to decrease in Debt Equity Ratio.
c) Debt Service Coverage Ratio	6.40	0.54	1,094.26	Reduction in Working Capital Loan has lead to Higher Debt Service Coverage Ratio.
d) Return on Equity Ratio	12.42%	9.56%	29.91	Increase in Average Sale Price along with Increase in the Volume leads to Higher Return of Equity.
e) Inventory Turnover Ratio	5.62	4.26	32.00	Imports were made in the month of March'21, leading to Higher Inventories.
f) Trade Receivables Turnover Ratio	28.37	13.09	116.65	Reduced Debtor Collection Period resulted into a higher Receivables ratio.
g) Trade Payables Turnover Ratio	42.92	9.99	329.48	Reduced Creditor Payment Cycle for procurement of basic Raw Material has increased the Payables Turnover Ratio.
h) Net Capital Turnover Ratio	3.62	11.38	(68.19)	Reduction in Buyer's Credit and Increase in Investment of Mutual Fund has lead to Decrease in Net Capital.
i) Net Profit Ratio	5.86%	5.07%	15.47	-
j) Return on Capital Employed	17.76%	11.98%	48.19	Increase in Average Sale Price along with Increase in the Volume leads to Higher Return on Capital Employed.
k) Return on Investment	10.59%	12.15%	(12.81)	-

#### Elements of Ratios:-

Amount in ₹ Lacs

Ratios	Numerator	Denominator	31st March 2022		31st March 2021	
			Numerator	Denominator	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities	16,625.98	2,696.32	11,549.18	8,141.51
Debt-Equity Ratio	Debt (Borrowing)	Total Equity	734.68	25,745.87	6,297.11	21,865.70
Debt Service Coverage Ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Debt (Borrowing)	4,702.36	734.68	3,374.90	6,297.11
Return of Equity Ratio	Net Profit after Tax for the year	Average Equity	2,955.98	23,805.78	1,968.49	20,595.20
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	45,426.62	8,078.49	35,473.14	8,327.34
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	50,452.14	1,778.46	38,796.03	2,962.86



## Notes to Financial Statements for the year ended March 31, 2022

### 41. Additional Regulator Information (contd.)

Amount in ₹ Lacs

Ratios	Numerator	Denominator	31st March 2022		31st March 2021	
			Numerator	Denominator	Numerator	Denominator
Trade Payable Turnover Ratio	Purchases	Average Trade Payables	39,824.38	927.79	29,516.81	2,953.33
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	50,452.14	13,929.66	38,796.03	3,407.66
Net Profit Ratio	Net Profit after Tax for the year	Revenue from Operations	2,955.98	50,452.14	1,968.49	38,796.03
Return on Capital Employed	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Equity + Debt (Borrowings)	4,702.36	26,480.55	3,374.90	28,162.81
Return on Investment	Interest Income on fixed deposits, bonds and debentures + Dividend Income + Profit on sale of investments + Profit on fair valuation of investments carried at FVTPL	Current investments + Non current Investments + Other bank balances	822.71	7,765.28	603.14	4,963.48

### III) Other Statutory Information

- a) The Company do not have any Benami Property, where any proceedings has been initiated or pending against the Company for holding any Benami property.
- b) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies):
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company(Ultimate Beneficiaries) or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- g) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- h) The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies(Restriction on Number of Layers) Rules, 2017.
- i) There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.
- j) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. The Company has no Core Investment Company as part of the Group.

## Notes to Financial Statements for the year ended March 31, 2022

### 42. Impact of COVID-19 (Global pandemic)

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statement including the recoverability of carrying amounts of financial and non-financial assets. The Company has, at the date of approval of the financial statement, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same.

43. The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

44. Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to conform to the current year presentation.

For **AGRAWAL TONDON & CO**

*Chartered Accountants*

Firm Regn. No. 329088E

**Kaushal Kejriwal**

*(Partner)*

Membership No. 308606

Kolkata

27th day of May, 2022

For and on behalf of the Board of Directors

**Varun Agrawal**

*(Managing Director)*

DIN - 00441271

**Vineet Agrawal**

*(Chief Executive Officer)*

**Mrinal Kanti Pal**

*(Director)*

DIN - 00867865

**Rajesh Singhania**

*(Chief Financial Officer)*

**Ajay Sharma**

*(Company Secretary)*

# Independent Auditor's Report

To the  
Members of  
**Manaksia Steels Limited**

## Report on the audit of Consolidated Ind AS financial statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Manaksia Steels Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associates, 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 Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements 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 Ind AS financial statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue from Sale of Goods</b>  The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. As described in the accounting policy in note 2(V) and as reflected in note 26 to the Ind AS Consolidated financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts.  Considering the judgment and estimates involved in revenue recognition, it is considered to be a key audit matter.	Our audit procedure includes the following: <ul style="list-style-type: none"> <li>• Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 "Revenue from contracts with customers"</li> <li>• Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition.</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested and the revenue has been recognized in accordance with Ind AS 115.</li> <li>• We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management.</li> </ul> Assessed the relevant disclosure made in the consolidated Ind AS financial statement.

We have determined that there are no other key audit matters to communicate in our report.

### Information Other than the Consolidated Ind AS financial statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it related to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by other auditors.

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

### Responsibility of the Management and those charge with governance for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group and of its associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibilities for the Audit of Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 Holding Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its associates 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 Ind AS 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 Group and of its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and of its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 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

We did not audit the financial statements/financial information of two subsidiaries (including one step down subsidiary), incorporated outside India, whose financial statements/financial information reflect total assets of ₹ 10,652.15 lakhs as at 31st March 2022, total revenue (including other Income) of ₹ 10,729.41 lakhs and net profit/(loss) after tax amounting to ₹ 625.78 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion

on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The aforesaid subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of two (2) stepdown subsidiaries, whose financial statements and other financial information reflect total assets of ₹245.29 lakhs as at March 31, 2022, total revenues of ₹ 1.75 lakhs and net profit/(loss) after tax of ₹ (19.08) lakhs for the year ended on that date. The consolidated Financial Statements also include the Group's share of net profit/(loss) after tax of ₹ (2.05) lakhs, considered in the statement, in respect of one associate for the year ended March 31, 2022. These unaudited financial statements and other unaudited financial information have been approved and furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a. We/the other auditors whose report we have relied upon 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 Ind AS financial statements.

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The Holding Company does not have any subsidiary and associates incorporated in India and accordingly separate report on the adequacy of the internal financial controls of the Group and the operating effectiveness of such controls have not been annexed to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 34 of the Consolidated Ind AS financial statements).
  - ii. The Group and its associates did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) As represented by the management, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) As represented by the management that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared and paid dividend during the year.

**For Agrawal Tondon & Co.**  
Chartered Accountants  
Firm Registration No.-329088E

Kaushal Kejriwal  
(Partner)

Date: 27th May, 2022  
Place: Kolkata

Membership No. 308606  
UDIN:22308606AJSUOC6499



**Consolidated Balance Sheet** as at March 31, 2022

	Notes	As at March 31, 2022 ₹ in Lacs	As at March 31, 2021 ₹ in Lacs
<b>ASSETS</b>			
<b>I. Non-Current Assets</b>			
a) Property, Plant and Equipment	3.1	6,462.37	7,503.38
b) Capital Work-in-Progress	3.2	501.57	35.66
c) Intangible Assets	3.3	0.23	0.51
d) Right-of-Use Asset	3.4	1,221.11	1,320.23
e) Financial Assets			
i) Investments	4	3,002.10	2,070.60
ii) Investments in Associate	5	-	-
iii) Other Financial Assets	6	2,307.65	9,978.23
e) Other Non-Current Assets	6		
g) Other Non-Current Assets	7	123.56	116.11
		<b>13,618.59</b>	<b>21,118.50</b>
<b>II. Current Assets</b>			
a) Inventories	8	10,480.79	8,613.55
b) Financial Assets			
i) Investments	9	2,218.17	384.71
ii) Trade Receivables	10	2,992.00	1,936.37
iii) Cash and Cash Equivalents	11	1,531.81	1,641.28
iv) Other Bank Balances	12	277.13	20.71
v) Other Financial Assets	13	167.86	88.61
c) Other Current Assets	14	3,577.26	1,002.26
d) Current Tax Assets (Net)	15	146.28	83.10
		<b>21,391.30</b>	<b>13,770.59</b>
<b>TOTAL ASSETS</b>		<b>35,009.89</b>	<b>34,889.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>III. Equity</b>			
a) Equity Share Capital	16	655.34	655.34
b) Other Equity	17	25,949.66	21,626.88
		<b>26,605.00</b>	<b>22,282.22</b>
<b>IV. Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	18	28.18	34.97
ii) Lease Liabilities	40	70.29	94.76
b) Provisions	19	95.35	101.16
c) Deferred Tax Liabilities (Net)	20	404.93	270.64
		<b>598.75</b>	<b>501.53</b>
<b>V. Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	21	821.15	6,536.29
ii) Lease Liabilities	40	34.86	38.58
iii) Trade Payables	22		
A) total outstanding dues of micro and small enterprises; and		126.05	43.67
B) total outstanding dues of creditors other than micro and small enterprises		1,161.30	989.72
iv) Other Financial Liabilities	23	5,342.89	4,270.81
b) Other Current Liabilities	24	148.59	107.99
c) Provisions	25	89.98	118.29
d) Current Tax Liabilities (Net)	15	81.32	-
		<b>7,806.14</b>	<b>12,105.34</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,009.89</b>	<b>34,889.09</b>
Significant Accounting Policies	2		
Notes to Financial Statements	3-46		

As per our Report attached of even date

For **AGRAWAL TONDON & CO**

Chartered Accountants

Firm Regn. No. 329088E

For and on behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271

**Vineet Agrawal**  
(Chief Executive Officer)

**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865

**Kaushal Kejriwal**

(Partner)

Membership No. 308606

Kolkata

27th day of May, 2022

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## Consolidated Statement Of Profit And Loss for the year ended March 31,2022

	Notes	For the year ended March 31,2022	For the year ended March 31,2021
		₹ in Lacs	₹ in Lacs
<b>I. INCOME</b>			
Revenue from Operations	26	61,092.50	50,418.86
Other Income	27	823.08	735.73
<b>Total Income</b>		<b>61,915.58</b>	<b>51,154.59</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed (including Trading Goods)	28	47,863.61	35,479.42
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(2,302.43)	1,910.56
Employee Benefits Expense	30	2,154.18	2,110.17
Other Expenses	32	8,064.48	6,989.15
<b>Total Expenses</b>		<b>55,779.85</b>	<b>46,489.31</b>
<b>III. Profit before Interest, Tax, Depreciation &amp; Amortisation</b>		<b>6,135.74</b>	<b>4,665.29</b>
Finance Costs	31	155.31	210.64
Depreciation and Amortization Expense	3	1,086.45	1,014.03
<b>IV. Share in profit/(loss) of Associate</b>	<b>5</b>	<b>(0.56)</b>	<b>-</b>
<b>V. Profit before Tax</b>		<b>4,893.43</b>	<b>3,440.62</b>
<b>VI. Tax Expenses</b>	<b>33</b>		
Current Tax		1,117.78	752.59
Short/(Excess) Provision for Taxation for Earlier Years		38.56	8.29
Deferred Tax		205.36	25.41
<b>Total Tax Expenses</b>		<b>1,361.72</b>	<b>786.29</b>
<b>VII. Profit for the period</b>		<b>3,531.71</b>	<b>2,654.33</b>
<b>VIII. Other Comprehensive Income / (Loss)</b>			
A. (i) Items that will not be reclassified subsequently to Profit and Loss			
(a) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans		7.48	(0.60)
(b) Gains/(Losses) from Investment in Equity Instrument designated at FVTOCI		934.00	765.65
(ii) Tax on Items that will not be reclassified subsequently to Profit and Loss		(17.29)	(192.55)
B. (i) Items that will be reclassified subsequently to Profit and Loss			
(a) Foreign Currency Translation Reserve		(133.12)	(62.12)
(ii) Tax on Items that will be reclassified subsequently to Profit and Loss		-	-
<b>IX. Total Comprehensive Income for the period</b>		<b>4,322.78</b>	<b>3,164.72</b>
<b>X. Basic and Diluted Earnings per Equity Share of Face Value of ₹ 1/- each</b>	<b>35</b>	<b>₹ 5.39</b>	<b>₹ 4.05</b>
Significant Accounting Policies	2		
Notes to Financial Statements	3-46		

As per our Report attached of even date  
For **AGRAWAL TONDON & CO**  
Chartered Accountants  
Firm Regn. No. 329088E

For and on behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271

**Vineet Agrawal**  
(Chief Executive Officer)

**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865

**Kaushal Kejriwal**  
(Partner)  
Membership No. 308606  
Kolkata  
27th day of May, 2022

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

**Consolidated Statement of Cash Flows** for the year ended March 31, 2022

Amount in ₹ Lacs

PARTICULARS	March 31, 2022	March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax :	4,893.43	3,440.62
Adjustment for:		
Depreciation/ Amortisation Expense	1,086.45	1,014.03
Finance Cost	155.31	210.64
Interest Income	(356.71)	(370.06)
(Gain)/Loss on Property, Plant and Equipment Sold / Discarded	(18.10)	(133.35)
Dividend Received on Investment in Equity Shares	(134.30)	(3.43)
(Gain)/Loss from Current Investments	(219.66)	(81.05)
Fair Value changes of Current Investments	(94.31)	(147.83)
Share in loss of Associate	0.56	-
<b>Operating Profit before Working Capital Changes</b>	<b>5,312.67</b>	<b>3,929.58</b>
Adjustments for:		
(Increase)/Decrease in Non-Current/Current Financial and other Assets	(3,717.41)	4,609.15
(Increase)/Decrease in Inventories	(1,867.25)	5,254.19
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities/Provisions	1,353.77	(9,563.21)
<b>Cash Generated from Operations</b>	<b>1,081.78</b>	<b>4,229.72</b>
Direct Taxes Paid	(1,138.20)	(662.85)
<b>Net Cash Flow from Operating Activities</b>	<b>(56.42)</b>	<b>3,566.87</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment and change in Capital work in progress	(690.63)	(73.33)
Sale of Property, Plant & Equipment	26.28	136.04
Investment in Associates	(0.56)	-
(Purchase)/Sale of other Non-Current Investments	2.50	(526.08)
(Purchase)/Sale of Current Investments	(1,519.49)	122.63
Investment in Fixed Deposits (Net)	7,125.55	(6,955.54)
Refund of Loans given	-	100.00
Interest Received	645.40	119.59
Dividend Received on Equity Shares	134.30	3.43
<b>Net Cash Flow from/(Used in) Investing Activities</b>	<b>5,723.36</b>	<b>(7,073.26)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(Repayment of)/ Proceeds from Short Term Borrowings (Net)	(5,715.14)	704.81
(Repayment of)/ Proceeds from Long Term Borrowings (Net)	(6.79)	(6.23)
Repayment of Principal portion of lease liabilities	(28.19)	(23.93)
Repayment of Interest portion of lease liabilities	(12.12)	(14.65)
Interest Paid	(156.94)	(185.03)
<b>Net Cash Flow From/(Used in) Financing Activities</b>	<b>(5,919.18)</b>	<b>474.97</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(252.24)</b>	<b>(3,031.42)</b>
Cash and Cash Equivalents at the beginning of the period	1,641.28	4,352.27
Cash and Cash Equivalents at the end of the period	142.77	320.43
Cash and Cash Equivalents at the end of the period	1,531.81	1,641.28
<b>E. Cash and Cash Equivalents comprise:</b>		
Balances with Banks	1,486.04	1,600.20
Cheques on Hand	13.04	11.81
Cash on Hand	32.73	29.27
<b>Cash and Cash Equivalents as at year end</b>	<b>1,531.81</b>	<b>1,641.28</b>

**Note:** Previous year's figures have been rearranged and regrouped wherever necessary.

As per our Report attached of even date

For and on behalf of the Board of Directors

For **AGRAWAL TONDON & CO**

Chartered Accountants

Firm Regn. No. 329088E

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271**Vineet Agrawal**  
(Chief Executive Officer)**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865**Kaushal Kejriwal**  
(Partner)  
Membership No. 308606  
Kolkata  
27th day of May, 2022**Rajesh Singhania**  
(Chief Financial Officer)**Ajay Sharma**  
(Company Secretary)

## Consolidated Statement Of Changes In Equity for the year ended March 31,2022

### A. EQUITY SHARE CAPITAL

Amount in ₹ Lacs

Balance as at April 01,2020	655.34
Changes in Equity Share Capital during the year 2020-21	-
Balance as at March 31,2021	655.34
Changes in Equity Share Capital during the year 2021-22	-
Balance as at March 31,2022	655.34

### B. OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI	Foreign Currency Translation Reserve	
Balance as at April 01,2020	5.00	4,673.93	8,138.32	5,727.39	(188.17)	105.69	18,462.16
Profit for the period	-	-	-	2,654.33	-	-	2,654.33
Additions during the year	-	-	-	-	-	(62.12)	(62.12)
Other Comprehensive Income							
i) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans	-	-	-	(0.45)	-	-	(0.45)
ii) Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI	-	-	-	-	572.95	-	572.95
Balance as at March 31,2021	5.00	4,673.93	8,138.32	8,381.27	384.78	43.57	21,626.88
Balance as at April 01,2021	5.00	4,673.93	8,138.32	8,381.27	384.78	43.57	21,626.88
Profit for the period	-	-	-	3,531.71	-	-	3,531.71
Additions during the year	-	-	-	-	-	(133.13)	(133.13)
Other Comprehensive Income							
i) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans	-	-	-	5.60			5.60
ii) Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI	-	-	-	-	918.59		918.59
Balance as at March 31,2022	5.00	4,673.93	8,138.32	11,918.58	1,303.37	(89.55)	25,949.66

## Consolidated Statement Of Changes In Equity for the year ended March 31,2022

### Nature and Purpose of Reserves :

- A) Capital Reserve :** In terms of an earlier Scheme of Demerger, Share Capital of ₹ 5 lacs prior to such Demerger, had been transferred to Capital Reserve Account.
- B) Securities Premium :** This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- C) General Reserve :** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to general reserve can be utilised only in accordance with the specific requirement of Companies Act, 2013.
- D) Retained Earnings :** This reserve represents cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013
- E) Other Comprehensive Income Reserves :**
- i) Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI : This reserve represents effect of remeasurement of fair valuation of Quoted Equity Instruments that will not be reclassified to Statement of Profit & Loss.
  - ii) Foreign Currency Translation Reserve : The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

For **AGRAWAL TONDON & CO**  
Chartered Accountants  
Firm Regn. No. 329088E

**Kaushal Kejriwal**  
(Partner)  
Membership No. 308606  
Kolkata  
27th day of May, 2022

### For and on behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN - 00441271

**Vineet Agrawal**  
(Chief Executive Officer)

**Mrinal Kanti Pal**  
(Director)  
DIN - 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 1. Company Overview

The consolidated financial statements comprise financial statements of Manaksia Steels Limited ("the Company") and its subsidiaries and associate (collectively, "the Group") for the year ended March 31, 2022.

Manaksia Steels Limited ("the Company") is a public limited company incorporated in India having its registered office situated at 6, Lyons Range 1st Floor, Turner Morrison Building, Kolkata - 700 001. The Company has its shares listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is primarily engaged in the manufacture of value-added secondary steel products like Cold Rolled Sheets, Galvanised Corrugated Sheets, Galvanised Plain Sheets, Colour Coated (Pre-painted) Sheets, etc. The manufacturing units of the Company are located at Haldia & Bankura (West Bengal).

List of Subsidiaries & Associate included in the Consolidated Financial Statements are as under:

Name of the Company	Country of Incorporation	F. Y. 2021-22	F. Y. 2020-21
		Extent of Holding	Extent of Holding
Technomet International FZE	United Arab Emirates	100%	100%
Federated Steel Mills Limited	Nigeria	100%	100%
Far East Steel Industries Limited	Nigeria	100%	100%
Sumo Agrochem Limited	Nigeria	100%	100%
Metchem Resources Zambia Limited (w.e.f 21st January, 2022)	Zambia	32.5%	0%

### 2. Significant Accounting Policies

#### I) Basis of Preparation

##### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are prepared under the historical cost convention on the accrual basis except for certain items of assets and liabilities which have been measured at their fair values.

##### (b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (Rs./₹) , which is also the Group's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

##### (c) Basis of measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and
- (iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### (d) Use of estimates and judgments

The preparation of the Group's Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### II) Basis of Consolidation

The consolidated financial statements comprise financial statements of the Company, its Subsidiaries and Associate and have been prepared in accordance with Indian Accounting Standard . Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.
- ii) The difference between the cost of investment in the Subsidiaries over its proportionate share in the net assets value at the time of acquisition of stake in subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation is adjusted against Goodwill.

Changes in parents ownership interest in subsidiary that do not result in the parent losing control of the subsidiary are recognised directly in equity.

- iii) Non controlling interest in net profit/loss of the Subsidiaries for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholders' of the company. Non controlling interest in net assets of the subsidiaries is identified and presented separately in Consolidated Financial Statements.
- iv) Group's share of profits, net assets and retained post acquisition reserves of associates are consolidated using the equity or proportionate method of consolidation.
- iv) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's financial statements.
- v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company.
- vi) Foreign Exchange fluctuations on conversion of the accounts of foreign subsidiaries have been taken to "Foreign Currency Translation Reserve" (Arising on Consolidation).

### III) Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### IV) Investment in associates

Associates are those enterprises over which the Group has significant influence, but does not have control or joint control.

Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

### V) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

#### Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the company believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

#### Contract Balances

##### Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income is recognized using the effective interest method.

All other income are recognized on accrual basis.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### VI) Property, Plant & Equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows :

Building	30 Years
Plant & Equipment	10 - 20 Years
Computers	3 Years
Office Equipment	3 - 5 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	8 Years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other 'Non-Current Assets' and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'.

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.

### VII) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortization expense on Intangible Assets with finite lives is recognized in the Statement of Profit & Loss. The Group amortizes intangible assets over their estimated useful lives using the straight line method.

Intangible Assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

### VIII) Inventories

Inventories are valued at cost or net realisable value whichever is lower except for saleable scraps, whose cost is not identifiable, which are valued at estimated net realisable value. Closing stock has been valued on Weighted Average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

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

### IX) Financial Instruments

#### Initial recognition and measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### Subsequent measurement

#### i. Non derivative financial instruments

##### a) Financial assets carried at amortized cost

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

##### b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

##### c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

#### ii. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.

### Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### X) Fair Value Measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i) **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

ii) **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

iii) **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### XI) Impairment

##### Financial Assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash- generating unit) Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

### XII) Provisions and Contingent Liabilities

Provisions are recognised when the Group 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.

Contingent liabilities are disclosed 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 Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### XIII) Foreign Currency Transactions & Translations

#### Functional and presentation currency

The consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

#### Transaction and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

### XIV) Cash and Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### XV) Employee Benefits

#### Defined Contribution Plan

The Group makes contributions towards provident fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

#### Defined Benefit Plan

The Group operates a Defined Benefit Gratuity Plan in India. Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Group recognizes the net obligation of the defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

The Group recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered

### XVI) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### XVII) Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.
- Building 3 to 15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing loans and borrowings.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### XVIII) Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### XIX) Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as reduced from the cost of the assets and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

### XX) Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### XXI) Current and Non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- ii) held primarily for the purpose of trading,

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

- iii) expected to be realised within twelve months after the reporting period, or
- iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is:

- i) it is expected to be settled in the normal operating cycle,
- ii) it is due to be settled within twelve months after the reporting period, or
- iii) there is no unconditional right to defer 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 noncurrent.

### XXII) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### XXIII) Rounding of Amounts

All amounts disclosed in the consolidated Financial Statements and notes have been rounded off to the nearest Lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

### XXIV) Recent Accounting Pronouncements

On March 23, 2022 the Ministry of Corporate Affairs issued, The Companies (Indian Accounting Standards) Amendments Rules, 2022, notifying amendments to the following accounting standards. The amendments would be effective from April 1, 2022.

#### Ind AS 103, Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any impact in its financial statements

#### Ind AS 16, Property, Plant And Equipment

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statement.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 3. PROPERTY, PLANT & EQUIPMENT, CAPITAL WORK-IN-PROGRESS & RIGHT-OF-USE ASSET(CURRENT YEAR)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
	As at April 01, 2021	Addition	Exchange Diff. on Consolidation on Foreign Subsidiaries	Deletion/ Adjustment	As at March 31, 2022	As at April 01, 2021	Deductions/ Adjustments	For the Year	Exchange Diff. on Consolidation on Foreign Subsidiaries	Up to March 31, 2022	As at March 31, 2022	As at March 31, 2021
3.1 Property, Plant & Equipment :												
	a) Land	132.36	-	(13.44)	-	118.93	-	-	-	-	118.93	132.36
	b) Building	2,009.04	-	-	-	2,009.04	417.68	-	83.54	-	1,507.83	1,591.36
	c) Plant & Equipment	8,479.18	112.01	(242.92)	2.23	8,346.03	3,014.42	1.14	860.46	(52.54)	3,821.19	5,464.76
	d) Computers	15.04	3.16	-	-	18.20	7.83	-	3.44	-	11.27	7.22
	e) Office Equipment	41.08	3.39	(0.95)	0.69	42.84	33.31	0.66	0.18	(0.77)	32.07	7.77
	f) Furniture & Fixtures	40.34	0.63	(0.57)	-	40.40	17.44	-	5.55	(0.03)	22.96	22.90
	g) Vehicles	635.88	101.46	(9.77)	70.09	657.48	358.88	63.02	94.91	(8.90)	381.86	277.00
3.2 Intangible Asset :												
	a) Computer Software	1.34	-	(0.08)	-	1.26	0.83	-	0.25	(0.06)	1.03	0.51
Total :	11,354.27	220.64	(267.71)	73.01	11,234.18	3,850.38	64.83	1,048.32	(62.30)	4,771.59	6,462.60	7,503.88
3.3 Capital Work in Progress	31.58	470.00	-	-	501.57	-	-	-	-	-	501.57	31.58
3.4 Right-of-Use Asset(Ref Note 40)												
	a) Leasehold Land*	1,210.25	-	(61.59)	-	1,148.67	11.35	-	5.71	(0.59)	16.47	1,198.90
	b) Buildings	184.65	-	-	-	184.65	63.33	-	32.41	-	95.74	121.32
	Total :	1,394.90	-	(61.59)	-	1,333.32	74.67	-	38.12	(0.59)	112.21	1,221.11

\* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.

### 3.3 Capital-Work-in Progress (CWIP) aging schedule

CWIP	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	470.00	1.71	29.87	501.57

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 3. PROPERTY, PLANT & EQUIPMENT, CAPITAL WORK-IN-PROGRESS & RIGHT-OF-USE ASSET(PREVIOUS YEAR)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
	As at April 01, 2020	Addition	Exchange Diff. on Consolidation on Foreign Subsidiaries	Deletion/ Adjustment	As at March 31, 2021	As at April 01, 2020	Deductions/ Adjustments	For the Year	Exchange Diff. on Consolidation on Foreign Subsidiaries	Up to March 31, 2021	As at March 31, 2021	As at March 31, 2020
3.1 Property, Plant & Equipment :												
	a) Land	150.63	-	(18.26)	-	132.36	-	-	-	-	132.36	150.63
	b) Building	2,009.04	-	-	-	2,009.04	334.14	-	83.54	417.68	1,591.36	1,674.90
	c) Plant & Equipment	8,532.08	263.33	(312.66)	3.58	8,479.18	2,287.48	1.89	781.66	3,014.42	5,464.76	6,244.61
	d) Computers	10.42	4.63	-	-	15.04	5.35	-	2.48	7.83	7.22	5.07
	e) Office Equipment	37.22	5.15	(1.29)	-	41.08	23.25	-	11.07	33.31	7.77	13.97
	f) Furniture & Fixtures	41.11	-	(0.77)	-	40.34	13.27	-	4.20	17.44	22.90	27.84
	g) Vehicles	594.25	63.60	(13.28)	8.68	635.88	285.91	7.67	92.15	358.88	277.00	308.33
3.2 Intangible Asset :												
	a) Computer Software	1.44	-	(0.11)	-	1.34	0.63	-	0.28	0.83	0.51	0.81
Total :	11,376.19	336.69	(346.36)	12.26	11,354.27	2,950.03	9.57	975.38	(65.45)	3,850.38	7,503.88	8,426.16
3.3 Capital Work in Progress	309.83	82.05	(14.89)	345.41	31.58	-	-	-	-	-	35.66	309.83
3.3 Right-of-Use Asset(Ref Note 40)												
a) Leasehold Land*	1,293.96	-	(83.71)	-	1,210.25	5.77	-	6.24	(0.66)	11.35	1,198.90	1,288.19
b) Buildings	184.65	-	-	-	184.65	30.91	-	32.41	-	63.33	121.32	153.74
Total :	1,478.61	-	(83.71)	-	1,394.90	36.68	-	38.65	(0.66)	74.67	1,320.23	1,441.93

\* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.

### 3.2 Capital-Work-in Progress (CWIP) aging schedule

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	1.71	29.87	-	31.58

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 4. Investments (Non-Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Investments carried at Amortised Cost (Unquoted)</b>		
Investment in Bonds		
9.70% UPPCL 2031 - UP Power Corporation Limited (50 Nos. Bonds of Face Value ₹ 1,00,000/- each)	50.10	52.60
<b>Investments carried at FVTOCI (Quoted)</b>		
Investment in Equity Shares		
Manaksia Limited (Refer Note 37) (4000000 Nos. Equity Shares of Face Value ₹ 2/- each)	2,952.00	2,018.00
<b>Total</b>	<b>3,002.10</b>	<b>2,070.60</b>
<b>Aggregate Amount &amp; Market Value of Investments :</b>		
Quoted	2,952.00	2,018.00
<b>Aggregate Amount of Investments :</b>		
Unquoted	50.10	52.60

### 5. Investments in Associate

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Investments carried at Equity Method (Unquoted)</b>		
Investment in Equity Instruments in Associate		
Metchem Resources Zambia Limited, Zambia* (13000 Nos. Equity Shares of ZMW 1 each)	0.56	-
Group's share in profit/(loss) for the year of associates*	(0.56)	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* The carrying value of investment is Nil as the Group's share of losses in such associates exceeds the cost of investments made.

### 6. Other Financial Assets (Non-Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at amortised cost (Unsecured, Considered Good)</b>		
Security Deposits	26.93	25.49
Fixed Deposits with Banks with original maturity of More than 12 months#	2,280.72	9,952.74
<b>Total</b>	<b>2,307.65</b>	<b>9,978.23</b>

# Includes Lien with Banks of ₹ 2079.67 lakhs (PY 1386.71 Lakhs)

### 7. Other Non-Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>(Unsecured, Considered Good)</b>		
Advances for Capital Goods	123.56	116.11
<b>Total</b>	<b>123.56</b>	<b>116.11</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 8. Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>At Lower of Cost or Net Realisable Value</b>		
Raw Materials *	5,601.79	6,069.70
Work-in-Process	2,393.42	1,850.58
Finished Goods	2,181.62	423.45
Stores & Spares	233.11	207.64
Packing Material	66.92	59.64
<b>At Estimated Realisable Value</b>		
Scraps	3.93	2.52
<b>Total</b>	<b>10,480.79</b>	<b>8,613.55</b>
* Included above, Goods-in-Transit	-	2,249.93

### 9. Investments (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Investments carried at Fair Value through Profit &amp; Loss</b>		
Investments in Mutual Funds (Unquoted)	1,503.14	5.17
Investments in Equity Shares (Quoted)	715.03	379.54
<b>Total</b>	<b>2,218.17</b>	<b>384.71</b>

#### 9.1 Investments in Mutual Funds (Unquoted)

Particulars	No. of Units	Amt. in ₹ Lacs	No. of Units	Amt. in ₹ Lacs
HDFC Balanced Advantage Fund (NAV: 302.156)	58,458.617	176.65	-	-
HDFC Bank Arbitrage Fund (NAV: 16.083)	17,51,310.395	281.66	-	-
HDFC Money Market Fund DP Growth (NAV: 4654.7981)	23.082	1.07	23.082	1.03
HDFC ST Debt Fund Direct Growth (NAV: 26.2191)	4,207.800	1.10	4,207.800	1.05
IDFC Bond Fund-ST Plan-Growth (NAV: 27.2761)	-	-	3,756.048	1.02
Nippon India Arbitrage Fund (NAV: 22.828)	16,64,323.141	379.93	-	-
SBI Arbitrage Opportunities Fund (NAV: 28.5296)	6,70,626.968	191.33	-	-
SBI Savings Fund Direct Growth (NAV: 34.1958)	-	-	3,020.924	1.03
SBI STD Fund Direct Plan Growth (NAV: 27.2293)	3,974.870	1.08	3,974.870	1.03
TATA Arbitrage Fund (NAV: 11.9855)	39,23,992.570	470.32	-	-
<b>Total</b>		<b>1,503.14</b>		<b>5.17</b>

#### 9.2 Investments in Equity Shares (Quoted)

Particulars	No. of Share	Amt. in ₹ Lacs	No. of Share	Amt. in ₹ Lacs
Aditya Birla Capital Ltd. (FV : ₹ 10)	12,900	13.89	12,900	15.39
Amtek Auto Ltd. (FV : ₹ 2)	-	-	17,000	0.47
Artemis Medicare Services Ltd. (FV : ₹ 1)	19,300	8.86	-	-
Arvind Fashions Ltd. (FV : ₹ 4)	1,450	4.12	-	-
AXISCADES Engineering Technologies Ltd. (FV : ₹ 5)	8,100	10.23	5,200	2.07
Bajaj Hindusthan Sugar Ltd. (FV : ₹ 1)	1,00,000	14.20	-	-
Ballarpur Industries Ltd. (FV : ₹ 2)	3,00,000	3.45	-	-
Bank of Baroda (FV : ₹ 2)	9,500	10.60	10,100	7.48



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 9.2 Investments in Equity Shares (Quoted) (contd.)

Particulars	No. of Share	Amt. in ₹ Lacs	No. of Share	Amt. in ₹ Lacs
Bharat Heavy Electricals Ltd. (FV : ₹ 2)	30,600	15.10	30,600	14.92
BSE Ltd. (FV : ₹ 2)	-	-	1,270	7.25
CESC Ltd. (FV : ₹ 10)	6,400	4.85	500	2.97
CESC Ventures Ltd. (FV : ₹ 10)	-	-	100	0.34
CMI Ltd. (FV : ₹ 10)	-	-	5,435	2.29
Coal India Ltd. (FV : ₹ 10)	30,000	54.92	-	-
Cochin Shipyard Ltd. (FV : ₹ 10)	3,531	10.39	2,876	10.76
Den Networks Ltd. (FV : ₹ 10)	17,000	6.27	-	-
Digicontent Ltd. (FV : ₹ 2)	-	-	4,012	0.28
Dynamatic Technologies Ltd. (FV : ₹ 10)	-	-	535	5.07
Engineers India Ltd. (FV : ₹ 5)	9,700	6.21	3,800	2.93
Fiem Industries Ltd. (FV : ₹ 10)	-	-	170	0.95
GAIL (India) Ltd. (FV : ₹ 10)	6,650	10.35	-	-
Ganesh Housing Corporation Ltd. (FV : ₹ 10)	-	-	11,700	6.51
GFL Ltd. (FV : ₹ 1)	11,280	8.90	11,280	8.23
GHCL Ltd. (FV : ₹ 10)	-	-	3,200	7.34
Graphite India Ltd. (FV : ₹ 2)	4,600	23.13	-	-
Greaves Cotton Ltd. (FV : ₹ 2)	-	-	4,200	5.36
Gujarat Fluorochemicals Ltd. (FV : ₹ 1)	2,000	54.85	11,280	64.88
Gujarat Hotels Ltd. (FV : ₹ 10)	-	-	8,290	8.70
Hindustan Media Ventures Ltd. (FV : ₹ 10)	-	-	5,700	3.41
Hindustan Petroleum Corporation Ltd. (FV : ₹ 10)	4,100	11.04	-	-
HT Media Ltd. (FV : ₹ 2)	-	-	16,050	3.34
Indian Bank Ltd. (FV : ₹ 10)	3,000	4.62	-	-
Indian Oil Corporation Ltd. (FV : ₹ 10)	8,000	9.52	-	-
International Travel House Ltd. (FV : ₹ 10)	-	-	4,350	2.55
ITC Ltd. (FV : ₹ 1)	4,850	12.16	-	-
ITD Cementation India Ltd. (FV : ₹ 1)	-	-	3,000	2.34
LIC Housing Finance Ltd. (FV : ₹ 2)	2,600	9.33	1,770	7.58
Madhucon Projects Ltd. (FV : ₹ 1)	-	-	34,750	1.74
Jagran Prakashan Ltd. (FV : ₹ 2)	-	-	8,449	4.96
Mangalore Refinery & Petrochemicals Ltd (FV : ₹ 10)	11,400	4.74	5,750	2.23
McLeod Russel India Ltd. (FV : ₹ 5)	-	-	6,300	1.20
Mercator Ltd. (FV : ₹ 1)	-	-	16,000	0.13
NLC India Ltd. (FV : ₹ 10)	13,700	8.57	6,250	3.15
NMDC Ltd. (FV : ₹ 1)	35,000	56.89	-	-
Oil India Ltd. (FV : ₹ 10)	4,600	10.97	5,100	6.26
Pennar industries Ltd. (FV : ₹ 5)	23,100	7.98	19,000	3.10
Power Finance Corporation Ltd. (FV : ₹ 10)	9,000	10.13	-	-
Power Grid Corporation of India Ltd. (FV : ₹ 10)	4,740	10.28	-	-
Punjab National Bank (FV : ₹ 2)	-	-	2,964	1.09
Rana Sugars Ltd. (FV : ₹ 10)	16,000	4.60	-	-
Reliance Capital Ltd. (FV : ₹ 10)	-	-	2,105	0.23
Repco Home Finance Ltd. (FV : ₹ 10)	2,500	4.41	840	2.83
rites Ltd. (FV : ₹ 10)	4,200	11.03	-	-
Rushil Decor Ltd. (FV : ₹ 10)	7,000	37.81	-	-

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 9.2 Investments in Equity Shares (Quoted) (contd.)

Particulars	No. of Share	Amt. in ₹ Lacs	No. of Share	Amt. in ₹ Lacs
SJVN Ltd. (FV : ₹ 10)	39,000	10.71	-	-
SpiceJet Ltd. (FV : ₹ 10)	25,000	13.60	-	-
Star Cement Ltd. (FV : ₹ 1)	1,39,513	125.00	1,41,985	137.37
Steel Authority of India Ltd. (FV : ₹ 10)	20,600	20.30	-	-
Tata Coffee Ltd. (FV : ₹ 1)	2,600	5.64	-	-
Tata Steel Ltd. (FV : ₹ 10)	835	10.92	-	-
Techno Electric & Engineering Company Ltd (FV : ₹ 2)	4,100	10.16	-	-
Texmaco Rail and Engineering Ltd. (FV : ₹ 1)	29,923	12.48	20,933	5.59
Titagarh Wagons Ltd. (FV : ₹ 2)	4,200	4.26	4,200	1.87
Unitech Ltd. (FV : ₹ 2)	-	-	60,000	1.00
Vodafone Idea Ltd. (FV : ₹ 10)	1,92,000	18.53	1,44,736	13.39
Zydus Lifesciences Ltd. (FV : ₹ 1)	2,600	9.06	-	-
<b>Total</b>		<b>715.03</b>		<b>384.71</b>
<b>Aggregate Amount &amp; Market Value of Current Investments :</b>				
Quoted		<b>715.03</b>		379.54
Unquoted		<b>1,503.14</b>		5.17

### 10. Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at Amortised Cost (Considered Good - Unsecured)</b>		
Trade Receivables	2,992.00	1,936.37
<b>Total</b>	<b>2,992.00</b>	<b>1,936.37</b>

#### Trade Receivable ageing schedule as on March 31, 2022

Particulars	Outstanding for the followings period from due date of payment						Total
	Current but not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered Good	759.15	1,643.39	360.70	151.18	0.75	76.84	2,992.00

#### Trade Receivable ageing schedule as on March 31, 2021

Particulars	Outstanding for the followings period from due date of payment						Total
	Current but not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered Good	465.09	1,143.67	200.30	45.70	-	81.62	1,936.37

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 11. Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at Amortised Cost</b>		
Balances with Banks	1,486.04	1,600.20
Cheques on Hand	13.04	11.81
Cash on Hand	32.73	29.27
<b>Total</b>	<b>1,531.81</b>	<b>1,641.28</b>

### 12. Other Bank Balances

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at Amortised Cost</b>		
Fixed Deposits with Banks with original maturity of		
More than 3 months but less than 12 months #	57.55	20.71
Earmarked Bank Balance	219.58	-
<b>Total</b>	<b>277.13</b>	<b>20.71</b>

# Pledged with Banks

### 13. Other Financial Assets (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Assets carried at amortised cost (Unsecured, Considered Good)</b>		
Security Deposits	4.51	5.12
Interest Accrued on Investment in Bonds	0.98	1.06
Other Receivable	21.88	23.24
Advances to Employees	140.49	53.02
<b>Financial Assets carried at Fair Value through Profit &amp; Loss</b>		
Derivative financial instruments -Foreign Currency Forward Contracts Receivables	-	6.18
<b>Total</b>	<b>167.86</b>	<b>88.61</b>

### 14. Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>(Unsecured, Considered Good)</b>		
Advances to Vendors	3,207.99	717.03
Balances with Statutory Authorities	285.73	200.16
Export Incentives Receivable	29.05	43.68
Prepaid Expenses	54.49	41.40
<b>Total</b>	<b>3,577.26</b>	<b>1,002.26</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 15. Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Companies incorporated within India:-</b>		
Advance Tax (Net of Provision for Income Tax)	146.28	83.10
<b>Companies incorporated outside India:-</b>		
Advance Tax (Net of Provision for Income Tax)	(81.32)	-
<b>Total</b>	<b>64.96</b>	<b>83.01</b>

### 16. Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>a) Authorised:</b>		
7,50,00,000 Equity Shares of ₹ 1/- each	750.00	750.00
(P.Y. 7,50,00,000 Equity Shares of ₹ 1/- each)	750.00	750.00
<b>b) Issued, Subscribed and Paid-up Capital</b>		
6,55,34,050 Equity Shares of ₹ 1/- each fully paid up	655.34	655.34
(P.Y. 6,55,34,050 Equity Shares of ₹ 1/- each fully paid up)	655.34	655.34

#### c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding
Varun Agrawal	1,27,61,241	19.47	1,27,61,241	19.47
Suresh Kumar Agrawal	1,23,50,360	18.85	1,23,50,360	18.85
Chandrakala Agrawal	1,07,50,000	16.40	1,07,50,000	16.40
Payal Agrawal	1,27,86,218	19.51	1,27,86,218	19.51

#### d) Reconciliation of the shares outstanding is set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Equity Shares</b>		
At the beginning of the Year	6,55,34,050	6,55,34,050
Add : Changes during the year	-	-
<b>Outstanding at the end of the Year</b>	<b>6,55,34,050</b>	<b>6,55,34,050</b>

#### e) Details of Shareholding of Promoters as defined in the Companies Act'2013

Disclosure of Shareholding of Promoters as on March 31, 2022:

SL No.	Promoter Name	No. of shares as on April 1, 2021	No. of shares as on March 31, 2022	% Holding	% Change during the FY 2021-22
1.	Varun Agrawal	1,27,61,241	1,27,61,241	19.47	-
2.	Suresh Kumar Agrawal	1,23,50,360	1,23,50,360	18.85	-
3.	Chandrakala Agrawal	1,07,50,000	1,07,50,000	16.40	-
4.	Payal Agrawal	1,27,86,218	1,27,86,218	19.51	-
5.	Suresh Kumar Agrawal HUF	3,37,500	3,37,500	0.51	-

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 16. Equity Share Capital (contd.)

Disclosure of Shareholding of Promoters as on March 31, 2021:

SL No.	Promoter Name	No. of shares as on April 1, 2020	No. of shares as on March 31, 2021	% Holding	% Change during the FY 2020-21
1.	Varun Agrawal	1,27,61,241	1,27,61,241	19.47	-
2.	Suresh Kumar Agrawal	1,23,50,360	1,23,50,360	18.85	-
3.	Chandrakala Agrawal	1,07,50,000	1,07,50,000	16.40	-
4.	Payal Agrawal	1,27,86,218	1,27,86,218	19.51	-
5.	Suresh Kumar Agrawal HUF	3,37,500	3,37,500	0.51	-

### f) Terms/rights attached to each class of shares

#### Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 1/-. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 17. Other Equity

	As at March 31, 2022		As at March 31, 2021	
	₹ in Lacs		₹ in Lacs	
<b>A. Securities Premium</b>				
Opening Balance	4,673.93		4,673.93	
Add: Addition during the Year	-		-	
Balance as at the end of the Year		4,673.93		4,673.93
<b>B. General Reserve</b>				
Opening Balance	8,138.32		8,138.32	
Add: Addition during the Year	-		-	
Balance as at the end of the Year		8,138.32		8,138.32
<b>C. Capital Reserve</b>				
Opening Balance	5.00		5.00	
Add: Addition during the Year	-		-	
Balance as at the end of the Year		5.00		5.00
<b>D. Surplus in the statement of profit and loss</b>				
Opening Balance	8,381.27		5,727.39	
Add : Profit for the Year	3,531.71		2,654.33	
Add:- Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans	5.60		(0.45)	
Balance as at the end of the Year		11,918.58		8,381.27
<b>E. Other Comprehensive Income</b>				
<b>i) Gains/(Losses) from Investments in Equity Instruments designated at FVTOCI</b>				
As per last Balance Sheet	384.78		(188.17)	
Add: Addition during the Year	918.59		572.95	
Balance as at the end of the Year	1,303.37		384.78	
<b>ii) Foreign Currency Translation Reserve</b>				
Opening Balance	43.57		105.69	
Add: Addition during the Year	(133.12)		(62.12)	
Balance as at the end of the Year	(89.55)		43.57	
		1,213.82		428.36
		<b>25,949.66</b>		<b>21,626.88</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 18. Borrowings (Non-Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
Secured		
Term Loan from Financial Institution (Secured against Car)	34.95	41.05
Less:- Current Maturities of Long term Debt	(6.77)	(6.08)
<b>Total</b>	<b>28.18</b>	<b>34.97</b>

#### Notes :

\* Term Loan secured against Motor Car is repayable in 48 monthly installment payable each month with effect from May'2019.

### 19. Provisions (Non-Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
Provisions for Employee Benefits		
Gratuity (Refer Note 38)	95.35	101.16
<b>Total</b>	<b>95.35</b>	<b>101.16</b>

### 20. Deferred Tax Liability (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Companies incorporated within India:-</b>		
<b>Deferred Tax Liability</b>		
Timing difference in depreciable assets	377.30	424.82
Timing difference in Fair Value Gain on Financial Instruments	172.42	197.14
<b>Deferred Tax Asset</b>		
Expenses allowable against taxable income in future years	(224.56)	(351.31)
<b>Net Deferred tax Liability/(Asset)</b>	<b>325.16</b>	<b>270.64</b>
<b>Companies incorporated outside India:-</b>		
<b>Deferred Tax Liability</b>		
Timing difference in depreciable assets	79.77	-
<b>Deferred Tax Asset</b>		
Expenses allowable against taxable income in future years	-	(93.78)
<b>Net Deferred tax Liability/(Asset)</b>	<b>79.77</b>	<b>(93.78)</b>

### 21. Borrowings (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
<b>From Banks</b>		
<b>Secured #</b>		
Buyers' Credit (Term Loan)	-	4,170.91
Loans Repayable on Demand	699.72	300.00
Current Maturities of Long term Loan	6.77	6.08
<b>Unsecured</b>		
Foreign Currency Loan	114.66	274.15



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 21. Borrowings (Current) (contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
Buyers' Credit (Term Loan)	-	1,785.15
<b>Total</b>	<b>821.15</b>	<b>6,536.29</b>

#### # Notes :

The Holding Company's Working Capital facilities are secured by First Charge on the current assets of the Company ranking pari passu with the respective Working Capital Bankers.

The amount is further secured on second charge basis on movable fixed assets of the Holding Company ranking pari passu with the respective Working Capital Bankers.

### 22. Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
Total outstanding dues of micro and small enterprises*	126.05	43.67
Total outstanding dues of creditors other than micro and small enterprises	1,161.30	989.72
<b>Total</b>	<b>1,287.35</b>	<b>1,033.39</b>

#### \*Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	126.05	43.67
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 22. Trade Payables (contd.)

Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for the followings period from due date of payment					
	Current but not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	111.82	14.23	-	-	-	126.05
(ii) Others	496.86	501.58	47.78	104.19	10.88	1,161.30

Trade Payables ageing schedule as on March 31, 2021

Particulars	Outstanding for the followings period from due date of payment					
	Current but not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	30.93	12.74	-	-	-	43.67
(ii) Others	247.55	429.89	80.91	11.24	220.13	989.72

### 23. Other Financial Liabilities (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Financial Liabilities carried at amortised cost</b>		
Interest accrued but not due on borrowings	-	13.75
Other Payable	3,884.62	2,901.45
Liabilities for Expenses	1,458.27	1,355.60
<b>Total</b>	<b>5,342.89</b>	<b>4,270.81</b>

### 24. Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
Contract Liability	116.53	78.70
Statutory Dues	32.06	29.29
<b>Total</b>	<b>148.59</b>	<b>107.99</b>

### 25. Provisions (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Provisions for Employee Benefits</b>		
Gratuity (Refer Note 38)	89.98	118.29
<b>Total</b>	<b>89.98</b>	<b>118.29</b>

### 26. Revenue from Operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Sale of Products	59,179.90	49,482.53
Sale of Services	1,896.73	756.06
Other Operating Income	15.87	180.26
<b>Total</b>	<b>61,092.50</b>	<b>50,418.86</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 27. Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Interest Income	356.71	370.06
<b>Income from Investments carried at Fair Value through Profit and Loss</b>		
Dividend Income	134.30	3.43
Fair Value changes of Investments in Current Investments	94.31	147.83
Gain/(Loss) on Sale of Equity Shares	110.18	79.90
Gain/(Loss) on Redemption of Mutual Funds	109.48	1.15
Gain/(Loss) on sale of Property, Plant & Equipment	18.10	133.35
<b>Total</b>	<b>823.08</b>	<b>735.73</b>

### 28. Cost of Materials Consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Opening Stock	6,069.70	8,817.82
Add : Purchases including Traded Goods	47,395.70	32,731.31
Less : Closing Stock	5,601.79	6,069.70
<b>Total</b>	<b>47,863.61</b>	<b>35,479.42</b>

### 29. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Opening Stock</b>		
Finished Goods	423.45	1,143.00
Work in Progress	1,850.58	3,040.71
Scrap	2.52	3.41
	<b>2,276.55</b>	<b>4,187.12</b>
<b>Closing Stock</b>		
Finished Goods	2,181.62	423.45
Work in Progress	2,393.42	1,850.58
Scrap	3.93	2.52
	<b>4,578.97</b>	<b>2,276.56</b>
<b>Total (Increase) / Decrease</b>	<b>(2,302.43)</b>	<b>1,910.56</b>

### 30. Employee Benefits Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Salaries, Wages and Bonus	1,818.94	1,810.25
Contribution to Provident & other funds	48.81	47.40
Staff Welfare Expenses	286.43	252.52
<b>Total</b>	<b>2,154.18</b>	<b>2,110.17</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 31. Finance Costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
Interest Expenses	65.12	141.07
Interest on Lease Liabilities (Refer Note 39)	12.12	14.65
Other Borrowing Cost	78.07	54.91
<b>Total</b>	<b>155.31</b>	<b>210.64</b>

### 32. Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in Lacs	₹ in Lacs
<b>Consumption of Stores and Consumables</b>		
Indigenous	824.69	1,052.40
Imported	55.71	450.01
Power & Fuel	3,703.86	2,545.03
Processing Charges	14.32	24.98
Carriage Inward	155.44	40.88
<b>Repairs to:</b>		
Building	247.26	68.67
Machinery	230.93	623.23
Others	117.45	23.28
Other Manufacturing Expenses	485.29	372.99
Rent	18.65	18.61
Insurance	72.02	65.02
Rates & Taxes	59.98	58.39
Packing Expenses	455.33	274.80
Freight, Forwarding and Handling Expenses	448.41	263.14
Communication Expenses	21.13	23.33
Travelling & Conveyance	165.39	86.04
Foreign Currency Fluctuation Loss/(Gain) (Net)	95.44	112.03
<b>Auditors' Remuneration</b>		
As Auditors	20.38	19.38
For Taxation matters	0.50	0.50
For Other services	0.30	0.19
Donations #	42.87	84.99
Commission	0.34	-
Other Miscellaneous Expenses	828.79	781.26
<b>Total</b>	<b>8,064.48</b>	<b>6,989.15</b>

# Includes an amount of ₹ 40.48 Lacs (2020-21 : ₹ 37.25 Lacs) towards Corporate Social Responsibility as per Section 135 of Companies Act, 2013.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 32. Other Expenses (contd.)

#### Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Holding Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

The details relating to Corporate Social Responsibility (CSR) expenditure during the year are as follows :

Particulars	For the Year 2021-22	For the Year 2020-21
a) Gross amount required to be spent by the Company during the year	35.29	36.64
b) Amount spent during the year		
(i) Education and Skill Development	40.48	37.25
c) Amount unspent during the year	-	-
d) Total of previous years shortfall	-	-

### 33. Effective Tax Reconciliation

The reconciliation of Estimated Income Tax to Income Tax Expense is as below :

		Amount in ₹ Lacs
Particulars	March 31, 2022	March 31, 2021
<b>A. Amount recognized in profit or loss</b>		
<b>Current Tax</b>		
Current period	1,117.78	752.59
Changes in respect of current income tax of previous years	38.56	8.29
(a)	<b>1,156.34</b>	<b>760.88</b>
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	(205.36)	(25.41)
(b)	<b>(205.36)</b>	<b>(25.41)</b>
<b>Tax expenses reported in the Consolidated Statement of Profit and Loss (a-b)</b>	<b>1,361.71</b>	<b>786.29</b>
<b>B. Income tax recognized in Other Comprehensive Income</b>		
Deferred tax relating to items recognized in other comprehensive income during the year	(17.29)	(192.55)
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>(17.29)</b>	<b>(192.55)</b>

#### C. Reconciliation of tax expense and the accounting profit for March 31, 2022 and March 31, 2021:

Particulars	March 31, 2022	March 31, 2021
Accounting profit before income tax	4,893.43	3,440.62
Tax at the applicable country tax rate of individual entities	1,178.51	865.94
<b>Tax impact on amounts that are adjusted in determining taxable profit:</b>		
current income tax of previous years	38.56	8.29
Income Exempt from Tax / Items not deductible	-118.66	17.31
Other adjustments	263.30	105.25
	<b>1361.71</b>	<b>786.29</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 33. Effective Tax Reconciliation (contd.)

#### D. Recognized deferred tax assets and liabilities:

Amount in ₹ Lacs

Particulars	Balance as on April 1, 2021	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2022
<b>a) Companies incorporated within India:-</b>				
Property, plant and equipment	(359.52)	31.99	-	(327.53)
Other assets	(62.91)	(79.51)	(17.45)	(159.87)
Financial Liabilities	(33.56)	7.10	-	(26.46)
Provisions	185.34	3.22	0.14	188.70
<b>Total</b>	<b>(270.65)</b>	<b>(37.20)</b>	<b>(17.30)</b>	<b>(325.16)</b>
<b>b) Companies incorporated outside India:-</b>				
Property, plant and equipment	93.78	(173.55)	-	(79.77)
Exchange Diff. on Consolidation	-	5.40	-	-
Provisions	-	-	-	-
<b>Total</b>	<b>93.78</b>	<b>(168.16)</b>	<b>-</b>	<b>(79.77)</b>

Particulars	Balance as on April 1, 2020	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2021
<b>a) Companies incorporated within India:-</b>				
Property, plant and equipment	(391.38)	31.86	-	(359.52)
Other assets	185.59	(55.80)	(192.70)	(62.91)
Financial Liabilities	(39.58)	6.02	-	(33.56)
Provisions	184.73	0.46	0.14	185.34
<b>Total</b>	<b>(60.64)</b>	<b>(17.46)</b>	<b>(192.55)</b>	<b>(270.64)</b>
<b>b) Companies incorporated outside India:-</b>				
Property, plant and equipment	(63.26)	157.04	-	93.78
Exchange Diff. on Consolidation	-	7.85	-	-
Provisions	172.84	(172.84)	-	-
<b>Total</b>	<b>109.58</b>	<b>(7.96)</b>	<b>-</b>	<b>93.78</b>

#### E. Deferred tax reflected in the Balance Sheet as follows:

Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
<b>Companies incorporated within India:-</b>		
Deferred tax assets	224.56	154.17
Deferred tax liabilities	(549.72)	(424.81)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(325.16)</b>	<b>(270.64)</b>
<b>Companies incorporated outside India:-</b>		
Deferred tax assets	-	93.78
Deferred tax liabilities	79.77	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(79.77)</b>	<b>93.78</b>

- F. As at March 31, 2022, aggregate amount of temporary difference associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹ 592.16 lacs (March 31, 2021: ₹ 416.52 lacs). No liability has been recognised in respect of such difference because the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 34. Contingencies and Commitments

#### I) Contingent Liabilities

Claims against the company/disputed liabilities not acknowledged as Debts

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
Service Tax & Excise Duty	3.60	4.98
Income Tax	155.19	155.19
Demand by Haldia Development Authority towards Land Premium	332.50	332.50
Stamp Duty for Registration of Land	49.45	49.45
<b>Total</b>	<b>540.74</b>	<b>542.12</b>

#### II) Contingent Liabilities

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
Guarantees given by the Company not acknowledged as debt	21.06	-
<b>Total</b>	<b>21.06</b>	<b>-</b>

### 35. Earnings per share

Particulars	March 31, 2022	March 31, 2021
Profit as per Statement of Profit and Loss (₹ in lacs)	3,531.71	2,654.33
Weighted average number of equity shares	6,55,34,050	6,55,34,050
Nominal value per equity share (₹)	1.00	1.00
Earnings per share - Basic and Diluted (₹)	5.39	4.05

### 36. Entry Tax

The Group has made a provision of ₹ Nil Lakhs (Previous Year ₹ Nil Lakhs) towards Entry Tax in relation to matter under litigation/dispute as shown below :

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
Opening Balance	580.69	580.69
Provisions made during the year	-	-
<b>Closing Balance</b>	<b>580.69</b>	<b>580.69</b>

### 37. Related Party Disclosures

#### List of Related Parties :

1. Associate Company	Relation	Country of Incorporation	Extent of Holding
Metchem Resources Zambia Limited	Associate ( w.e.f 21st Jan' 2022)	Zambia	32.50%
2. Key Managerial Personnel	Relation		
Sri Varun Agrawal	Managing Director		
Sri Vineet Agrawal	Chief Executive Officer		
Sri Rajesh Singhania	Chief Financial Officer		
Sri Ajay Sharma	Company Secretary		
3. Other Directors	Relation		
Sri Suresh Kumar Agrawal	Non-Executive Director		
Sri Ajay Kumar Chakraborty	Independent Director		
Dr. Kali Kumar Chaudhuri	Independent Director		
Sri Ramesh Kr. Maheshwari	Independent Director		
Smt. Smita Khaitan	Independent Director (upto 21st May, 2021)		
Smt. Nidhi Baheti	Independent Director (w.e.f 16th June, 2021)		
Sri Mrinal Kanti Pal	Non-Executive Director		

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 37. Related Party Disclosures (contd.)

4. Entities over which KMPs/Directors and their relatives have significant influence (with whom transactions have taken place during the year)	Relation
Manaksia Limited	Jebba Paper Mills Limited
Manaksia Aluminium Company Limited	Vajra Machineries Private Limited
MINL Limited	Sumo Steels Limited
Leadstone Energy Limited	

The following table summarises Related-Party Transactions and Balances included in the Financial Statements as at and for the year ended March 31, 2022 and March 31, 2021.

Amount in ₹ Lacs				
Nature of Transactions	Associate Company (1)	Key Managerial Personnel & Other Directors (2+3)	Entities where Group and its KMP/Directors and relatives have significant influence (4)	Total
Salary and Other Benefits	-	489.37	-	489.37
	-	486.83	-	486.83
Meeting Fees	-	3.08	-	3.08
	-	2.99	-	2.99
Sale of Goods*	-	-	8,283.40	8,283.40
	-	-	9,455.64	9,455.64
Purchase of Goods	-	-	1,513.14	1,513.14
	-	-	1,547.40	1,547.40
Service rendered	-	-	116.67	116.67
	-	-	132.98	132.98
Service received	-	-	3.11	3.11
	-	-	2.90	2.90
Interest Income recognised	-	-	0.24	0.24
	-	-	1.48	1.48
Dividend Received	-	-	120.00	120.00
	-	-	-	-
Outstanding Receivables	-	-	1,271.85	1,271.85
	-	-	270.18	270.18
Outstanding Payable	-	-	3,902.77	3,902.77
	-	-	3,025.79	3,025.79
Outstanding Investment in Equity	0.56	-	1,503.80	1,503.80
	-	-	1,503.80	1,503.80
Advance Given against Goods	-	-	37.10	37.10
	-	-	-	-

Note : Figures in italics represent comparative figures of previous years.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 38. Employee Benefits

#### I) Defined Contribution Plan

Contribution to defined contribution plan, recognized are charged off during the year as follows :

Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Employers' Contribution to Provident Fund	41.77	38.74

#### II) Defined Benefit Plan

The Group provides for Gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is paid to employees of the Holding Company under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

##### a) Change in Defined Benefit Obligations :

Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Present Value of Defined Benefit Obligations at beginning of year	155.68	153.28
Current Service cost	16.45	15.08
Interest cost	10.27	9.96
Past Service Cost	-	-
Re-measurement (or Actuarial (gains)/ losses) arising from :		
Change in financial assumptions	(3.96)	(0.79)
Experience Variance (i.e. Actual experience vs assumptions)	(3.52)	1.39
Benefits paid	(5.87)	(23.23)
<b>Present Value of Defined Benefit Obligations at the end of year</b>	<b>169.05</b>	<b>155.68</b>

##### b) Net Liability recognised in Balance Sheet :

Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Net Liability recognised in Balance Sheet at beginning of year	155.68	153.28
Expense recognised in Statement of Profit and Loss	26.72	25.04
Expense recognised in Other Comprehensive Income	(7.48)	0.60
Employer contributions	(5.87)	(23.23)
<b>Net Liability recognised in Balance Sheet at end of year</b>	<b>169.05</b>	<b>155.68</b>

##### c) Expenses recognised in the Statement of Profit and Loss consist of :

Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Current Service Cost	16.45	15.08
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Expense on the Net Defined Benefit Liability	10.27	9.96
<b>Net Amounts recognised</b>	<b>26.72</b>	<b>25.04</b>

##### d) Expenses recognised in the Other Comprehensive Income consist of :

Amount in ₹ Lacs

Particulars	March 31, 2022	March 31, 2021
Actuarial (gains) / losses due to :		
Change in financial assumptions	(3.96)	(0.79)
Experience Variance (i.e. Actual experience vs assumptions)	(3.52)	1.39
<b>Net Amounts recognised</b>	<b>(7.48)</b>	<b>0.60</b>

##### e) Actuarial Assumptions

Particulars	March 31, 2022	March 31, 2021
<b>Financial Assumptions</b>		
Discount Rate p.a.	7.10%	6.60%
Rate of increase in salaries p.a.	5.00%	5.00%
<b>Demographic Assumptions</b>		
Mortality Rate (% of IALM 12-14)	100.00%	100.00%
Normal Retirement Age	58 Years	58 Years
Attrition Rates, based on age (% p.a.)		
For all ages	2.00	2.00

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 38. Employee Benefits (contd.)

#### f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Amount in ₹ Lacs				
Particulars	March 31, 2022		March 31, 2021	
Defined Benefit Obligation (Base)	169.05		155.68	
Particulars	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	177.25	161.86	164.03	148.36
% change compared to base due to sensitivity	4.85%	-4.25%	5.37%	-4.70%
Salary Growth Rate (- / + 1%)	161.44	177.60	147.99	164.32
% change compared to base due to sensitivity	-4.50%	5.06%	-4.94%	5.55%
Attrition Rate (- / + 50%)	167.89	170.09	154.85	156.42
% change compared to base due to sensitivity	-0.69%	0.61%	-0.54%	0.48%
Mortality Rate (- / + 10%)	168.84	169.25	155.52	155.84
% change compared to base due to sensitivity	-0.12%	0.12%	-0.10%	0.10%

#### g) Maturity Profile of Defined Benefit Obligation

Amount in ₹ Lacs		
Particulars	March 31, 2022	March 31, 2021
Weighted average duration (based on discounted cashflow)	5 Years	6 Years
Expected cash flows over the next (valued on undiscounted basis)		
1 Year	73.70	65.90
2 to 5 years	45.71	41.78
6 to 10 years	54.85	48.09
More than 10 years	91.02	85.60

#### h) Summary of Assets and Liability (Balance Sheet Position)

Amount in ₹ Lacs		
Particulars	March 31, 2022	March 31, 2021
Present value of Obligation	169.05	155.68
Fair Value of Plan Assets	-	-
Unrecognized Past Service Cost	-	-
Effects of Asset Celling	-	-
<b>Net Asset / (Liability)</b>	<b>(169.05)</b>	<b>(155.68)</b>

#### i) Windup Liability / Discontinuance Liability

Amount in ₹ Lacs		
Particulars	March 31, 2022	March 31, 2021
Discontinuance Liability *	188.12	169.59
Present Value of Obligation	169.05	155.68
<b>Ratio (PV of Obligation / Discontinuance Liability)</b>	<b>90%</b>	<b>92%</b>

\* Discontinuance Liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 39. Disclosures on Financial Instruments

#### I) Financial Instruments by Category

As at March 31, 2022

Amount in ₹ Lacs

Particulars	Amortised Cost / Cost	Fair Value through OCI	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets					
Investments	50.10	2,952.00	2,218.17	5,220.27	5,220.27
Trade Receivables	2,992.00	-	-	2,992.00	2,992.00
Cash and Cash Equivalents	1,531.81	-	-	1,531.81	1,531.81
Other Bank Balances	277.13	-	-	277.13	277.13
Other Financial Assets	2,475.51	-	-	2,475.51	2,475.51
<b>Total Financial Assets</b>	<b>7,326.55</b>	<b>2,952.00</b>	<b>2,218.17</b>	<b>12,496.72</b>	<b>12,496.72</b>
Financial Liabilities					
Borrowings	849.33	-	-	849.33	849.33
Lease Liabilities	105.15	-	-	105.15	105.15
Trade Payables	1,287.35	-	-	1,287.35	1,287.35
Other Financial Liabilities	5,342.89	-	-	5,342.89	5,342.89
<b>Total Financial Liabilities</b>	<b>7,584.73</b>	<b>-</b>	<b>-</b>	<b>7,584.73</b>	<b>7,584.73</b>

As at March 31, 2021

Amount in ₹ Lacs

Particulars	Amortised Cost / Cost	Fair Value through OCI	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets					
Investments	52.60	2,018.00	384.71	2,455.32	2,455.32
Trade Receivables	1,936.37	-	-	1,936.37	1,936.37
Cash and Cash Equivalents	1,641.28	-	-	1,641.28	1,641.28
Other Bank Balances	20.71	-	-	20.71	20.71
Other Financial Assets	10,060.66	-	6.18	10,066.84	10,066.84
<b>Total Financial Assets</b>	<b>13,711.62</b>	<b>2,018.00</b>	<b>390.89</b>	<b>16,120.52</b>	<b>16,120.52</b>
Financial Liabilities					
Borrowings	6,571.27	-	-	6,571.27	6,571.27
Lease Liabilities	133.35	-	-	133.35	133.35
Trade Payables	1,033.39	-	-	1,033.39	1,033.39
Other Financial Liabilities	4,270.81	-	-	4,270.81	4,270.81
<b>Total Financial Liabilities</b>	<b>12,008.80</b>	<b>-</b>	<b>-</b>	<b>12,008.80</b>	<b>12,008.81</b>

#### II) Fair Value Hierarchy

All Financial Assets & Financial Liabilities are carried at amortised cost except Current Investments and Foreign Currency Forward Contracts, which have been fair valued using Level 1 & Level 2 Hierarchy respectively.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## Notes to Consolidated Financial Statements for the year ended March 31,2022

### 39. Disclosures on Financial Instruments (contd.)

The following table represents the fair value hierarchy of Financial Assets and Financial Liabilities measured at Fair Value on a recurring basis :

Particulars	Fair Value Hierarchy Level	Amount in ₹ Lacs	
		March 31,2022	March 31,2021
<b>Financial Assets</b>			
Investments (Non-Current)	Level 1	2,952.00	2,018.00
Investments (Current)	Level 1	2,218.17	384.71
Derivative financial instruments - Foreign Currency Forward Contracts	Level 2	-	6.18

### III) Financial Risk Management

In the course of its business, the Group 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 Group's focus is on foreseeing the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### a) Market Risk -

Market Risk Comprises of Foreign Currency Exchange Rate Risk, Interest Rate Risk & Equity Price Risk

#### i) Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the Statement of Profit and Loss and Equity, where any transactions are denominated in a currency other than the functional currency of the Group. The Group operates both in domestic market and internationally and consequently the Group is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies.

The Group's Exchange Rate Risk exposure is primarily due to Trade Payables, Trade Receivables and Borrowings in the form of Buyers' Credit denominated in foreign currencies. The Group uses foreign exchange and forward contracts primarily to hedge foreign exchange exposure.

The following table analyzes foreign currency risk from financial instruments:-

Particulars	Amount in ₹ Lacs	
	March 31,2022	March 31,2021
<b>Exposure Currency (USD)</b>		
<b>Financial Liabilities</b>		
Trade Payables	-	-
Buyer's Credit (Term Loan)	-	5,956.06
<b>A :-</b>	<b>-</b>	<b>5,956.06</b>
<b>Financial Assets</b>		
Trade Receivable	424.96	137.50
Bank Balance in EEFC	251.91	373.25
<b>B :-</b>	<b>676.87</b>	<b>510.75</b>
<b>Total A - B :-</b>	<b>(676.87)</b>	<b>5,445.30</b>

#### Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Particulars	Amount in ₹ Lacs	
	March 31,2022	March 31,2021
<b>Less than 1 year</b>		
Forward Contract (Currency - USD) to cover both present and future export receivables	-	-
Forward Contract (Currency - USD) to cover both present and future import payables	-	915.88
<b>Total derivative financial instruments</b>	<b>-</b>	<b>915.88</b>

An appreciation/depreciation of the foreign currencies with respect to functional currency of the Group by 50 paise would result in an increase/decrease in the Group's Net Profit before Tax by approximately ₹ 4.46 lacs for the year ended March 31, 2022 (March 31, 2021 : ₹ -31.15 lacs)



## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 39. Disclosures on Financial Instruments (contd.)

#### ii) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. The Group have interest bearing liabilities having floating rate of interest. The Group's interest rate exposure is mainly related to its debt obligations.

Based on the composition of debt as at March 31, 2022 and March 31, 2021 a 100 basis points increase in interest rates would increase the Group's finance costs and thereby consequently reduce net profit and equity before considering tax impacts by approximately ₹8.49 lacs for the year ended March 31, 2022 (2020-21: ₹ 65.71 lacs).

This calculation 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.

#### iii) Security Price Risk

Security price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are held for deploying surplus fund.

The fair value of investments in equity and mutual funds, classified as Fair Value through Profit & Loss as at March 31, 2022 and March 31, 2021 was ₹ 2218.17 lacs and ₹ 384.71 lacs respectively.

A 10% change in prices of such securities held as at March 31, 2022 and March 31, 2021, would result in an impact of ₹ 221.82 lacs and ₹ 38.47 lacs respectively on Profit before tax.

Similarly, The fair value of investments in equity instrument, classified as Fair Value through Other Comprehensive Income as at March 31, 2022 and March 31, 2021, was ₹ 2952.00 lacs and ₹ 2018.00 lacs respectively.

A 10% change in prices of such securities held as at March 31, 2022 and March 31, 2021, would result in an impact of ₹ 295.20 lacs and ₹ 201.80 lacs respectively on profit before tax.

#### b) Liquidity Risk -

Liquidity risk refers to the risk that the Group may not 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 following table shows a maturity analysis of the Group's Financial Liabilities on the basis of undiscounted contractual payments :

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
<b>One Year or less</b>		
Borrowings	821.15	6,536.29
Trade Payables	1,287.35	1,033.39
Lease Liabilities	34.86	38.58
Other Financial Liabilities	5,342.89	4,270.81
<b>More than One Year</b>		
Borrowings	28.18	34.97
Trade Payables	-	-
Lease Liabilities	70.29	94.76
Other Financial Liabilities	-	-

#### c) Credit Risk -

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The Group has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Group manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 40. Leases

The Group has lease contracts for Guest House and office spaces used in its operations. These have lease terms of 6 years. While Group also hold leasehold land with lease terms of 30-99 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
<b>As on Beginning of the Year</b>	<b>1,320.23</b>	<b>1,441.93</b>
Addition during the year	-	-
Exchange Diff. on Consolidation	(61.00)	(83.05)
Depreciation Expense	(38.12)	(38.65)
<b>As at End of the Year</b>	<b>1,221.11</b>	<b>1,320.23</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
<b>As on Beginning of the Year</b>	<b>133.35</b>	<b>157.27</b>
Accretion of interest	12.12	14.65
Payments	(40.31)	(38.58)
<b>As at End of the Year</b>	<b>105.15</b>	<b>133.35</b>
Current	34.86	38.58
Non Current	70.29	94.76

The effective interest rate for lease liabilities is 10.00%, with maturity between 2024-2025

The following are the amounts recognised in statement of Profit and Loss:

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
Depreciation expense of right-of use assets	38.12	38.65
Interest expenses on lease liabilities	12.12	14.65
Expense relating to other leases (including in other expenses)	-	-
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>50.24</b>	<b>53.31</b>

<b>Maturity analysis of lease liabilities are as follows:</b>	<b>2021-2022</b>	<b>March 31, 2021</b>
1 Year	34.86	38.58
2 to 5 Years	70.29	94.76

### 41. Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group.

The Group 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 funding needs are met through cash generated from operations and short term bank borrowings.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances, non current financial assets and current investments. The table below summarises the capital, net debt and net debt to equity ratio of the Group.

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
Equity Share Capital	655.34	655.34
Other Equity	25,949.66	21,626.88
<b>Total Equity (A)</b>	<b>26,605.00</b>	<b>22,282.22</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 41. Capital Management (contd.)

Particulars	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
Non-Current Borrowings	28.18	34.97
Short Term Borrowings	821.15	6,536.29
<b>Gross Debt (B)</b>	<b>849.33</b>	<b>6,571.27</b>
Less: Current Investments	2,218.17	384.71
Less: Non-Current Financial Assets	2,280.72	9,952.74
Less: Cash and Cash Equivalents	1,531.81	1,641.28
Less: Other Bank Balances	277.13	20.71
<b>Net Debt (C)</b>	<b>(5,458.50)</b>	<b>(5,428.17)</b>
<b>Net Debt to Equity (C/A)</b>	<b>-</b>	<b>-</b>

### 42. Segment Reporting

#### I) Business Segment

As the Group's business activity falls within a single primary business segment, viz. "Metal", the disclosure requirements of Indian Accounting Standard-108 "Operating Segments", notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Amendment Rules, 2014 are not applicable.

#### II) Geographical Segment

The Group primarily operates out of India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

##### a) Details of Revenue based on geographical location of customers is as below :

Revenue from Operations	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
India	46,977.93	31,158.79
Overseas	14,114.58	19,260.07
<b>Total</b>	<b>61,092.50</b>	<b>50,418.86</b>

##### b) Details of Segment Assets based on geographical area is as below :

Revenue from Operations	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
India	26,310.20	27,899.39
Overseas	8,699.69	6,989.70
<b>Total</b>	<b>35,009.89</b>	<b>34,889.09</b>

##### c) Details of Additions to Segment Assets is as below :

Revenue from Operations	Amount in ₹ Lacs	
	March 31, 2022	March 31, 2021
India	690.01	32.61
Overseas	0.62	40.72
<b>Total</b>	<b>690.63</b>	<b>73.33</b>

#### III) Information about Major Customers

Total revenue from customers includes sales to a related party of ₹ Nil lacs (March 31, 2021: ₹ 6,293.04 lacs) which represents more than 10% of the total revenue to single customer of the Group.

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 43. Additional Information

#### Financial Year 2021-22

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs
<b>Parent :</b>								
Manaksia Steels Limited	96.77%	25,745.84	83.70%	2,955.98	116.83%	924.19	89.76%	3,880.17
<b>Foreign Subsidiaries :</b>								
Technomet International FZE	12.16%	3,235.91	8.82%	311.34	11.99%	94.84	9.40%	406.18
Federated Steel Mills Limited	8.90%	2,368.11	8.17%	288.56	-36.52%	(288.87)	-0.01%	(0.30)
Far East Steel Industries Limited	0.57%	152.81	0.00%	-	-2.19%	(17.34)	-0.40%	(17.34)
Sumo Agrochem Limited	0.04%	10.45	-0.56%	(19.84)	0.25%	2.00	-0.41%	(17.83)
Elimination of Inter-Group Transactions	-18.45%	(4,908.13)	-0.12%	(4.33)	9.64%	76.24	1.66%	71.91
<b>Total :</b>	<b>100%</b>	<b>26,605.00</b>	<b>100%</b>	<b>3,531.71</b>	<b>100%</b>	<b>791.06</b>	<b>100%</b>	<b>4,322.78</b>

#### Financial Year 2020-21

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs
<b>Parent :</b>								
Manaksia Steels Limited	98.13%	21,865.70	74.16%	1,968.49	112.17%	572.50	80.29%	2,541.00
<b>Foreign Subsidiaries :</b>								
Technomet International FZE	12.16%	3,235.91	8.82%	311.34	11.99%	94.84	9.40%	406.18
Federated Steel Mills Limited	12.70%	2,830.29	1.01%	26.73	58.43%	298.20	10.27%	324.94
Far East Steel Industries Limited	9.86%	2,197.10	27.68%	734.78	96.15%	490.74	38.72%	1,225.51
Sumo Agrochem Limited	0.74%	164.41	0.00%	-	-3.69%	(18.85)	-0.60%	(18.85)
Elimination of Inter-Group Transactions	-21.55%	(4,801.22)	-2.72%	(72.28)	-161.24%	(822.94)	-28.29%	(895.22)
<b>Total :</b>	<b>100%</b>	<b>22,282.22</b>	<b>100%</b>	<b>2,654.33</b>	<b>100%</b>	<b>510.39</b>	<b>100%</b>	<b>3,164.72</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

### 44. Other Statutory Information

- a) The Group do not have any Benami Property, where any proceedings has been initiated or pending against the Group for holding any Benami property.
- b) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- c) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies):
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group(Ultimate Beneficiaries) or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- d) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- f) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- g) The Group has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies(Restriction on Number of Layers) Rules, 2017.
- h) There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.
- i) The Group is not a Core Investment Group as defined in the regulations made by Reserve Bank of India. The Group has no Core Investment Group as part of the Group.

### 45. Impact of COVID-19 (Global pandemic)

The Group has considered the possible effects that may result from COVID-19 in the preparation of these financial statement including the recoverability of carrying amounts of financial and non-financial assets. The Group has, at the date of approval of the financial statement, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of the same.

**46.** Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to conform to the current year presentation.

For **AGRAWAL TONDON & CO**

Chartered Accountants

Firm Regn. No. 329088E

**Kaushal Kejriwal**

(Partner)

Membership No. 308606

Kolkata

27th day of May, 2022

For and on behalf of the Board of Directors

**Varun Agrawal**

(Managing Director)

DIN - 00441271

**Vineet Agrawal**

(Chief Executive Officer)

DIN - 00441223

**Mrinal Kanti Pal**

(Director)

DIN - 00867865

**Rajesh Singhania**

(Chief Financial Officer)

**Ajay Sharma**

(Company Secretary)

## Notes

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