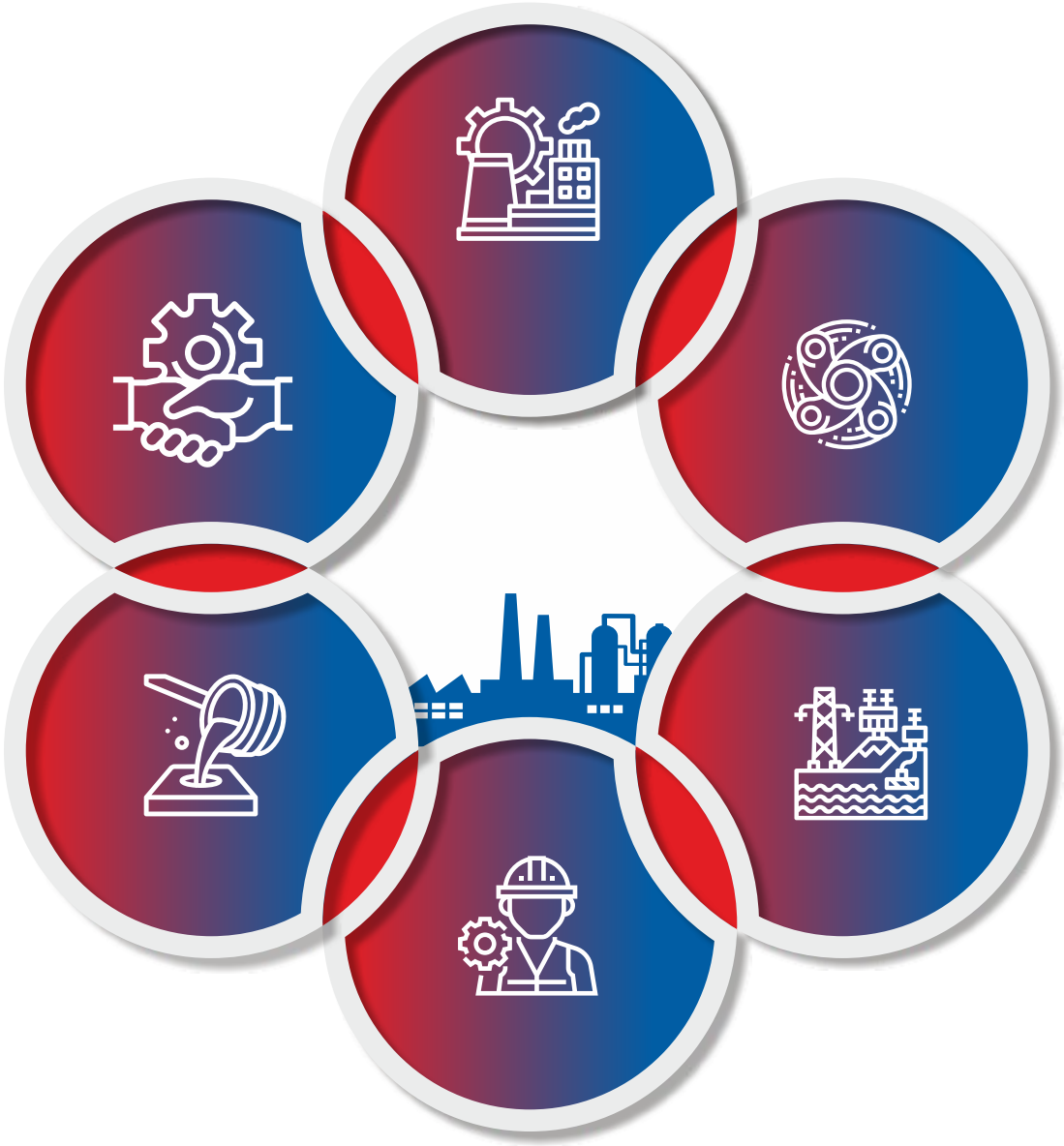


# Scale. Expertise. Sustainability

## SUPERSHAKTI METALIKS LIMITED

Annual Report 2020-21

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You can also find this report online on :
**www.supershaktimetaliks.com**

# Corporate Information

## BOARD OF DIRECTOR'S

**Mr. Dilipp Agarwal**
*Chairman & Non-Executive Director*
*Member CSR Committee*

**Mr. Deepak Agarwal**
*Non-Executive Director*
*Member, Audit Committee,*
*Member, Nomination & Remuneration Committee*
*Chairman, Stakeholders Relationship Committee*

**Mr. Sudipto Bhattacharyya**
*Additional Executive Director*
*Member, Stakeholders Relationship Committee*
*Chairman, CSR Committee*

**Mr. Vijay Kumar Bhandari**
*Non-Executive Independent Director*
*Chairman, Audit Committee*
*Chairman, Nomination & Remuneration Committee*

**Mrs. Bhawna Khanna**
*Non-Executive Independent Woman Director*
*Member, Audit Committee*
*Member, Stakeholders Relationship Committee*

**Mr. Tuhinanshu Shekhar Chakrabarty**
*Non-Executive Independent Director*
*Member, Audit Committee*
*Member, Nomination & Remuneration Committee*
*Member, CSR Committee*

## COMPANY SECRETARY
Mr. Navin Agarwal

## CHIEF FINANCIAL OFFICER
Mr. Shyam S. Somani

## AUDITOR'S
**Statutory Auditor**
Singhi & Co.
Chartered Accountant's

**Internal Auditor**
Mahesh Sonika & Co. LLP
Chartered Accountant's

**Cost Auditor**
Chhaparia & Associates
Cost Accountant's

**Secretarial Auditor**
Vivek Mishra & Co.
Company Secretaries

## BANKERS
Indian Overseas Bank
Union Bank of India
Dena Bank (Now Bank of Baroda)

## REGISTERED OFFICE
39, Shakespeare Sarani, 3rd Floor,
Kolkata, West Bengal -700017
Tel No. : +91 33 2289 2734/35
Fax No.: +9133 22892736
Email: info@ssml.in
Website: www.supershaktimetaliks.com

## WORKS
Kanjilal Avenue, Opp. DPL,
Zone "B" Substation
Durgapur, West Bengal - 713210

# Super Shakti's inspiring journey towards resilience.

Despite uncertain pandemic induced humanitarian and economic crisis impacting both human lives and businesses, we have retained our determination to grow as an emerging steel manufacturer. This resilience led to an inspirational performance in 2020-21.



Scaling the business through a strong domain knowledge.

Expertise by maintaining a robust balance sheet.

Sustaining through highest standards of governance and social commitments.



The company is one of the most attractive proxies in the Indian iron & steel industry.

Respected for its ability to manufacture Billets, Wire Rods, HB Wire and MS Wire required as an intermediatory/final product in the iron & steel industry and also in the valued infrastructure creation of the country.

A one-stop shop with customised quality products through rich technology and a dedicated customer base built on years of relationship.



# Meet Super Shakti!

Supershakti Metaliks Limited, started manufacturing as one of the operative manufacturing plants under Super Smelters Limited. During 2016, it came out as a demerged entity and was renamed as Super Shakti Metaliks Limited during 2018. A group Company of the Kolkata based illustrious Sai Group with a revenue of more than ₹ 380 crores and is core to the domestic iron & steel manufacturing space. Its multiple business streams not only strengthen it from any cyclicity of the iron & steel industry but also give it an extra edge over its competitors.

## Aim

The aim of our organization is to become the fastest growing and the most comprehensive steel company in the nation. Moreover, constantly developing the skills of our employees and fostering team work for the development of our country. We believe that together, we can achieve a new phase of globalization therefore we keep ourselves involved in the welfare of the community through women and child education, providing employment to the needy and a cleaner environment.



# Optimism in our operative sectoral context

The steel industry is at the heart of the global economy and equally so at the core of our sustainable modern society.The Indian steel industry like its global counterparts belongs to one of those core industries that along with cement, renewable energy, coal and petro-chemicals is looking forward for a steady growth in 2021 onwards.

Robust demand: Increased demand for steel from infrastructure, oil & gas and automotive space is going to drive the growth of the industry. During FY 20-21 India's production of crude steel stood at 103 MT and finished steel stood at 95.1 MT.Steel exports by India reached a record level of 17.4 MT in FY20-21 (including 6.6 MT of semis). The country's crude steel is expected to reach 112-114 MT by end of FY 21-22 which will be supported by government spending, economic recovery and enhanced liquidity.

Policy support: National Steel Policy (NSP) was introduced in 2017 to encourage the industry to reach global benchmarks. Ministry of Steel plans to invest US$ 70 million in the eastern region of the country through accelerated development of the sector.

Recently Union Steel Ministry announced its vision of 'Making Eastern India a manufacturing hub with respect to metallurgical industries'. During 2020, 'Mission Purvodaya' was launched to accelerate development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone.

Competitive advantage:The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.



# ADVANTAGE
# a 'daily' associated term with Super Shakti

The real success factors behind our product development and process improvement are our ability to adapt to the change. We have embedded change into our business in a very sustainable manner by manufacturing products which are durable, eco-friendly and are margin-accretive. Besides, by embracing the latest technologies and machines, we have always striven to remain ahead of the curve.

We have an extensive presence across the steel value chain (Billets, Wire Rods, HB Wire and MS Wire) with a flexibility to sell anything across the steel value chain as per market needs.

Right from efficient marketing to connect with our potential and existing customers, digitisation has been a key enabler towards our value-creation agenda. This provides us with triple benefits of ensuring a high brand recall, increasing visibility and bettering sales opportunities.




The Company's compliance with strict quality management norms andenvironment norms is validated through ISO 9001 and ISO 14001certifications. thereby ensuring superior product quality reaching the customers.

We have a dynamic team with profound knowledge about the steel industry. They are well seasoned to overcome headwinds and accelerate further to reach new heights of success. The technical know-how and creative insights allow them to take sound and agile decisions.

Our focus towards premiumisation, cost-optimisation coupled withstrategic capital allocation and vision towards lower working capital has helpedstrengthen our financial profile. Owing to a continuous focus on lowering debt levels, our interest coverage has remained at comfortable levels, defining our ability to manage risk. Besides, our sound liquiditypositon, along with a growing Reserves & Surplus, serve as an indicator ofour Balance Sheet strength.

# Chairman's communique

*Dear Shareholders*

The global events unfolding has shifted the traditional paradigm of life and living. It brings into focus the collective spirit of the human inventiveness, not only to face the existing challenges but also to remain able and stable and thrive in a new normal.

At Super Shakti, we have always wanted to build a company that endures across market cycles. The strong and vibrant stakeholder ecosystem we have built over the years, strengthens our resilience and provides a strong foundation to propel our thrust for growth and co-create a shared future.

## Perspective

At Super Shakti, we have consistently believed that reasonably visionary businesses move faster, address customer needs more efficiently and are better equipped to enhance stakeholder's value. In spite of challenging market scenario and global pandemic, we are able to deliver positive results and our performance are more or less in line with the industry standards. Pandemic induced disruptions during Q1 of FY 2020-21, then a V-shaped resurgent domestic economy and governments impetus on infrastructure spending led to a booster into the demand for our products during Q2 to Q4 of FY 2020-21. Considering the high correlation of iron & steel products demand with the domestic economy and other global & local perspectives, our performance demonstrates our robust fundamentals, driven by resource efficiency, growing prominence across infrastructure majors and enhanced brand reach. On the backdrop of these fundamentals, we achieved a Turnover of ₹ 376.83 crores. Our profit after tax during the year stood at ₹13.22 crores.

## Deleveraging

At Super Shakti, we believed that the most visible intent of our need to emerge as a sustainable company would be reflected in our commitment to reduce the debt burden on our books. This need to moderate debt was in response to extensive changes in the market environment. Across the last two decades, the global economic order has been increasingly marked by unforeseen development, often referred to as Black Swans. During these phases, one of the first casualties has been a decline in public and private spending, affecting the off take of steel products. These events have, in turn, affected the debt and interest repayment capability of the debt-burdened steel companies, turning some of them sick and some towards ownership transfer.

We realised that it is imperative to moderate debt to remain solvent in our capital-intensive sector. We became increasingly focused on using credit discipline, with a premium on the ability to moderate debt and live with a cleaner Balance Sheet.

## Growth drivers

a) **Atmanirbhar Bharat Abhiyan:** Atmanirbhar Bharat Abhiyaan or Self-reliant India is a special economic and comprehensive package of ₹ 20 lakh crores - equivalent to 10% of India's GDP – to fight COVID-19 pandemic in India. The aim is to make the country and its citizens independent and self-reliant in all senses. Five pillars of Aatma Nirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand.

b) **Affordable Housing:** The credit-linked subsidy scheme for middle income households (income group ₹ 6-18 Lakh) was extended to March 2021. The move is expected to infuse fresh investments of ₹ 70,000 crores in housing sector, thereby boosting sectors like steel, cement and create jobs.

c) **Vocal for local:** The government has urged all the stakeholders in the steel industry to come together and utilize only domestically produced steel. The Oil and Gas sector is one of the largest end-users of steel. The steel demand is set to rise with the expansion of city gas distribution network for covering 70% of India's population, refining capacity augmentation, roadmap to setup 10,000 CNG stations, and exploration and production activities. Procuring steel from domestic manufacturers and minimizing steel imports will generate employment opportunities in the sector and spur MSMEs growth encouraging them to produce more value-added products. The opening of coal blocks for commercial mining aimed at achieving self-sufficiency in energy demand will further benefit the overall steel industry.

d) **Encouraging Indigenise Production:** The Ministry of Defence (MoD) has created a list of 101 items for which there would be an embargo on the import beyond the timeline indicated against them. This would offer a great opportunity to the Indian defence industry to manufacture these items using their own design and development capabilities to meet the requirements of the Armed Forces in the coming years. This list includes some high technology weapon systems like artillery guns, assault rifles, corvettes, sonar systems, transport aircrafts, light combat helicopters (LCHs), radars and many other items to fulfill the needs of our Defence Services.



e) **Opportunity in Indian Railways:** Indian Railways plays a key role in the economy with intermodal share of rail in freight traffic at around 35%. It continues to enjoy a lion share of transportation of bulk commodities like coal, iron ore, cement and food grains. According to the Union Budget 2020-21, the railway's capital expenditure is pegged at ₹1.61 lakh crores.

f) **The New Industrial Policy Regime:** The New Industrial Policy Regime has allowed private investment in the steel industry by eliminating it from the list of industries reserved for the public sector and exempting it from compulsory licensing. The imports of foreign technology and Foreign Direct Investment (FDI) are permitted up to certain limits under the automatic route. Additionally, the introduction of the Government's National Steel Policy (NSP) 2017 has set up a roadmap of the growth trajectory of the Indian steel industry until 2030-31.

g) **Steel Scrap Recycling Policy:** In a bid to ensure quality scrap for the steel industry, the government has come out with a Steel Scrap Recycling Policy to reduce imports, conserve resources and save energy. The policy aims to promote circular economy in the steel sector, besides promoting a formal and scientific collection, dismantling and processing activities for end of life products. It also aims to decongest the Indian cities from reuse of ferrous scrap. The country's steel scrap imports is valued at ₹ 24,500 crore. The scrap policy will ensure processing and recycling of products in an organised, safe and environment friendly manner, besides evolving a responsive ecosystem and producing high quality ferrous scrap for quality steel production minimising the dependency on imports. And the gap between demand and supply of scrap can be reduced in the future and the country may be self-sufficient by 2030. With steel production rising to 250 MT, the industry's steel scrap requirement is expected to rise to 70-80 MT leading to an additional requirement of 700 scrap processing centres and 2800-3000 collections and dismantling centres across India.

## Sound Governance & Sustainability

We are committed to high standards in corporate governance and aim to implement best practices beyond compliance requirements. Our Board currently comprises of professional directors, from varied background and considerable working experience. The Company had also adopted various measures for a cordial working relation between the workers and the management. Workshops are being organized on a regular basis to impart training to the Company's personnel and also to make them aware of the developments in the Industry.

As a socially responsible corporate citizen, we always undertake significant steps to uplift the morale of the people and betterment of the environment in our surrounding.

## Looking Ahead

In this overview, I cannot assure the shareholders that everything is under control under the present circumstances. However, what we do know is that our shock absorbers run deeper than most peers. At the end of the day, pride of ownership usually prevails among consumers and if we continue to make the good, better, we will get the desired goals. We will continue to focus on enhancing efficiency, optimizing costs and increasing liquidity and preparing for the big leap. We are optimistic that this will translate into superior margins, returns on capital employed and market capitalisation, enhancing value in the hands of all those who own shares in our company.

With warm regards,

Sincerely,

**Dilipp Agarwal**

Chairman

# Corporate Social Responsibility

We believe that long-term business sustainability and value creation are closely connected to social integration. Our resolute focus on the iron & steel industry provides us with an ever needing dedication towards our personnel and ones in our surroundings. We always integrate healthy human resource practices, environment, health and safety considerations into business planning and decision making. At Super Shakti, we are always inspired by our own guiding principles of conducting our businesses with a human touch.

**Human Resource:** In a business where intellectual capital represents the difference between the successful and the average, it is imperative to invest in knowledge, capability and experience for ensuring sustainable success. Employee training is a continuous priority to build skill sets to meet technological needs of our business. With proper succession planning, adequate managerial bandwidth is available to drive corporate goals, with responsibilities and authorities shared appropriately.

During 2020-21, our regular employee strength stood at 421.

**Industrial goals:** Industrial relations across the Company were cordial. This was the result of the management's and employees' efforts to adopt a work culture which adapts itself with the changing scenario. We continued to emphasise transparency and innovation, which provided a stimulus to the organisation.

**Social Responsibility:** At Super Shakti, Corporate Social Responsibility (CSR) represents an integral part of the business that extends beyond statutory obligations. Our efforts are primarily mediated towards improving the quality of life of the people and outreaching the society through meticulously planned community development programmes.

Our community initiatives include:

- Skill Development Centre (Training Hall) and Rural Infrastructure development at Paschim Bardhaman, West Bengal.
- Arrangement of Blood Donation Camp, COVID Vaccination Awareness and General Health Awareness at Durgapur.

These efforts result in the building of brand "Super Shakti" through a cohesive team of employees with a penchant for collaboration and an awareness with the community in large.






A CSR INITIATIVE OF SUPERSHAKTI METAL
Prayas
10th Year




A CSR INITIATIVE
UBLIC TOILET



# Director's Report

To,

The Members,

Your Directors are pleased to present the 9th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2021.

## FINANCIAL HIGHLIGHT

The table below depicts the financial performance of your Company for the year ended 31st March, 2021.

(Amount in ₹)

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| Net Revenue from Operations (A) | 3,76,83,37,085 | 4,66,95,95,814 |
| Other Income (B) | 3,00,60,275 | 3,02,97,329 |
| **Total Revenue (A) + (B)** | **3,79,83,97,360** | **4,69,98,93,143** |
| Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) | 24,38,71,135 | 14,81,63,533 |
| Finance Costs | 2,24,90,664 | 3,56,22,216 |
| Depreciation and amortization expense | 4,95,46,603 | 4,90,86,700 |
| **Profit before Exceptional Item &Tax** | **17,18,33,868** | **6,34,54,617** |
| Exceptional Item | - | 8,61,58,052 |
| **Profit before Tax (PBT)** | **17,18,33,868** | **14,96,12,669** |
| Tax expense | 3,95,74,061 | 3,22,96,535 |
| **Profit after Tax (PAT)** | **13,22,59,807** | **11,73,16,134** |

# Director's Report (Contd.)



## STATE OF COMPANY'S FINANCIAL AFFAIRS

First quarter of the financial year was subdued due to outbreak of pandemic and subsequent lockdown of plant in the first quarter thus resulting in lower total revenue of ₹ 3,79,83,97,360 as compared to the previous year amount of ₹ 4,69,98,93,143. Despite a sluggish H1, there was a sharp recovery in H2 when the lockdown was released. EBIDTA improved due to less outgo of Finance cost .The Expenditure incurred including depreciation during the year was ₹ 3,62,65,63,492 as against the amount of ₹ 4,63,64,38,526 during the previous year. The Companies Profit after tax of ₹ 13, 22, 59,807 was better than the previous year amount of ₹ 11, 73, 16,134. The Company is looking forward to increase its numbers in the coming Financial Years with the support of all the Stakeholders of the Company.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR TILL THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred during the Financial Year and the date of this report apart from the Impact of Covid-19.

### Impact of COVID-19:

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country affected business operations. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a financial burden on the one hand and workforce idling on the other. COVID-19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of Covid-19. Your Company has to spend certain fixed cost as lockdown expenses which were mandatory for the running of the company which dented the profits to some extent despite this the overall performance of the Company was good.

India is currently experiencing a massive second wave of Covid-19 infections. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness and steel sector is coming out stronger post Covid scenario

"The announced countermeasures to combat the second wave – some of which are due to remain in place at least until the end of June – risk weakening the economic recovery. However, the targeted nature of containment measures and rapid progress on vaccinating the population will mitigate the credit-negative impact" it added.

## FUTURE OUTLOOK

The Indian economy is projected to grow in coming years as per various institutional estimates, making it one of the fastest-growing economies. India's growth journey could be the result of a culmination of favorable tailwinds like consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, reforms and an efficient roll-out of the vaccine, among others. However, the only dampener is the surge in Covid-19 in the first quarter of the current Financial Year that could affect public consumption of products and services. The Steel Sector is performing well and momentum is

# Director's Report (Contd.)

likely to continue in next few quarters. Your Company has invested in an upcoming Greenfield project related to steel manufacturing by taking a strategic stake in the Company and would like to raise its stake at an appropriate and opportune time and is hopeful of generating good cash flows from the project in near future.

## NATURE OF BUSINESS

Your Company is into the manufacturing of diversified products of secondary Steel through Induction Furnace route and currently operating a Steel Melting Section to produce semi-finished product (i.e. Billet) and Rolling Mill Section to produce Wire Rods, HB Wires, and Binding Wires etc. in our plant. It has successfully established its brand in wide range of Steel manufacturing, steel processing and other allied activities. The products of the Company are commanding premium value due to its quality. There has been no change in the nature of business of the Company during the Financial Year.

## DIVIDEND

The Board of Directors has recommended a Dividend of ₹ 0.50 per Equity Share having face value of ₹ 10 each @ 5% subject to the approval of the Members at the ensuing Annual General Meeting ("AGM"), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure/Record Date. In the previous year, the Company had paid ₹ 0.50 per Equity Share having face value of ₹ 10 each @ 5%.

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Dividend Distribution Policy is not applicable to our Company.

## CREDIT RATING

In June 2021, CARE Ratings revised the issuer Credit Rating of the Company from 'BBB+' Outlook: Stable to 'BBB' Outlook: Stable for Long Term Bank Facilities and from 'A2' to 'A3+' for Short Term Bank Facilities.

## DEMATERIALISATION OF EQUITY SHARES

All the Equity Shares of the Company are in Dematerialized Form with either of the depositories viz. NSDL and CDSL. The ISIN No. allotted is INE00SY01011.

## TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the Financial Year ended 31st March, 2021.

## FINANCE

Cash and cash equivalents as on 31st March, 2021 were ₹ 80,60,315. The Company continues to focus on judicious management of its Working Capital, Receivables, and Inventories. Other Working Capital parameters were kept under strict check through continuous monitoring.

## SHARE CAPITAL

During the year under report, there was No change in Capital Structure of the Company. The Authorized Share Capital of the Company is ₹ 15,00,00,000. The Paid-Up Equity Capital of the Company is ₹ 11,52,52,780. The Shares of the Company are listed on the SME platform of BSE Limited.

During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. The Company has paid Listing Fees for the Financial Year 2021-22, to the Stock Exchange, where its Equity Shares are listed.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Board of Directors:**

During the Year, the Board of Directors of the Company has Mr. Vijay Kumar Bhandari, Mr. Tuhinanshu Shekhar Chakrabarty and Mrs. Bhawna Khanna as the Non-Executive Independent Directors. The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their Independence laid down in Section 149(6) of the Act. In terms of Section 152 of the Companies Act, 2013 Mr. Dilipp Agarwal (DIN: 00343856) Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

Based on the recommendations of the Nomination and Remuneration Committee, on 15th December, 2020 the members of the Board have appointed Mr. Sudipto Bhattacharyya (DIN: 06584524) as an Additional Director (Executive) of the Company w.e.f 15th December, 2020 who holds his office as such upto the date of ensuing Annual General Meeting. The Board of Directors at the very meeting appointed him as Whole-Time Director in terms of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 for a period of 2 years w.e.f 15th December, 2020 subject to shareholders approval. The Board of Directors of the Company hereby recommends the appointment of Mr. Sudipto Bhattacharyya (DIN: 06584524) as the Whole-Time Director of the Company at the ensuing General Meeting

During the period under review, Mr. Ajay Kumar Bajaj (DIN: 07604198) Whole-Time Director of the Company had resigned from the office of Director on 05th September, 2020 upon completion of his tenure.

# Director's Report (Contd.)

The Board confirms that none of the Directors of the Company is disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and necessary declaration has been obtained from all the Directors in this regard.

Below Table mentions the List of Director's and Key Managerial Personnel as on the date of this report:-

| Sl. No. | Name of the Director | Designation |
|---|---|---|
| 1. | Mr. Dilipp Agarwal | Chairman & Non-Executive Director |
| 2. | Mr. Sudipto Bhattacharyya | Additional Executive Director |
| 3. | Mr. Deepak Agarwal | Non - Executive Director |
| 4. | Mr. Vijay Kumar Bhandari | Independent Director |
| 5. | Mr. Tuhinanshu Shekhar Chakrabarty | Independent Director |
| 6. | Mrs. Bhawna Khanna | Independent Director |
| 7. | Mr. Shyam S. Somani | Chief Financial Officer |
| 8. | Mr. Navin Agarwal | Company Secretary |

## Meetings of the Board:

During the Financial Year 2020-21, total of Five Meetings of the Board of Directors were held on; 28-07-2020; 03-09-2020; 13-11-2020; 15-12-2020 and 26-03-2021. The maximum time-gap between any two consecutive Meetings did not exceed 120 days.

The names of Members of the Board, their attendance at the Board Meetings are as under:

| Sl. No. | Name of the Director | Number of Meetings attended |
|---|---|---|
| 1. | Mr. Dilipp Agarwal (Chairman & Non-Executive Director) | 4/5 |
| 2. | Mr. Ajay Kumar Bajaj (Whole-Time Director)* | 2/5* |
| 3. | Mr. Deepak Agarwal (Non-Executive Director) | 4/5 |
| 4. | Mr. Vijay Kumar Bhandari (Independent Director) | 1/5 |
| 5. | Mr. Tuhinanshu Shekhar Chakrabarty (Independent Director) | 4/5 |
| 6. | Mrs. Bhawna Khanna (Independent Director) | 5/5 |
| 7. | Mr. Sudipto Bhattacharyya (Additional Executive Director)** | 1/5 |

*Tenure completed on 05-09-2020
** Appointed on 15-12-2020

## COMMITTEES OF THE BOARD

There are Four Board Committees as on 31st March, 2021 viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee.

### Audit Committee:

The Board has constituted the Audit Committee. The Board of Directors has accepted all the recommendations given by Audit Committee during the Financial Year 2020-21. During the year four Audit Committee Meeting took place on 28-07-2020; 13-11-2020; 15-12-2020 and 26-03-2021. The composition and attendance of the Members at the Committee Meetings held during the year under review was as below:

| Sl. No. | Name of Members | Number of Meetings attended |
|---|---|---|
| 1. | Mr. Vijay Kumar Bhandari (Chairman) | 1/4 |
| 2. | Mr. Deepak Agarwal (Member) | 3/4 |
| 3. | Mr. Tuhinanshu Shekhar Chakrabarty (Member) | 4/4 |
| 4. | Mrs. Bhawna Khanna (Member) | 4/4 |

### Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee had two Meeting during the year on 28-07-2020 and 14-12-2020. The composition and attendance of the Members at the Committee Meeting held dur-ing the year under review was as below:

| Sl. No. | Name of Members | Number of Meetings attended |
|---|---|---|
| 1. | Mr. Vijay Kumar Bhandari (Chairman) | 1/2 |
| 2. | Mr. Deepak Agarwal (Member) | 2/2 |
| 3. | Mr. Tuhinanshu Shekhar Chakrabarty (Member) | 2/2 |

### Corporate Social Responsibility Committee:

The Board has constituted the Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee had one Meeting during the year on 28-07-2020. The composition and attendance of the

# Director's Report (Contd.)

Members at the Committee Meeting held during the year under review was as below:

| Sl. No. | Name of Members | Number of Meetings attended |
|---|---|---|
| 1. | Mr. Ajay Kumar Bajaj (Chairman)* | 1/1 |
| 2. | Mr. Dilipp Agarwal (Member) | 1/1 |
| 3. | Mr. Tuhinanshu Shekhar Chakrabarty (Member) | 1/1 |
| 4. | Mr. Sudipto Bhattacharyya (Member) | 0/1 |

*Mr. Ajay Kumar Bajaj resigned on 05-09-2020, thereafter Mr. Sudipto Bhattacharyya replaced him as the Chairman on and from 15-12-2020.

**Stakeholder Relationship Committee:**

The Board has constituted Stakeholder Relationship Committee as required under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholder Relationship Committee had one Meeting during the year on 14-12-2020. The composition and attendance of the Members at the Committee Meeting held during the year under review was as below:

| Sl. No. | Name of Members | Number of Meetings attended |
|---|---|---|
| 1. | Mr. Deepak Agarwal (Chairman) | 1/1 |
| 2. | Mrs. Bhawna Khanna (Member) | 1/1 |
| 3. | Mr. Sudipto Bhattacharyya (Member)* | 0/1 |

*Mr. Ajay Kumar Bajaj resigned on 05-09-2020, thereafter Mr. Sudipto Bhattacharyya replaced him as the Chairman on and from 15-12-2020

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In accordance with Section 178 of the Companies Act, 2013 and other regulations as applicable. The Board of the Directors has framed the policy which lays down a framework in relation to Remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy is available on the Company's website www.supershaktimetaliks.com.

## BOARD EVALUATION

Companies Act 2013 and Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board has carried out an Annual Evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information flow, frequency of meetings, and functioning etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings. The Chairman was also evaluated on the key aspects of his role. In a separate Meeting of Independent Directors, held on to evaluate the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated.

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

The Company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com. The Company has set up Internal Complaints Committee (ICC) to redress the complaints in accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and ICC has not received any complaints during year ended 31st March 2021.

## HUMAN RESOURCES

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

## VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which

# Director's Report (Contd.)

is in compliance with the provisions of Section 177(10) of the Companies Act, 2013. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

It also provides for adequate safeguards against the victimization of Employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com.

## RISK MANAGEMENT POLICY

The Company has developed and implementing a risk management policy which includes the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com.

## POLICY ON PRESERVATION OF THE DOCUMENTS

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com.

## POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all the Related Party Transactions were in the Ordinary Course of the business and at Arm's Length Basis and hence provisions of Section 188 of the Companies Act, 2013 is not applicable. Those transactions were placed before the Audit committee of Directors for prior approval in the form of Omnibus Approval. Related Party Transactions under Accounting Standard–18 are disclosed in the notes to the Financial Statement in Note No. 28 L. Material Related Party Transactions are disclosed in **Annexure -1** in **Form AOC-2** pursuant to clause (h) of Sub Section (3) of Section 134 read with Rule 8(2) of Companies (Accounts) rules, 2014 for which necessary Members approval are in place.

The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com.

## CORPORATE SOCIAL RESPONSIBILITY

As part of the Corporate Social Responsibility initiative the Company has spent an amount of Rs. 41,40,100/- (Rupees Forty One Lakh Forty Thousand One Hundred Only) towards the various CSR activities during the Financial Year 2020-21. Details of **CSR Activity Report** are provided in **Annexure-2**.

The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com.

## AUDITORS AND AUDITORS REPORT

**Statutory Auditor:**

Your Directors would like to inform that in the 04th Annual General Meeting (AGM) held on 30th September, 2016 **M/s Singhi & Co.** Chartered Accountants, Kolkata (FRN: ICAI – **302049E**) was appointed as Statutory Auditors of the Company for a period of Five consecutive years i.e. from the conclusion 04th AGM till the conclusion of 09th AGM. Hence, in line with the requirement of Section 139 and Section 142 of the Companies Act, 2013 read with rules made thereunder and other applicable provisions, if any, and based on the recommendation of the Audit Committee, the Board of Directors has decided to place the proposal for re-appointment of **M/s Singhi & Co.** Chartered Accountants, Kolkata (FRN: ICAI – **302049E**) as the Statutory Auditor of the Company, for a period of five years i.e. from the conclusion 09th AGM till the conclusion of 14th AGM. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment as Auditors of the Company. As required under Regulation 33 (1) (d) of the Listing Regulations, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Your Directors would like to inform that re-appointment of Auditors shall be for a period of five years at remuneration to be fixed after discussion with the Audit Committee and the Board of Directors of the Company. The Board recommends re-appointment of the Auditors.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**Internal Auditor:**

The Board, at its Meeting held on 28th July 2020, has re-appointed M/s. Mahesh Sonika & Co LLP, (Firm Reg No.

# Director's Report (Contd.)

324602E/E300060) Chartered Accountants, for conducting Internal Audit of the Company for Financial Year 2020-21 and onwards. The Company's Internal Audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly.

**Internal Audit Controls and their Adequacy:**

The Company's Internal Audit is being carried on by Independent Auditors, they monitor and evaluates the efficacy and adequacy of Internal Control System in the Company, its compliance with operating system, accounting procedures and policies of the Company. The main thrust of Internal Audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the Industry. Based on the Internal Audit Reports, process owner takes corrective actions in their respective areas and thereby strengthens the controls. The Report is presented before the Audit Committee for review at regular intervals. Your Company has an effective Internal Control and Risk-Mitigation System, which are constantly assessed and strengthened. New/revised standard operating procedures are being adopted 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 Company's Internal Control System is commensurate with its size, scale and complexities of its operations and is capable for the timely preparation of reliable financial information. The Internal Audit department monitors and evaluate the efficiency and adequacy of the Internal Control System in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 requires every Listed Company to annex to its Board's report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice. The Board had appointed Mr. Vivek Mishra (FCS) a Practicing Company Secretary bearing Membership No. 8540 & C.P No. 17218, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2020-21 and their Report is annexed to this report **Annexure-3.** There are no qualifications, observations, adverse remark or disclaimer in the said Report.

**Cost Auditors:**

Pursuant to Section 148 of the Companies Act, 2013 read together with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to carry out audit of the cost accounting records of the Company for every Financial Year. The Cost Audit report of your Company for the Financial Year ended 31st March, 2020 was filled on 01st October, 2020. The Auditors' Report does not contain any qualification, reservation or adverse remark. Cost records as required to be maintained by the Company pursuant to an order of the Central Government are maintained.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s S Chhaparia & Associates, Cost Accountants, (Firm Registration No. 101591) Kolkata, for the year ending 31st March, 2022 the remuneration proposed to be paid to them for the Financial Year 2021-22 requires ratification of the Shareholders of the Company. In view of this, the Board recommends the ratification for payment of remuneration to the Cost Auditors at the ensuing Annual General Meeting.

None of the Auditors of the Company have reported any fraud during the year under review.

## PARTICULARS OF EMPLOYEES

Your Directors place on record their deep appreciation for the contribution made by the Employees of the Company at all levels. The information on Employees particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), is forming part of this Board's Report as **Annexure-4**. There are no Employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## CORPORATE GOVERNANCE

As per Regulation 27 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance is not applicable to the Company listed on the SME platform (BSE). Hence the Company is not required to disclose information as covered under Para (C), (D) and (E) of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Para (F) of Schedule V of Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 the Company do not have and is not required to have the Demat Suspense Account neither Unclaimed Suspense Account.

## PUBLIC DEPOSITS

During the Financial Year 2020-21, the Company has not accepted any deposit within the meaning of Sections 73

# Director's Report (Contd.)

and 76 of the Companies Act 2013, read together with the Companies (Acceptance of Deposits) Rules, 2014.

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

### A. Energy Conservation

(a) Use of LED Lights indoor and outdoor, LED lights reduces the Energy Consumption at Outdoor and Indoor Lightning.

(b) Use of Direct Hot Rolling from CCM, by use of Direct Hot Rolling we have saved furnace oil for reheating Billets.

(c) Use of CBM (Coal based Methane Gas) in reheating furnace in place of oil furnace, natural gas reduces the energy cost of fuel.

### B. Technology Absorption

Our Company is in the Manufacturing of MS Billet, HB Wire, TMT Bar and MS Wire Rod. It had not taken any Research and Development during the year under review. As such no expenditure had been incurred on Research and Development.

### C. Foreign Exchange Earnings and Outgo

Details of earnings accrued and expenditure incurred in Foreign Currency are given in Note 28G, 28H and 28I of the Notes to the Financial Statements. The Company continues its efforts to improve its earnings from Exports.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

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

The Company has made a strategic investment of ₹ 19,30,06,000 in Giridhan Metal Private Limited an upcoming Iron and Steel Green field project during the Financial Year thus total investment as on 31.03.2021 stands at ₹ 49,30,06,000. Any other particulars relating to loans, guarantees and investments have been disclosed in the Financial Statements.

## EMPLOYEES RELATIONS

The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

## TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company did not have any funds lying Unpaid or Unclaimed for a period of seven years Therefore, there are no funds which are required to be transferred to Investor Education and Protection Fund (IEPF).

## CONSOLIDATION OF ASSOCIATES /JOINT VENTURES

As on the reporting day your Company do not have any associate or Joint Venture hence consolidation of accounts is not required.

## INSIDER TRADING REGULATIONS

Based on the requirements under Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 read with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the code of conduct for prevention of Insider Trading and the Code for Fair Disclosure ("Code"), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any Price Sensitive Information and to prevent any Insider Trading activity by dealing in Shares of the Company by its Directors, Designated Employees and other Employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, Designated Employees and other Employees from trading in the Securities of Supershakti Metaliks Limited at the time when there is Unpublished Price Sensitive Information.

The details of the Policy are posted on the website of the Company www.supershaktimetaliks.com.

## MANAGEMENT DISCUSSION ANALYSIS

A detailed Report on the **Management Discussion & Analysis** is provided as a separate **Annexure-5** in the Annual Report.

## EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an Extract of the Annual Return as per Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in the prescribed Form **MGT-9** is appended as **Annexure-6** to the Board's Report.

# Director's Report (Contd.)

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 Board of Directors of the Company,

(a) In preparation of the Annual Accounts for the Financial Year ended 31st March 2021 the applicable Accounting Standards have been followed along with proper explanation to material departures;

(b) The Directors have selected Accounting Policies, in consultation with the Statutory Auditors 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 end of the Financial Year and of the profit or loss of the Company, for that period;

(c) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;

(d) The Directors have prepared the Annual Accounts of the Company 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 are adequate and were operating effec-tively; and

(f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## POLICIES

The Companies Act 2013 along with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and mandate to formulations of certain policies for all listed Companies. Accordingly, the Company has formulated the Policies for the same as the Company believed to retain and encourage high level of ethical standard in business transactions. All our Policies are available on our website www.supershaktimetaliks.com.

## ACKNOWLEDGEMENT

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Governments and the Governments in the countries where we have operations and other regulatory authorities and government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors
**Supershakti Metaliks Limited**

**Dilipp Agarwal**
*Chairman*
DIN: 00343856

Place: Kolkata
Date: 29-06-2021

# Annexure to the Director's Report

**Annexure 1**

**Form No. AOC-2**

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014). 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 Arm's Length Transactions under third proviso thereto.

I. There are no contracts/arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are not at Arm's Length basis.

II. Material contracts/arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are at Arm's Length basis are as follows :

| Nature of Transaction | Name of Related Party | Nature of Relationship | Duration of Contract | Amount in ₹ |
|---|---|---|---|---|
| Purchase | Super Smelters Limited | Group Company | Regular | 2,45,54,36,819 |
| Sales | Super Smelters Limited | Do | Do | 5,14,17,173 |
| | Sai Electrocasting Private Limited | | | 4,36,58,489 |
| Investments | Giridhan Metal Private Limited | Do | N.A | 19,30,06,000 |

For and on behalf of the Board of Directors
**Supershakti Metaliks Limited**

**Dilipp Agarwal**
*Chairman*
DIN: 00343856

Place: Kolkata
Date: 29-06-2021

# Annexure to the Director's Report (Contd.)

**Annexure 2**

## CSR Annual Report

1. Brief outline on CSR Policy of the Company: At Supershakti Metaliks Limited, CSR is no mere acronym, is an integral part of the culture imbibed by one and all involved in the working of the Company. Our vision is to activelycontribute to the social and economic development of the communities in which we operate. In doing, so tobuild a better, sustainable way of life for the weakersections of society and raise the country's human development index.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director | Designation in Committee | Number of Meeting of CSR Committee held during the year | Number of Meeting of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Ajay Kumar Bajaj* | Chairman | 28-07-2020 (One Meeting) | 1 |
| 2 | Mr. Sudipto Bhattacharyya* | Chairman | | – |
| 3 | Mr. Dilipp Agarwal | Member | | 1 |
| 4 | Mr. Tuhinanshu Shekhar Chakrabarty | Member | | 1 |

*Mr. Ajay Kumar Bajaj resigned from the Board on 05-09-2020, thereafter Mr. Sudipto Bhattacharyya was appointed on 15-12-2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : **www.supershaktimetaliks.com**.

4. Provide 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, if applicable : **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Cor-porate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**.

| Sl. No. | Financial Year | Amount available for Set-Off from preceding Financial Year | Amount required to be Set-Off for the Financial Year |
|---|---|---|---|
| | | | |
| | | | |

6. Average Net Profit of the Company as per section 135(5) ₹ 20,55,29,141

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 41,10,583

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. -

   (c) Amount required to be set off for the financial year, if any -

   (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 41,10,583

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

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | 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 |
| ₹ 41,40,100 | N.A. | | N.A. | | |

# Annexure to the Director's Report (Contd.)

(b) Details of CSR amount spent against Ongoing Projects for the Financial Year:

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | | Project Duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |
| | | | | State | District | | | | | | |
| 1 | Training Hall | Item No. (i, ii. iii, x) | Yes | West Bengal | Paschim Bardhaman | 2 to 3 years | ₹ 50,00,000 | ₹ 21,00,000 | – | No | Supershakti Foundation CSR Regis-tration No.- CSR00008657 |
| 2 | Infrastructure Development (Public Toilet and Water Reservoir) | Item No. (i, iii, iv, x) | Yes | West Bengal | Paschim Bardhaman | 1 Year (2020-21) | ₹ 20,00,000 | ₹ 20,00,000 | – | No | Supershakti Foundation CSR Regis-tration No.- CSR00008657 |
| | **TOTAL** | | | | | | | **₹ 41,00,000** | | | |

(c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| 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 ₹) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |
| | | | | State | District | | | |
| 1 | Arrangement of Blood Donation Camp, COVID Vaccination Awareness and General Health Awareness | Item No. (i) and (ii) | Yes | West Bengal | Durgapur | ₹ 40,100 | No | Direct |
| | **TOTAL** | | | | | **₹ 40,100** | | |

(d) Amount spent in Administrative Overheads: **Not Applicable**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹ 41,40,100**

(g) Excess amount for set off, if any: **Not applicable**

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | ₹ 41,10,583 |
| (ii) | Total amount spent for the Financial Year | ₹ 41,40,100 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | ₹ 29,517 |
| (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)] | ₹ 29,517 |

# Annexure to the Director's Report (Contd.)

9. (a) Details of Unspent CSR amount for the preceding three Financial Years: **NOT APPLICABLE**

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | 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 ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 1 | | | | | | | |
| | TOTAL | | | | | | |

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| **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 ₹)** | **Amount spent on the project in the reporting Financial Year (in ₹)** | **Cumulative amount spent at the end of reporting Financial Year (in ₹)** | **Status of the project - Completed /Ongoing** |
| | | | | | | | | |
| | | | | | | | | |

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 **(asset-wise details)**. **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s) N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) N.A.

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

For and on behalf of the Board of DIrectors
**Supershakti Metaliks Limited**

**Dilipp Agarwal**
*Chairman*
DIN: 00343856

Place: Kolkata
Date: 29-06-2021

# Annexure to the Director's Report (Contd.)

**Form No. MR - 3** **Annexure 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[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,
**SUPERSHAKTI METALIKS LIMITED**
39, Shakespeare Sarani, 3rd Floor
Kolkata- 700017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices, under the Companies Act,2013, by SUPERSHAKTI METALIKS LIMITED., (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2021, has 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 2021 according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

   a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   23,20,000 Equity shares of the Company held by promoters are under lockin period of 3 years from the date of Public Issue.

   d] The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

   e] The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company During the Audit Period)

   f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company During the Audit Period) and

   h] The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company During the Audit Period)

vi Specific laws as applicable as mentioned here under :

   1. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982

   2. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;

   3. Environment (Protection) Act, 1986 read with the Environment (Protection) Rules, 1986;

   4. Factories Act, 1948 & the Central Rules or Concerned State Rules, made there under and allied State Laws

   5. The Employees' State Insurance Act, 1948 & its Central Rules/ State Rules.

   6. The Minimum Wages Act, 1948 & its Central Rules/ State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.

# Annexure to the Director's Report (Contd.)

7. The Payment of Wages Act, 1936 & its Central Rules/ State Rules if any.
8. The Payment of Bonus Act, 1965 & its Central Rules/ State Rules if any.
9. The Payment of Gratuity Act & its Central Rules/ State Rules if any.
10. The Maternity Benefit Act, 1961 & its Rules.

We have also examined compliance with following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. The Listing Agreements entered into by the Company with Stock Exchange BSE-SME

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

We further report that

I. The Board of Directors of the Company is duly constituted with proper balance comprising of (2) Non- Executive Directors, (1) Executive Whole time Director and (3) Non-Executive 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.

During the period under review Mr. Dilipp Agarwal (DIN: 00343856) Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

Following were changes in the position of the Key Managerial Personnel during the year :

a) Mr. Ajay Kumar Bajaj (DIN: 07604198) Whole-Time Director of the Company had resigned from the office of Director on 05th September, 2020 upon completion of his tenure.

b) Appointment of Mr. Sudipto Bhattacharyya (DIN: 06584524) as Additional (Whole-Time Director) w.e.f 15th December, 2020 subject to the approval of shareholders at the ensuing Annual General Meeting

Following were changes in the Appointment & Re-appointment of Auditors during the year :

c) Reappointment Of M/s. Mahesh Sonika & Co LLP, (Firm Reg No. 324602E/E300060) Chartered Accountants as Internal Auditor of the Company for the F.Y. 2020-21.

d) Appointment Of M/s Chhaparia & Associates, Cost Accountants, (Firm Registration No. 101591) Kolkata, As Cost Auditor Of The Company.

e) Re-Appointment of M/s Singhi & Co. Chartered Accountants, Kolkata (FRN: ICAI – 302049E as the Statutory Auditor of the Company, for a period of five years i.e. from the conclusion 09th AGM till the conclusion of 14th AGM.

I. 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.

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

III. We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

IV. We further report that during the audit period the Company has :

a) The Company has made an investment to the tune of Rs. 49,30,06,000 (Book Value) in Giridhan Metal Private limited .

b) The Company has related party transactions with its group companies related to sale & Purchase of goods which have had in principle of shareholders in this regard.

c) The Company has expended Rs 41,10,853 as CSR expenditure for the period ended 31st March,2021

d) The Board of Directors has recommended the Dividend of Rs. 0.50 per Equity shares for the year ended 31st March, 2021 subject to the approval of shareholders at the ensuing Annual General Meeting.

For **Vivek Mishra & Co**
*Company Secretaries*

**Vivek Mishra**
Proprietor
FCS 8540 CP No. 17218
UDIN – F008540C00059597

Date :8th July, 2021
Place : Kolkata

# Annexure to the Director's Report (Contd.)

**'Annexure-A'**

To,
The Members,
**SUPERSHAKTI METALIKS LIMITED**
39, Shakespeare Sarani, 3rd Floor
Kolkata- 700017

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 as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process 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 my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/ Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For **Vivek Mishra & Co**
*Company Secretaries*

**Vivek Mishra**
Proprietor
FCS 8540 CP No. 17218
UDIN – F008540C00059597

Date : 8th July, 2021
Place : Kolkata

# Annexure to the Director's Report (Contd.)

**Annexure-4**

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the Median Employees Remuneration and other details as required pursuant to Section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

**Disclosure Pursuant to Section 197(12) of the Companies Act, 2013 and the Rules made thereunder:**

I. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year: N.A. as None of the Directors were Employed for the full year.

II. The percentage increase in Remuneration of each Director, Chief Financial Officer (CFO), Company Secretary: N.A.

III. The percentage increase in the Median Remuneration of Employees in the Financial Year; is 3.46 % (The figure is calculated by comparing Median Remuneration of Financial Year 2019-20 with Median Remuneration of 2020-21). Ratio to the Median Remuneration is calculated on 60 Employees employed during the year on the basis of employees drawing salary more than ₹ 1,50,000/- per annum.

IV. The number of permanent Employees on the rolls of Company;

The total number of Employees drawing salary in excess of ₹ 1,50,000 per annum including Whole-Time Director as on 31st March, 2021 is 61.

V. Average percentile increase already made in the salaries of Employees other than the Managerial Personnel in the last Financial Year is in line with management policy.

VI. The Company has formulated a remuneration policy as per provisions of Companies Act during the Financial Year 2020-21 and henceforth the remuneration will be in accordance with such policy.

**List of Top Ten Employees in the Payroll of the Company**

| Employee name | Age | Qualification | Designation | DOJ | Remuneration (₹)* | % Increase* | Experience | Last Employment* | Relation with MGT | Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| Shyam S Somani | 38 | B.Com (H) FCA | CFO | 01.04.2018 | 31,33,000 | N.A | 15 | Super Smelters Limited | N.A | Nil |
| Navin Agarwal | 47 | B.Com (H) ACA, ACS | CS & Compliance Officer | 01.04.2018 | 14,95,000 | N.A | 21 | Super Smelters Limited | N.A | Nil |
| Lalmani Singh | 42 | B.Com (H), MBA FINANCE & HR | AGM Finance | 01.07.2018 | 12,92,421 | N.A | 14 | Jayaswal Neco Industries Ltd. | N.A | Nil |
| Sudipto Bhattacharya | 48 | B.Com PGDM(PM&IR) | Director | 08.08.2016 | 10,69,580 | 13.78% | 23 | Super Smelters Limited | N.A | Nil |
| Dheeraj Kumar Pant | 54 | Factory Manager | MSC | 08.08.2016 | 10,64,293 | N.A | 34 | Super Smelters Limited | N.A | Nil |
| Joginder Pal Some | 57 | HS | Block Mill Incharge/ RMS | 08.08.2016 | 8,19,368 | N.A | 42 | Super Smelters Limited | N.A | Nil |
| Deepak Kumar | 48 | B.Tech (Electronics) | Manager | 08.08.2016 | 7,60,954 | N.A | 35 | Super Smelters Limited | N.A | Nil |
| Ashni Kumar | 53 | Madhyamik, ITI | Sr Foreman | 08.08.2016 | 7,07,286 | N.A | 32 | Super Smelters Limited | N.A | NIL |
| Chandan Pal | 39 | B.E Mechanical | Sr Manager | 08.08.2016 | 7,09,206 | N.A | 26 | Super Smelters Limited | N.A | Nil |
| Vivek Kabra | 32 | B.COM (Hons.)/ ACA/CS | Deputy Manager | 02.04.2018 | 6,83,306 | N.A | 10 | HDFC Bank Limited | N.A | Nil |

* Actual Salary and more than 5% increase is considered.

# Annexure to the Director's Report (Contd.)

**Annexure-5**

## Management Discussion and Analysis

### Steel Industry Scenario

India was the world's second largest steel producer in 2019. India surpassed Japan to become the world's second largest steel producer in 2019 with crude steel production of 111.2 million tonnes (MT).

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

Between April–September 2020, India's cumulative production of crude steel was 52.37 MT and finished steel was 47 MT. In the month of October 2020, India produced 9.06 MT of crude steel.

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

Export and import of finished steel stood at 7.01 MT and 2.35 MT, respectively, during April and October 2020.

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

- In December 2020, the Minister for Petroleum & Natural Gas and Steel, Mr. Dharmendra Pradhan, has appealed to the scientific community to Innovate for India (I4I) and create competitive advantages to make India 'Aatmanirbhar'.
- In September 2020, the Ministry of Steel prepared a draft framework policy for development of steel clusters in the Country.
- On October 1, 2020, Directorate General of Foreign Trade (DGFT) announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centres, distributors, dealers and stock yards.
- Government introduced Steel Scrap Recycling Policy aimed to reduce import.• An export duty of 30 per cent has been levied on iron ore^ (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 envisages 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of ` 200 crore (US$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

The National Steel Policy, 2017, has envisaged 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kg to 74.1 kg during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.

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

### COVID-19 Impact on the Company

The COVID-19 breakdown has led to unprecedented socioeconomic disruption worldwide. The nation-wide stringent lockdown got imposed from 25th March, 2020 which brought the economic activities to a standstill. While Steel and mining activities were kept exempt subject to certain guidelines, the steel demand got impacted adversely as key consuming segments struggled to operate amidst weakening economic activities, major hubs in red/containment zones, working capital constraints, migrant labour issues and logistic challenges.

The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the business of the Company.

The Company's operations were hit substantially from 23rd March, 2020. The Corporate office in Kolkata was fully shut down from 22nd March, 2020. The Company suspended all its operations except critical operations at the plant from 23rd March, 2020. From 01st April, 2020 to 03.05.2020 all operations were shut. This unproductive lockdown has not adversely affected the business and overall operations of the Company.

With the lifting of the lockdown, the Company restarted its operations at the plant from 04th May 2020 onwards and barring 1st Quarter of FY 2020-21 it started pace with markets and was able to recover the lost ground during the nine months period.

### Opportunities

The sponge iron sector is linked to the nation's steel sector in such a way that a rise in demand for steel would increase the demand for sponge iron. The various sectors that are expected to contribute to the growing demand are infrastructure, roads, railways, bridges, airports, industrial plants, buildings, automobiles, etc. we are dealing with B2B products and our product commands premium in the

# Annexure to the Director's Report (Contd.)

market secondly our company is looking to diversify in the form of acquiring stake in upcoming Green field project and with the commercial production of investee Company your Company will start reaping the benefits. In the long run your Company may also try Increasing share of secondary steel due to larger availability of scrap, Shifting from unorganized market to organized market and exploring export opportunities

## Threats

India's sponge iron industry, the largest in the world, is going through an acute shortage of labour that threatens to bring it to a halt.

Apart from the labour issue, another key threat to the sponge iron industry continues to be the smooth availability and the price volatility of iron ore, which is the key raw material. Due to the expiry of a large number of iron ore mining licenses in March, 2020, Sponge iron makers faced a raw material crisis this year. Though Government are coming with fresh mining auctions the process is taking time .The Price of Scrap and pig iron is also fluctuating a lot and sometimes it is not in tune with prices of finished products.

IF is environmental unfriendly method of manufacturing steel

## Segment-Wise Performance

Our Companies main products are Billets, Wire Rods and HB Wire. Billets are mainly used as intermediary products and our products basically caters to the B2B Segment and has good market for its products.

## Outlook

With opening up of Mining Sector availability of raw materials for Steel manufacturing will improve similarly with infrastructure thrust of the present government along with political stability the outlook of the Industry as a whole seems to be positive and your Company is well placed to tap this opportunity going forward. Your Company has already made a strategic investment in a Greenfield Project which will be increased over time. Your Company is also exploring possibilities of migrating to Main Board of BSE/ NSE to get Pan India visibility.

## Risk and concerns

The Key risks are global steel demand scenario, domestic steel demand, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as iron ore, coal and labour etc., coupled with market fluctuations. The Company does not apprehend any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- Shortage of Labour
- Rising manpower and material costs

## Mitigation of Risk /Risk Management

The Board identifies and categorizes risks in the areas of operations, finance, marketing, regulatory compliances and corporate matter. The Company annually reviews the 'List of Risk Area' to identify potential business threats and takes suitable corrective actions. Confirmations of compliance with appropriate statutory requirements are obtained from the respective units/divisions. The Internal Auditor expresses his opinion on the level of risks during the audit of a particular area and reports to the Audit Committee.

The Company is also taking necessary short term and long term steps like exploring Open Access Market for sale of power, expanding customer base, forward integration and energy management etc. The Company has already taken effective steps for raw material security in the long term.

## Internal Control Systems and their Adequacy

The Company's Internal Financial Control framework is commensurate with the size and the nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of Corporate Policies. The Company has laid down procedures and policies to guide the operations of the business. The Company has a well-defined SOP to take care of functions of the Company. Unit/ functional heads are responsible to ensure compliance with the policies and procedures laid down by the management. The operating management assessed the effectiveness of the Company's Internal Controls over financial reporting as of 31st March 2021. M/s. Singhi & Co, the Statutory Auditors of the Company Audited the Financial Statements included in this Annual Report and issued a report on the Internal Controls over financial reporting (as defined in Section 143 of the Companies Act, 2013). The Company has appointed reputed firms of Chartered Accountants to carry out Internal Audits. The Audit is based on focused and risk based Internal Audit plan, which is reviewed each year after consulting the Audit Committee. In line with international practice, the conduct of internal audit is oriented towards the review of Internal Controls and risks in its operations of its business. The Internal Audit function endeavors to make meaningful contributions to the organization's overall Governance, Risk Management and Internal Controls.

The Audit Committee reviews reports submitted by Internal Auditors' suggestions to improve any process are considered by the management and the Audit Committee follows up on corrective actions taken by the management.

The Audit Committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of Internal Control Systems and keeps the Board of Directors informed of its major observations periodically.

# Annexure to the Director's Report (Contd.)

Based on its evaluation [as provided under Section 177 of the Companies Act, 2013 and Clause 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015], the Audit Committee has concluded that as of 31st March 2021 the Internal Financial Controls were adequate and operating effectively.

## Financial and Operational Performance

The Total Revenue of the Company decreased to ₹ 3,79,83,97,360 from ₹ 4,69,98,93,143 last year and the Company has earned a Net Profit after Tax of ₹ 13,22,59,807 as compared to the previous year amount of ₹ 11,73,16,134. Fall in revenue is due to less production and sale during lockdown and shutting up of the operations at plant due to Covid-19 pandemic .The Company is looking forward to increase its profits in the coming Financial Years with the support of all the Stakeholders of the Company.

## Significant Changes in Financial Ratios

The Company PBT increased by 14.85% during the year and the EPS has increased by ₹ 1.30 per share which is 12.73% increase as compared to last year. Some of the Financial Indicators are:

| Indicator's | Ratio |
|---|---|
| Trade Receivable Turnover Ratio | 22.91 |
| Interest Coverage Ratio | 10.84 |
| Current Ratio | 2.17 |
| Debt Equity Ratio | 0.15 |
| Operating Profit Margin | 5.95 |
| Net Profit Margin | 3.51 |
| Return on Equity | 10.53 |

Interest Coverage ratio has increases because of decreases in interest cost. All other ratio as indicated above has increasing trend.

## Material Developments in Human Resources/Industrial Relations Front and Number of People Employed

The manpower strength of the Company as on 31st March, 2021 was 421. The Company maintained harmonious industrial relations during the Financial Year 2020-21.

## Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's Operations. These include climatic and economic conditions affecting demand and supply, Government regulations, taxation, and natural calamities over which the Company does not have any direct control.

# Annexure to the Director's Report (Contd.)

**Annexure-6**

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN for the Financial Year ended on 31st March, 2021
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i) | **CIN** | L28910WB2012PLC189128 |
| ii) | **Registration Date** | 12/12/2012 |
| iii) | **Name of the Company** | SUPERSHAKTI METALIKS LIMITED |
| iv) | **Category/ Sub- Category of the Company** | Company Limited by Shares |
| v) | **Address of the Registered Office and contact details** | 39, Shakespeare Sarani, 3rd Floor, Kolkata - 700017<br>Telefax: +91 33 2289 2734/35/36 |
| vi) | **Whether listed Company** | Yes |
| vii) | **Name, Address and Contact details of Registrar** | Bigshare Services Pvt. Ltd.<br>1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Tel. No. 022-62638200 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing %10 or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product/ Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Wire Rod | 241 | 72.56% |
| 2 | HB Wire | 241 | 17.03% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

| Sl. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | N.A. | N.A. | N.A. | N.A. | N.A. |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

| Category of Shareholders | Number of Shares held at the beginning of the year | | | | Number of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| **A. Promoters** | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 44,35,560 | - | 44,35,560 | 38.49 | 44,35,560 | - | 44,35,560 | 38.49 | Nil |
| b) Centeral Govt | - | - | - | - | - | - | - | | |
| c) State Govt (s) | - | - | - | - | - | - | - | | |
| d) Bodies Corporate | 38,89,318 | - | 38,89,318 | 33.74 | 38,89,318 | - | 38,89,318 | 33.74 | Nil |
| e) Banks/FI | - | - | - | - | - | - | - | - | |
| f) Any other.... | - | | | | - | | | | |
| **Sub-total (A) (1):-** | **83,24,878** | **-** | **83,24,878** | **72.23** | **83,24,878** | **-** | **83,24,878** | **72.23** | **Nil** |
| (1) Foreign | | | | | | | | | |
| a) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other- Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |

# Annexure to the Director's Report (Contd.)

| Category of Shareholders | Number of Shares held at the beginning of the year | | | | Number of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other… | - | - | - | - | - | - | - | - | - |
| **Sub-total (A) (2):-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | **83,24,878** | **-** | **83,24,878** | **72.23** | **83,24,878** | **-** | **83,24,878** | **72.23** | **Nil** |
| **B. Public Shareholding** | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt (s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Foreign Portfolio Investors | 11,43,000 | - | 11,43,000 | 9.92 | 11,43,000 | - | 11,43,000 | 9.92 | Nil |
| j) Others (Specify) | | | | | | | | | |
| **Sub-total (B)(1):-** | **11,43,000** | **-** | **11,43,000** | **9.92** | **11,43,000** | **-** | **11,43,000** | **9.92** | **Nil** |
| **2. Non- Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 15,32,402 | - | 15,32,402 | 13.30 | 15,32,402 | - | 15,32,402 | 13.30 | 0.00 |
| ii) Overseas | - | | | | - | - | - | - | |
| b) Individual | - | | | | - | - | - | - | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | | - | | | | - | | | |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 5,24,998 | - | 5,24,998 | 4.56 | 5,24,998 | - | 5,24,998 | 4.56 | Nil |
| c) Others | - | | | | | | | | |
| **Sub-total (B)(2):-** | **20,57,400** | **-** | **20,57,400** | **17.85** | **20,57,400** | **-** | **20,57,400** | **17.85** | **Nil** |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)** | **32,00,400** | **-** | **32,00,400** | **27.77** | **32,00,400** | **-** | **32,00,400** | **27.77** | **Nil** |
| **C. Shares held by Custodian for GDRs & ADRs** | **-** | | | | **-** | **-** | **-** | **-** | **-** |
| **Grand Total (A+B+C)** | **1,15,25,278** | **-** | **1,15,25,278** | **100.00** | **1,15,25,278** | **-** | **1,15,25,278** | **100.00** | **-** |

# Annexure to the Director's Report (Contd.)

### (ii) Shareholding of Promoters and Promoter Group

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year* |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| | Deepak Agarwal | 1,51,186 | 1.31 | - | 1,51,186 | 1.31 | - | - |
| | Dilipp Agarwal | 1,25,232 | 1.09 | - | 1,25,232 | 1.09 | - | - |
| | Sabita Agarwal | 14,79,142 | 12.83 | - | 14,79,142 | 12.83 | - | - |
| | Priti Agarwal | 13,53,000 | 11.74 | - | 13,53,000 | 11.74 | - | - |
| | Vibha Agarwal | 13,27,000 | 11.51 | - | 13,27,000 | 11.51 | - | - |
| | Veerbhadra Sales Pvt. Ltd. | 16,22,204 | 14.08 | - | 16,22,204 | 14.08 | - | - |
| | Khandelwal Finance Pvt. Ltd. | 6,10,450 | 5.30 | - | 22,67,114 | 16.67 | - | - |
| | Aabha Sales Pvt. Ltd. | 7,34,052 | 6.37 | - | - | - | - | - |
| | Avantika Tie-Up Pvt. Ltd. | 9,22,612 | 8.01 | - | - | - | - | - |
| | **Total** | **83,24,878** | **72.23** | **-** | **83,24,878** | **72.23** | **-** | **-** |

### (iii) Change in Promoter's Shareholding

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 83,24,878 | 72.23 | 83,24,878 | 72.23 |
| | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | - | - | - | |
| | **At the end of the year** | **83,24,878** | **72.23** | **83,24,878** | **72.23** |

* percentage calculated on increased shares

# Annexure to the Director's Report (Contd.)

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | For each of Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year* | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | PROGYAN CONSTRUCTION AND ENGINEERS PVT. LTD. | 5,58,600 | 4.85 | 3,00,000 | 2.60 |
| 2 | AVIATOR EMERGING MARKET FUND | 4,86,600 | 4.22 | 4,86,600 | 4.22 |
| 3 | ARYAMAN CAPITAL MARKETS LTD. | 3,41,400 | 2.96 | 2,38,200 | 2.07 |
| 4 | CONNECOR INVESTMENT ENTERPRISE LTD. | 3,28,200 | 2.85 | 3,28,200 | 2.85 |
| 5 | LGOF GLOBAL OPPORTUNITIES LTD. | 3,28,200 | 2.85 | 3,28,200 | 2.85 |
| 6 | NOPEA CAPITAL SERVICES PVT. LTD. | 1,56,300 | 1.36 | 1,35,900 | 1.18 |
| 7 | NIDHI BANSAL | 1,56,600 | 1.36 | 1,56,600 | 1.36 |
| 8 | OVERSKUD MULTI ASSET MANAGEMENT PVT. LTD. | 1,05,300 | 0.91 | 1,71,900 | 1.49 |
| 9 | SHRI RAVINDRA MEDIA VENTURES PVT. LTD. | 1,00,800 | 0.87 | - | - |
| 10 | VIKRAM SHARMA | 58,800 | 0.51 | - | - |
| 11 | SUDHIR MALLAPA KATTI | - | - | 94,200 | 0.82 |
| 12 | SWAPNIL JAIN | - | - | 93,900 | 0.81 |
| | **Total** | **26,20,800** | **22.74** | **23,33,700** | **20.25** |

* The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 2,76,418 | 2.40 | 2,76,418 | 2.40 |
| | Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | - | - | - | - |
| | At the end of the year | 2,76,418 | 2.40 | 2,76,418 | 2.40 |

## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/ accrued but not due for payment**

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 14,39,77,988 | - | - | 14,39,77,988 |
| ii) Interest due but not paid | 1,93,302 | - | - | 1,93,302 |
| iii) Interest accrued but not due | 42,837 | - | - | 42,837 |
| **Total (i+ii+iii)** | **14,42,14,127** | | | **14,42,14,127** |
| **Change in Indebtness during the financial year** | | | | |
| · Addition | 5,86,71,002 | - | - | 5,86,71,002 |
| · Reduction | 69,80,650 | - | - | 69,80,650 |
| Net Change | 5,16,90,352 | | | 5,16,90,352 |

# Annexure to the Director's Report (Contd.)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 19,58,74,298 | - | - | 19,58,74,298 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 30,183 | - | - | 30,183 |
| **Total (i+ii+iii)** | **19,59,04,481** | | | **19,59,04,481** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (per annum)**

| Sl. No. | Particulars of Remuneration | Name of WTD/MD/Manager | | Total Amount |
|---|---|---|---|---|
| | | Ajay Kumar Bajaj (WTD) | Sudipto Bhattacharyya (Additional ED) | |
| 1 | **Gross Salary** | | | |
| | (a) Salary as per provisions contained in | 7,07,883 | 3,90,821 | 10,98,704 |
| | section 17(1) of the Income-tax Act, 1961 | | | |
| | (b) Value of perquisites u/s 17(2) Income | - | | - |
| | Tax Act, 1961 | | | |
| | (c ) Profits in lieu of salary under section | - | | - |
| | 17(3) Income-tax Act, 1961 | | | |
| 2 | Stock Option | - | | - |
| 3 | Sweat Equity | - | | - |
| 4 | Commission | - | | - |
| | as % of profit | | | |
| | others, specify… | | | |
| 5 | Others,please specify | | | |
| | **Total (A)** | **7,07,883** | **3,90,821** | **10,98,704** |
| | Ceiling as per the Act | | | |

**B. Remuneration to other directors:**

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---|---|---|---|---|---|
| | | Mr. Vijay Kumar Bhandari | Mr. T.S. Chakrabarty | Mrs. Bhawna Khanna | |
| **1.** | **Independent Directors** | | | | - |
| | Fee for attending Board/Committee Meetings | | | | - |
| | Director Sitting Fees | 15,000 | 42,500 | 42,500 | 1,00,000 |
| | Commission | - | - | - | - |
| | **Total (1)** | **15,000** | **42,500** | **42,500** | **1,00,000** |
| **2.** | **Other Non- Executive Directors** | - | | | - |
| | Fee for attending board/ committee meetings | - | | | - |
| | Commission | - | | | - |
| | Others, please specify | - | | | - |
| | **Total (2)** | **-** | | | **-** |
| | **Total (B)=(1+2)** | **-** | | | **-** |
| | **Total Managerial Remuneration** | **15,000** | **42,500** | **42,500** | **1,00,000** |
| | Overall Ceiling as per the Act | - | | | - |

# Annexure to the Director's Report (Contd.)

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | |
| 1 | Gross Salary | N.A | Mr. Navin Agarwal | Mr. Shyam S Somani | |
| | (a) Salary as per provisions contained in section 17(1) of Income-Tax Act, 1961 | - | 14,95,000 | 31,33,000 | 46,28,000 |
| | (b) Value of perquisites u/s 17(2) of Income- Tax Act, 1961 | - | - | - | - |
| | (c ) Profits in lieu of Salary under section 17(3) of Income- Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | as % of profit | | | | |
| | others, specify… | | | | |
| 5 | Others, please specify | - | - | - | - |
| | **Total** | **N.A** | **14,95,000** | **31,33,000** | **46,28,000** |

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

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeals made, if any (give details) |
|---|---|---|---|---|---|
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

For and on behalf of the Board of Directors
**Supershakti Metaliks Limited**

**Dilipp Agarwal**
*Chairman*
DIN: 00343856

Place: Kolkata
Date: 29-06-2021

# Independent Auditor's Report

To the Members of Supershakti Metaliks Limited

**Report on the Audit of the Financial Statements**

## Opinion

We have audited the accompanying financial statements of **Supershakti Metaliks Limited ("the Company")**, which comprise the Balance Sheet as at March 31,2021, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and its cash flows for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 audit opinion on the 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 1. | **Valuation of Inventory**<br>Refer to Note 15 to the financial statements. As described in the accounting policies in note 1(l) to the financial statements, inventories are carried at lower of cost or net realisable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. The total amount of Inventory as on the reporting date stood at Rs. 47,35,44,744.<br><br>We determined this to be a matter of significance to our audit due to quantum of the amount, estimation involved. | We have obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:<br>i. completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk<br>ii. Verifying the effectiveness of key inventory controls operating over inventories;<br>iii. Verifying for a sample of individual products that costs have been correctly recorded.<br>iv. Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision, if any.<br>v. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year, if any.<br>vi. Re-computing provisions recorded to verify that they are in line with the Company policy.<br>vii. Also we have reviewed the inventory valuation calculations and compared the cost with the subsequent realization value to confirm whether item is required to be shown at cost or net realizable value. Necessary adjustment has been made wherever it was required to comply with the requirement of AS – 2 "Valuation of Inventories".<br>Based on the above procedures performed, we concluded that measurement and valuation of the inventory at year end is appropriate. |

# Independent Auditor's Report *(Contd.)*

## OTHER INFORMATION (INFORMATION OTHER THAN THE 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 the Management Discussion and Analysis, Board's Report including annexure to Board's Report, Business Responsibility Report, and Shareholders' Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 RESPONSIBILTIY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statement and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

e. Evaluate the overall presentation, structure and content

# Independent Auditor's Report *(Contd.)*

of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of 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 interests of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1"a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules 2014;
   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
   (g) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 28(A) to the financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

**(Anurag Singhi)**
*Partner*
Membership No. 066274
UDIN: 21066274AAAABS3558

Place: Kolkata
Date: June 29, 2021

# Annexure 1 to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that:

i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds of immovable properties are held in the name of company.

ii. According to the information and explanation given to us, physical verification of inventory was conducted by management at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. In our opinion and according to the information & explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under.

vi. The maintenance of cost records has been specified by the central government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the central government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii.(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the dues of Excise Duty, Service Tax, Value Added Tax and Sales Taxas at 31st March, 2021which have not been deposited on account of dispute and forum where the disputes are pending are as under:

| Name of statute | Nature of Dues | Amount (including Penalty) (in Rs) | Period to which it relates | Forum where dispute is pending |
|---|---|---|---|---|
| The Central Excise Act, 1944 | Cenvat Credit/ Service Tax Credit Disallowances | 15,11,12,948 | 2005-06 to 2014-15 | The Central Excise & Service Tax Appellate Tribunal |
| The Central Excise Act, 1944 | Cenvat Credit/ Service Tax Credit Disallowances | 2,13,38,672 | 2004-05 to 2012-13 | Commissioner Appeals |
| The Central Goods & Service Tax , 2017 | Input Tax Credit Disallowances/ Service Tax Credit Disallowances/Short Payment of Taxes | 3,85,85,608 | 2019-20 | Assistant Commissioner |
| The Central Goods & Service Tax , 2017 | Service Tax | 65,25,000 | 2016-17 | Commissioner |
| The Central Excise Act, 1944 | Cenvat Credit/ Service Tax Credit Disallowances | 51,39,641 | 2014-15 to 2016-17 | Assistant Commissioner |
| The Central Excise Act, 1944 | Cenvat Credit/ Service Tax Credit Disallowances | 5,000 | 2010-11 to 2012-13 | Superintendents |
| | **TOTAL** | **22,27,06,869** | | |

# Annexure 1 to the Independent Auditor's Report *(Contd.)*

viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.

ix. The company did not raise any money by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanation provided to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

**(Anurag Singhi)**
*Partner*
Membership No. 066274
UDIN: 21066274AAAABS3558

Place: Kolkata
Date: June 29, 2021

# Annexure 2 to the Independent Auditor's Report

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

We have audited the internal financial controls with reference to financial statements of **Supershakti Metaliks Limited ("the Company")** as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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

# Annexure 2 to the Independent Auditor's Report *(Contd.)*

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 with reference to financial statementswas 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements,including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2021, based on the internal control with reference to financial statements 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 Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

**(Anurag Singhi)**
*Partner*
Membership No. 066274
UDIN: 21066274AAAABS3558

Place: Kolkata
Date: June 29, 2021

# Balance Sheet as at 31st March, 2021

(Amount in ₹)

| | Note No. | As At 31st March, 2021 | | As At 31st March, 2020 | |
|---|---|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | | | |
| **Shareholders' Funds** | | | | | |
| Share Capital | 2 | 11,52,52,780 | | 11,52,52,780 | |
| Reserves and Surplus | 3 | 1,14,03,64,592 | | 1,01,38,67,424 | |
| | | | **1,25,56,17,372** | | **1,12,91,20,204** |
| **Non-Current Liabilities** | | | | | |
| Long-Term Borrowings | 4 | 2,91,62,961 | | 3,63,62,891 | |
| Deferred Tax Liabilities (Net) | 5 | 1,74,12,126 | | 2,09,00,188 | |
| Long-Term Provisions | 6 | 1,69,89,783 | | 1,40,05,123 | |
| | | | **6,35,64,870** | | **7,12,68,202** |
| **Current Liabilities** | | | | | |
| Short-Term Borrowings | 7 | 15,97,69,335 | | 10,10,98,332 | |
| Trade Payables | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | 8 | 10,30,898 | | 5,40,630 | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 15,64,36,811 | | 20,79,38,696 | |
| Other Current Liabilities | 9 | 3,59,90,249 | | 3,99,17,981 | |
| Short-Term Provisions | 6 | 47,46,010 | | 55,20,505 | |
| | | | **35,79,73,303** | | **35,50,16,144** |
| **TOTAL** | | | **1,67,71,55,545** | | **1,55,54,04,550** |
| **II. ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property Plant and Equipment - Tangible | 10 | 36,01,81,455 | | 38,81,45,587 | |
| Capital Work-In-Progress | 11 | 2,16,17,703 | | 2,33,45,031 | |
| Non-current Investments | 12 | 49,30,06,000 | | 30,00,00,000 | |
| Long-Term Loans and Advances | 13 | 2,41,36,808 | | 6,21,74,170 | |
| | | | **89,89,41,966** | | **77,36,64,788** |
| **Current Assets** | | | | | |
| Current Investments | 14 | - | | 5,000 | |
| Inventories | 15 | 47,35,44,744 | | 32,17,79,210 | |
| Trade Receivables | 16 | 16,44,60,056 | | 21,82,21,856 | |
| Cash and Cash Equivalents | 17 | 8,76,75,413 | | 2,38,66,624 | |
| Short-Term Loans and Advances | 18 | 4,79,41,211 | | 21,40,24,680 | |
| Other Current Assets | 19 | 45,92,155 | | 38,42,392 | |
| | | | **77,82,13,579** | | **78,17,39,762** |
| **TOTAL** | | | **1,67,71,55,545** | | **1,55,54,04,550** |

**Significant Accounting Policies** **1**

**The accompanying note no. 1 to 28 are integral part of the Financial Statements**

As per our report of even date annexed herewith
**For SINGHI & CO.**
Chartered Accountants
Firm Registration No : 302049E

**ANURAG SINGHI**
*(Partner)*
Membership No. 066274

Place: Kolkata
Date: 29th June, 2021

**For and on behalf of the Board**

**DILIPP AGARWAL**
*(Chairman)*
DIN 00343856

**NAVIN AGARWAL**
*(Company Secretary)*

**DEEPAK AGARWAL**
*(Director)*
DIN 00343812

**SHYAM S. SOMANI**
*(Chief Financial Officer)*

# Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in ₹)

| Particulars | Note No. | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|
| **INCOME** | | | |
| **REVENUE FROM OPERATIONS** | 20 | 3,76,83,37,085 | 4,66,95,95,814 |
| Other Income | 21 | 3,00,60,275 | 3,02,97,329 |
| **Total Income** | | **3,79,83,97,360** | **4,69,98,93,143** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 22 | 2,65,58,58,692 | 2,93,78,97,768 |
| Purchases of Stock-in-Trade | | 1,21,43,455 | 43,60,39,229 |
| Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade | 23 | (17,37,51,480) | 73,48,787 |
| Employee Benefits Expense | 24 | 8,82,17,209 | 8,46,25,079 |
| Finance Costs | 25 | 2,24,90,664 | 3,56,22,216 |
| Depreciation and Amortization Expense | 26 | 4,95,46,603 | 4,90,86,700 |
| Other Expenses | 27 | 97,20,58,349 | 1,08,58,18,747 |
| **Total Expenses** | | **3,62,65,63,492** | **4,63,64,38,526** |
| **Profit before Exceptional items and tax** | | **17,18,33,868** | **6,34,54,617** |
| Add: Exceptional Items | 28 O | - | 8,61,58,052 |
| **Profit Before Tax** | | **17,18,33,868** | **14,96,12,669** |
| **Tax Expense:** | | | |
| Current Tax | | 4,70,58,015 | 4,27,21,789 |
| Deferred Tax | 5 | (34,88,062) | (1,04,25,254) |
| Income Tax for earlier years | | (39,95,892) | - |
| **Total Tax Expenses** | | **3,95,74,061** | **3,22,96,535** |
| **Profit After Tax** | | **13,22,59,807** | **11,73,16,134** |
| **Earnings per equity share** | | | |
| Basic | 28 E | 11.48 | 10.18 |
| Diluted | 28 E | 11.48 | 10.18 |

**Significant Accounting Policies** **1**

**The accompanying note no. 1 to 28 are integral part of the Financial Statements**

As per our report of even date annexed herewith
**For SINGHI & CO.**
Chartered Accountants
Firm Registration No : 302049E

**For and on behalf of the Board**

**ANURAG SINGHI**
*(Partner)*
Membership No. 066274

**DILIPP AGARWAL**
*(Chairman)*
DIN 00343856

**DEEPAK AGARWAL**
*(Director)*
DIN 00343812

Place: Kolkata
Date: 29th June, 2021

**NAVIN AGARWAL**
*(Company Secretary)*

**SHYAM S. SOMANI**
*(Chief Financial Officer)*

# Statement of Cash Flows for the year ended 31st March, 2021

(Amount in ₹)

| Particulars | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| **A. Cash Flow from Operating Activities** | | | | |
| **Net Profit Before Tax and Extraordinary Items** | | **17,18,33,868** | | **14,96,12,669** |
| Adjustments for : | | | | |
| Depreciation & Amortisation Expenses | 4,95,46,603 | | 4,90,86,700 | |
| Interest Income | (93,24,234) | | (1,15,73,289) | |
| Loss/(Profit) on Sale of Investment | (30,21,260) | | (1,39,73,805) | |
| Excess Liabilities/ Balances Written Back | (1,36,58,961) | | (3,78,869) | |
| Finance Costs | 2,24,90,664 | | 3,56,22,216 | |
| Unrealised Foreign Exchange Gain / (Loss) | 1,58,841 | | (46,36,918) | |
| Loss/(Profit) on Sale of Property, Plant & Equipment | 16,914 | | - | |
| Provision for Doubtful Debt/ Advances | (5,04,035) | | 27,51,413 | |
| Provision for Non-moving/ slow moving Items | (15,93,512) | | 7,92,211 | |
| Bad Debts / Sundry Balances and Advances Written off | 2,48,726 | | 1,67,420 | |
| | | 4,43,59,746 | | 5,78,57,079 |
| **Operating profit before working capital changes** | | **21,61,93,614** | | **20,74,69,748** |
| Adjustments for : | | | | |
| Increase/(Decrease)for Trade Payables / Other Liabilities | (3,68,85,927) | | (63,81,466) | |
| (Increase)/Decrease for Loans and Advances (Short & Long) | 16,39,58,026 | | (12,11,25,962) | |
| (Increase)/ Decrease for Inventories | (15,01,72,021) | | 2,05,64,303 | |
| (Increase)/ Decrease for Trade Receivables | 5,40,17,109 | | 7,65,61,550 | |
| | | 3,09,17,187 | | (3,03,81,575) |
| **Cash Generated / (Used) in Operations** | | **24,71,10,801** | | **17,70,88,173** |
| Tax Paid / Refund (Net) | | (86,94,768) | | (2,93,82,992) |
| **Net Cash (used in)/ generated from Operating Activities * (A)** | | **23,84,16,033** | | **14,77,05,181** |
| **B. Cash Flow from Investing Activities** | | | | |
| Expenditure on Property, Plant and Equipment | (1,68,15,241) | | (6,81,74,989) | |
| Proceeds from Sale of Property, Plant & Equipment | 1,35,000 | | - | |
| Payment to acquire Long Term Investments | (19,30,06,000) | | (30,00,00,000) | |
| Payment to acquire Short Term Investments | (31,39,76,176) | | (1,12,50,09,850) | |
| Proceeds on Sale of Short Term Investments | 31,69,92,436 | | 1,13,89,78,655 | |
| Interest Income | 86,25,688 | | 1,24,70,256 | |
| Investments in Fixed Deposits | (5,80,99,788) | | (1,43,28,714) | |
| Proceeds from Fixed Deposits | - | | 6,39,11,295 | |
| **Net Cash used in Investing Activities (B)** | | **(25,61,44,081)** | | **(29,21,53,347)** |

# Statement of Cash Flows for the year ended 31st March, 2021 *(Contd.)*

(Amount in ₹)

| Particulars | | 2020-21 | | 2019-20 | |
|---|---|---|---|---|---|
| **C.** | **Cash Flow from Financing Activities** | | | | |
| | Expenditure on issuance of Dividend | (57,62,639) | | (69,47,166) | |
| | Proceeds/(Repayment) from Long Term Loan Borrowings | (71,99,930) | | 3,06,96,288 | |
| | Proceeds/(Repayment) from Short Term Loan Borrowings | 5,90,96,239 | | 7,06,50,538 | |
| | Finance Cost Paid | (2,26,96,621) | | (3,56,25,370) | |
| | **Net Cash generated/ (used in) Financing Activities (C)** | | **2,34,37,049** | | **5,87,74,290** |
| | **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | | **57,09,001** | | **(8,56,73,876)** |
| | **Cash and Cash Equivalents at the beginning of the year** | | **23,51,314** | | **8,80,25,190** |
| | **Cash and Cash Equivalents at the end of the year** | | **80,60,315** | | **23,51,314** |
| | **Cash & Cash Equivalents Consists of :** | | **31.03.2021** | | **31.03.2020** |
| | Cash on Hand | | 23,42,423 | | 20,68,069 |
| | Balance with Banks | | 57,17,892 | | 2,83,245 |
| | **Total** | | **80,60,315** | | **23,51,314** |

*** Amount spent towards Corporate Social Responsibility is ₹ 41.40 Lacs (Previous Year ₹ 35 Lacs).**

**Notes :** -

a. Cash and Cash Equivalents consists of cash and balances with banks in current accounts as per Note : 17 and are available in ordinary course of business.

b. The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standard relating to "Cash Flow Statement (AS-3) " issued by the Institute of Chartered Accountants of India.

c. Previous years figure have been reworked, regrouped, rearranged and reclassified wherever considered necessary to confirm to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date annexed herewith
**For SINGHI & CO.**
Chartered Accountants
Firm Registration No : 302049E

**ANURAG SINGHI**
*(Partner)*
Membership No. 066274

Place: Kolkata
Date: 29th June, 2021

**For and on behalf of the Board**

**DILIPP AGARWAL**
*(Chairman)*
DIN 00343856

**NAVIN AGARWAL**
*(Company Secretary)*

**DEEPAK AGARWAL**
*(Director)*
DIN 00343812

**SHYAM S. SOMANI**
*(Chief Financial Officer)*

# Significant Accounting Policies and Notes to Financial Statements

## CORPORATE AND GENERAL INFORMATION

"Supershakti Metaliks Limited (the Company), was incorporated in India in the year 2012. The Company is domiciled in India, and has its registered office in 39, Shakespeare Sarani, Premlata Building, 3rd Floor, Kolkata-700017. The Company is a Public Limited Company incorporated as per the provision of Companies Act applicable in India. The Company is engaged in business of Iron and steel manufacturing and allied activities. The Company is having its integrated steel plant at Durgapur, West Bengal. The shares of the Company are listed on Bombay Stock Exchange."

## Note No 1. SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India (Indian GAAP), the applicable accounting standards as prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified.

### B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The accounting estimates could differ from the actual and the differences are recognized in the period in which the results are known/materialize.

### C.1 Property, Plant & Equipment

i) Tangible Fixed Assets are stated at cost of acquisition or construction (net of GST where GST credit is available) less accumulated depreciation and impairment losses. The cost of assets comprises of its purchase price and any directly attributable cost of bringing the assets to their location and working condition upto the date of its intended use.

ii) Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition / construction of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

### C.2 Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Cost includes directly attributable expenditure for making the assets for its intended use.

### D. Component Accounting

The company has adopted component accounting as required under Schedule II to the Companies Act, 2013, from 1 April 2015. The company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of property, plant and equipment.

Due to application of Schedule II to the Companies Act, 2013, the company has changed the manner of depreciation for its fixed assets. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

### E. Depreciation and Amortization

Depreciation on Tangible Fixed Assets is provided on prorata basis for the period of use, on straight-line method at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013. Certain plant & machinery have been considered Continuous process plant on the basis of technical assessment. Leasehold land is amortised on straight line method over the period of the lease. Assets costing up to ₹ .5,000/- are fully depreciated in the year in which they are put to use.

# Significant Accounting Policies and Notes to Financial Statements *(Contd.)*

## F. Impairment

The carrying amounts of Tangible Fixed Assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of Tangible Fixed Assets exceeds its recoverable amount which represents greater of the "net selling price" and "value in use" of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

## G. Leases

Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss as per terms of lease agreement.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return.

## H. Investments

i) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investments expected to be realized within twelve months after the reporting date are disclosed under current investments.

ii) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.

iii) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary in nature.

## I. Inventories

Inventories of stores and spare parts are valued at cost after providing for cost of obsolescence and other anticipated losses wherever considered necessary.

"Inventories of items other than those stated above are valued at cost or net realizable value whichever is lower. Cost in respect of:"

a) Raw Materials, Consumables, Stores & Spares are computed under weighted average basis;

b) Work-in-Progress and Finished Goods are computed under weighted average basis.

c) By- Products are valued at net realisable value.

Net Realizable Value is the estimated selling price in the ordinary course less the estimated cost of completion and the estimated costs necessary to make the sale.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished productions in which they will be incorporated are expected to be sold at or above cost.

Inventories do not include spare parts, servicing equipments and stand by equipments which meet the definition of Property, Plant & Equipment as per AS – 10. Such item are accounted for in accordance with Accounting Standard (AS – 10), Property, Plant & Equipment.

## J. Employees Benefit

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when an employee renders the related service. The company has no obligation, other than the contribution payable to the Provident Fund and superannuation fund.

The company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method.

# Significant Accounting Policies and Notes to Financial Statements *(Contd.)*

Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long term compensated absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee render the service. This benefit includes salary, wages, short term compensatory absences and bonus."

**K. Revenue Recognition**

"Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**Sale of Goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects GST on behalf of the government and, therefore , these are not economic benefits flowing to the company. Hence, they are excluded from revenue."

Export Incentives in the form of duty drawbacks are recognised on accrual basis against goods exported.

Interest Income is accounted for on accrual basis. Dividend income is accounted for, when the right to receive income is established.

**L. Borrowing Cost**

Borrowing cost directly attributable to the acquisition or construction of qualifying assets is capitalized until the time all substantial activities necessary to prepare the qualifying assets for their use are complete. A qualifying asset is the one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

**M. Taxation**

"Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

**N. Foreign Currency Transactions and Derivatives**

Foreign Currency Transactions and balances:

**(i) Initial recognition**

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction."

# Significant Accounting Policies and Notes to Financial Statements *(Contd.)*

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. "

**(iii) Exchange differences**

All exchange differences are recognised as income or as expenses in the period in which they arise."

**(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. None of the foreign exchange contracts are taken for trading or speculation purpose."

**O. Government Grants**

Government grants are recognized when there is a reasonable assurance that the same will be received. Capital Grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to Capital Reserve. Revenue grants are recognized in the Statement of Profit & Loss .

**P. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**Q. Provisions**

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

**R. Earning Per Share**

Basic Earning Per Share (EPS) is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.

**S. Cash Flow Statement**

Cash Flow Statement presents the Cash Flows by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, cash at bank, and short - term investments with an original maturity of three months or less.

**T. Proposed Divided**

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date. Such Dividend is disclosed in the Notes.

# Notes to Financial Statements for the year ended 31st March, 2021

## NOTE NO: 2 SHARE CAPITAL

(Amount in ₹)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| **Authorized Share Capital** | | | | |
| Equity Shares of Rs.10/- each | 1,50,00,000 | 15,00,00,000 | 1,50,00,000 | 15,00,00,000 |
| **Issued Share Capital** | | | | |
| Equity Shares of Rs.10/- each | 1,15,25,278 | 11,52,52,780 | 1,15,25,278 | 11,52,52,780 |
| **Subscribed and Paid up** | | | | |
| Equity Shares of Rs.10/- each fully paid up | 1,15,25,278 | 11,52,52,780 | 1,15,25,278 | 11,52,52,780 |
| **Total** | **1,15,25,278** | **11,52,52,780** | **1,15,25,278** | **11,52,52,780** |

### a. Reconciliation of Number of Equity Shares

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 1,15,25,278 | 11,52,52,780 | 57,62,639 | 5,76,26,390 |
| Add: Issue of Bonus Shares | - | - | 57,62,639 | 5,76,26,390 |
| At the end of the year | **1,15,25,278** | **11,52,52,780** | **1,15,25,278** | **11,52,52,780** |

### b. Shareholders holding more than 5% shares of the company :

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | No. of Shares | % of shares | No. of Shares | % of shares |
| Veerbhadra Sales Private Limited | 16,22,204 | 14.08% | 16,22,204 | 14.08% |
| Sabita Agarwal | 14,79,142 | 12.83% | 14,79,142 | 12.83% |
| Priti Agarwal | 13,53,000 | 11.74% | 13,53,000 | 11.74% |
| Vibha Agarwal | 13,27,000 | 11.51% | 13,27,000 | 11.51% |
| Khandelwal Finance Private Limited | 22,67,114 | 19.67% | 6,10,450 | 5.30% |
| Avantika Tie up Private Limited | - | - | 9,22,612 | 8.01% |
| Aabha Sales Private Limited | - | - | 7,34,052 | 6.37% |

**c. Terms/ Rights attached to equity shares:**

The Company has only one class of issued shares i.e. Equity Shares having par value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors if any is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

**d.** No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

**e.** No calls are unpaid by any Director or Officer of the Company during the year.

**f.** No securities convertible into equity or preference shares have been issued by the company during the year.

**g.** 23,20,000 Equity shares of the company held by promoters are under lock-in for a period of 3 years from the date of Public Issue, pursuant to Regulation 37 of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009.

**h.** The company does not have any Holding Company/ Ultimate Holding Company.

**i.** The company has:

a) issued 1,07,25,078 number of Equity shares of Rs.10/- each, for consideration other than cash which includes 57,62,639 bonus shares issued during previous year 2019-20 and 49,62,439 shares in the manner specified in the Scheme of Arrangement in the Financial Year 2015-16.

b) not bought back any shares during last 5 years.

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE NO: 3 RESERVES & SURPLUS

(Amount in ₹)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Securities Premium:** | | |
| As per last Financial Statements | 51,97,58,239 | 57,73,84,629 |
| Less: Issue of Bonus Shares (Refer Note No. 2(i)(b)) | - | 5,76,26,390 |
| **Closing Balance** | **51,97,58,239** | **51,97,58,239** |
| **General Reserve:** | | |
| As per last Financial Statements | 25,41,116 | 25,41,116 |
| **Closing Balance** | **25,41,116** | **25,41,116** |
| Surplus in Statement of Profit and Loss: | | |
| As per the last Financial Statements | 49,15,68,069 | 38,11,99,101 |
| Add: Profit for the year | 13,22,59,807 | 11,73,16,134 |
| | **62,38,27,876** | **49,85,15,235** |
| **Less: Appropriations** | | |
| Less: Final Dividend | (57,62,639) | (57,62,639) |
| Less: Corporate Dividend Tax | - | (11,84,527) |
| Closing Balance | **61,80,65,237** | **49,15,68,069** |
| **Total** | **1,14,03,64,592** | **1,01,38,67,424** |

## NOTE NO: 4 LONG TERM BORROWINGS

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Secured** | | |
| **Non Current Maturities** | | |
| Other Loans - From Banks | 2,91,62,961 | 3,63,62,891 |
| **(A)** | **2,91,62,961** | 3,63,62,891 |
| **Current Maturities** | | |
| Other Loans - From Banks | 69,42,002 | 65,16,765 |
| Less: Current Maturities disclosed under the head "Other Current Liabilities" | 69,42,002 | 65,16,765 |
| **(B)** | - | - |
| **(A-B)** | **2,91,62,961** | **3,63,62,891** |

### Details of security & Terms of Repayment of Secured Loans from Banks

| Name of the Bank | Non Current Maturities ₹ | Current Maturities ₹ | Nature of Security | Rate of Interest (%) | Repayment Terms | Instalment Due |
|---|---|---|---|---|---|---|
| ICICI Bank | 2,21,674 | 2,76,690 | Hypothecation of respective assets procured against the Loan. | 8.25% | 20 instalments of Rs.25,625/- and 1 instalment of Rs 24,329/- ending on 5th December, 2022. | 21 |
| Union Bank of India | 2,70,06,851 | 51,89,597 | | 8.70% | 62 instalments of Rs.6,50,240/- ending on 31st May, 2026. | 62 |
| YES Bank | 15,63,778 | 12,25,645 | | 8.25% | 26 instalments of Rs.1,17,564/- ending on 2nd May, 2023. | 26 |
| YES Bank | 3,70,658 | 2,50,070 | | 9.00% | 28 instalments of Rs.24,685/- ending on 15th July, 2023. | 28 |
| **Total** | **2,91,62,961** | **69,42,002** | | | | |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE NO: 5 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Deferred Tax Liability arising on account of** | | |
| Depreciation | 2,78,31,674 | 3,10,17,628 |
| **Less : Deferred Tax Assets arising on account of** | | |
| Section 43B of Income Tax Act,1961 | 51,48,298 | 43,17,819 |
| Others | 52,71,250 | 57,99,621 |
| **Closing Deferred Tax Liabilities (Net)** | **1,74,12,126** | **2,09,00,188** |

## NOTE NO: 6 PROVISIONS

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **LONG-TERM** | | |
| **Employee Benefits** | | |
| Provision for Gratuity | 1,63,04,227 | 1,34,68,394 |
| Provision for Leave | 6,85,556 | 5,36,729 |
| (Refer Note No.28 M) | | |
| | **1,69,89,783** | **1,40,05,123** |
| **SHORT-TERM** | | |
| **Employee Benefits** | | |
| Provision for Gratuity | 35,264 | 27,343 |
| Provision for Leave | 19,81,919 | 17,39,047 |
| (Refer Note No.28 M) | | |
| **Others** | | |
| Provision For Income Tax (Net) | 27,28,827 | 37,54,115 |
| | **47,46,010** | **55,20,505** |

## NOTE NO: 7 SHORT-TERM BORROWINGS

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Secured** | | |
| **Loan Repayable on Demand** | | |
| - Working Capital Loan from Banks | 15,97,69,335 | 10,10,98,332 |
| | **15,97,69,335** | **10,10,98,332** |

**Details of Security:**

Working capital facility from Banks of Rs. 15,97,69,335/- (P.Y Rs.10,10,98,332/-) is secured by first pari- passu charge on the entire current assets and second pari passu charge on the entire fixed assets of Durgapur unit at Kanjilal Avenue, of the Company, Personal Guarantee of directors and relatives and Corporate Guarantee of some of the shareholders.

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE NO: 8 TRADE PAYABLES

(Amount in ₹)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| a) Outstanding dues of micro enterprises and small enterprises (Refer Note No. 28J) | | |
| Creditors for Supplies and Services | 10,30,898 | 5,40,630 |
| b) Outstanding dues of creditors other than micro enterprises and small enterprises | | |
| i) Creditors for Supplies | 7,93,10,980 | 15,50,60,871 |
| i) Creditors for Services | 7,71,25,831 | 5,28,77,825 |
| | **15,74,67,709** | **20,84,79,326** |

## NOTE NO: 9 OTHER CURRENT LIABILITIES

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Advance from Customers | 1,01,49,829 | 1,60,01,650 |
| Amount payable for Capital Goods | 6,36,547 | 18,75,348 |
| Current Maturities of Long-Term Debt (Refer Note No. 4) | 69,42,002 | 65,16,765 |
| Employee Related Liabilities* | 1,13,27,614 | 1,02,78,714 |
| Forward Contract Payable (Net) | 48,754 | - |
| Deferred Premium (Net) | - | 38,423 |
| Interest Accrued but not due on borrowings | 30,183 | 42,837 |
| Interest Accrued and due on Borrowings | - | 1,93,302 |
| Security Deposits | - | 5,00,000 |
| Statutory Dues | 18,01,812 | 12,80,240 |
| Other Payables# | 50,53,508 | 31,90,702 |
| | **3,59,90,249** | **3,99,17,981** |

*** Employee Related Liabilities includes Rs.7,42,942/- (P.Y. Rs..8,92,431/-) dues to Related Parties**

**# Represent Liabilities towards Contractors related payments**

## NOTE '10' - Property, Plant and Equipment- Tangible

| Particulars | Gross Block | | | | | Depreciation & Amortization | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As At 01.04.2020 | Addition | Pre operative Expenses* | Less: Sales/ Adjustments** | As At 31.03.2021 | Accumulated as on 31.03.2020 | For the Year | Less: Sales/ Adjustments** | Upto 31.03.2021 | As At 31.03.2021 | As At 31.03.2020 |
| Leasehold Land & Site Development*** | 1,67,08,738 | 90,92,883 | - | - | 2,58,01,621 | 29,52,281 | 3,37,226 | - | 32,89,507 | 2,25,12,114 | 1,37,56,457 |
| Factory Building & Shed | 9,21,61,665 | - | - | - | 9,21,61,665 | 5,10,48,937 | 25,36,226 | - | 5,35,85,163 | 3,85,76,502 | 4,11,12,728 |
| Plant & Machineries | 94,81,45,368 | 1,16,72,012 | - | - | 95,98,17,380 | 67,59,62,091 | 3,78,82,120 | - | 71,38,44,211 | 24,59,73,169 | 27,21,83,277 |
| Furniture & Fixture | 31,36,508 | 1,11,495 | - | - | 32,48,003 | 7,45,282 | 2,37,221 | - | 9,82,503 | 22,65,500 | 23,91,226 |
| Vehicles (Incl. Cycle) | 6,50,58,045 | 6,37,730 | - | 3,05,648 | 6,53,90,127 | 1,00,08,904 | 75,69,609 | 1,53,734 | 1,74,24,779 | 4,79,65,348 | 5,50,49,141 |
| Office Equipments & Computers | 1,59,69,220 | 2,20,265 | - | - | 1,61,89,485 | 1,23,16,462 | 9,84,201 | - | 1,33,00,663 | 28,88,822 | 36,52,758 |
| **Total** | **1,14,11,79,544** | **2,17,34,385** | **-** | **3,05,648** | **1,16,26,08,281** | **75,30,33,957** | **4,95,46,603** | **1,53,734** | **80,24,26,826** | **36,01,81,455** | **38,81,45,587** |
| **Previous Year** | **1,05,84,70,257** | **8,08,63,609** | **18,45,678** | **-** | **1,14,11,79,544** | **70,39,47,257** | **4,90,86,700** | **-** | **75,30,33,957** | **38,81,45,587** | **-** |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE '11'

(Amount in ₹)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Capital Work in Progress | 1,26,22,832 | 1,93,85,031 |
| Pre Operative Expenses | 89,94,871 | 39,60,000 |
| | **2,16,17,703** | **2,33,45,031** |

* Pre operative Expenses capitalized during the year

** Sales/ Adjustments represents certain assets sold/ discard during the year

*** From 2020-21, the cost of "Site Development" and "Name Change" is amortized over the remaining lease period of 60 years

## NOTE NO: 12 NON-CURRENT INVESTMENTS

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Investment in Equity Shares - Non-Trade (Unquoted, At Cost) | | |
| Giridhan Metal Private Limited (31,82,000 Equity shares (P.Y. 25,00,000) ; Face Value of ₹ 10 each) | 49,30,06,000 | 30,00,00,000 |
| | **49,30,06,000** | **30,00,00,000** |

## NOTE NO: 13 LONG TERM LOANS AND ADVANCES

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| (Unsecured and Considered Good unless otherwise mentioned) | | |
| Advance Tax / TDS/TCS and Income Tax Refundable (Net) | 1,44,07,249 | 5,00,41,669 |
| Capital Advance | 54,56,000 | 99,52,523 |
| Security Deposits | 11,87,522 | 15,19,932 |
| Prepaid Expenses | 30,86,037 | 6,60,046 |
| | **2,41,36,808** | **6,21,74,170** |

## NOTE NO: 14 CURRENT INVESTMENTS

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Investment in Mutual Funds (Quoted) | | |
| Kotak Liquid Fund Regular Plan Growth - (C.Y. Nil Units (P.Y. 1.259 Units)) | - | 5,000 |
| (MARKET VALUE OF QUOTED CURRENT INVESTMENTS - ₹ NIL (P.Y. ₹ 5,037/-) | **-** | **5,000** |

## NOTE NO: 15 INVENTORIES

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| (As taken, Valued and Certified by the Management) | | |
| Raw Materials | 5,77,78,348 | 7,40,12,146 |
| Raw Materials in Transit | 32,21,560 | - |
| Work-In-Progress | 1,34,14,011 | 1,15,12,764 |
| Finished Goods | 38,05,49,362 | 20,86,99,129 |
| Stores and Spares* | 1,85,81,463 | 2,75,55,171 |
| ***Net of provisions for Non/slow moving items C.Y.:Rs. 70,47,938 /-, (P.Y: Rs.86,41,450/-).** | **47,35,44,744** | **32,17,79,210** |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE NO: 16 TRADE RECEIVABLES (UNSECURED)

(Amount in ₹)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Outstanding for a period exceeding six months from the due date** | | |
| Considered Good | 2,27,49,918 | 1,96,65,283 |
| Considered Doubtful | 1,38,96,316 | 1,44,00,351 |
| Less: Allowance for doubtful debts | (1,38,96,316) | (1,44,00,351) |
| | 2,27,49,918 | 1,96,65,283 |
| **Other Trade Receivables (Considered good)** | 14,17,10,138 | 19,85,56,573 |
| | **16,44,60,056** | **21,82,21,856** |

## NOTE NO: 17 CASH & CASH EQUIVALENTS

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Cash & Cash Equivalents** | | |
| **Balances with Banks** | | |
| In Current Account | 57,17,892 | 2,83,245 |
| Cash on Hand | 23,42,423 | 20,68,069 |
| Earmarked Balances with Bank with less than three months original maturities | 5,58,000 | - |
| **Other Bank Balances** | | |
| Earmarked Balances with Bank held as margin money or security | 7,90,57,098 | 2,15,15,310 |
| | **8,76,75,413** | **2,38,66,624** |

## NOTE NO: 18 SHORT-TERM LOANS AND ADVANCES

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| (Unsecured and Considered good unless otherwise mentioned) | | |
| Balances With Government & Statutory Authorities | 68,24,156 | 21,52,383 |
| Advances other than Capital Advances | | |
| (i) Advances to related parties | - | 15,96,34,350 |
| (ii) Other Advances* | 3,38,03,153 | 4,77,81,352 |
| Prepaid Expenses | 73,13,902 | 44,56,595 |
| *** Other Advances includes Supply for Goods & Services** | **4,79,41,211** | **21,40,24,680** |

## NOTE NO: 19 OTHER CURRENT ASSETS

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Export Incentive Receivable | 16,86,262 | 14,89,700 |
| Forward Contract Receivable Account (Net) | - | 1,97,942 |
| Deferred Premium | 52,597 | - |
| Interest Accrued on Bank Deposits and Earmarked Balances with Bank | 16,39,679 | 9,41,133 |
| Other Receivables | 12,13,617 | 12,13,617 |
| | **45,92,155** | **38,42,392** |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE NO: 20 REVENUE FROM OPERATIONS

(Amount in ₹)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **Sale of Products** | | |
| Domestic Sales | 3,66,11,71,550 | 4,10,48,10,685 |
| Export Sales * | 9,39,71,642 | 11,83,01,756 |
| Trading Sales | 1,21,43,455 | 44,63,14,594 |
| | **3,76,72,86,647** | **4,66,94,27,035** |
| **Other Operating Revenues** | | |
| Export Benefits | 10,50,438 | 1,68,779 |
| | **3,76,83,37,085** | **4,66,95,95,814** |

## NOTE NO.: 21 OTHER INCOME

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **Interest Income** | | |
| - On Bank deposits | 22,49,485 | 54,75,125 |
| - On Others | 70,74,749 | 60,98,164 |
| Net gain on sale of Current Investments | 30,21,260 | 1,39,73,805 |
| Net Gain on Foreign currency transaction and translation | 13,68,293 | - |
| Claims and Miscellaneous Receipts | 5,89,980 | 43,71,366 |
| Excess Liabilities/ Provision written back | 1,57,56,508 | 3,78,869 |
| | **3,00,60,275** | **3,02,97,329** |

## NOTE NO.: 22 COST OF MATERIALS CONSUMED

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Inventory at the beginning of the year | 7,40,12,146 | 7,40,69,855 |
| Add: Purchases | 2,63,96,24,894 | 2,94,75,84,726 |
| | 2,71,36,37,040 | 3,02,16,54,581 |
| Less: Sales | - | 97,44,667 |
| Less: Inventory at the end of the year | 5,77,78,348 | 7,40,12,146 |
| | **2,65,58,58,692** | **2,93,78,97,768** |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE NO.: 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE (Amount in ₹)

| Particulars | | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|
| **Inventories at the end of the year** | | | |
| Finished Goods | | 38,05,49,362 | 20,86,99,129 |
| Work In progress | | 1,34,14,011 | 1,15,12,764 |
| | **(B)** | **39,39,63,373** | **22,02,11,893** |
| **Inventories at the beginning of the year** | | | |
| Finished Goods | | 20,86,99,129 | 20,48,25,625 |
| Work In progress | | 1,15,12,764 | 2,27,35,055 |
| | **(A)** | **22,02,11,893** | **22,75,60,680** |
| **Net (Increase) / Decrease** | **Total ( A - B )** | **(17,37,51,480)** | **73,48,787** |

**Details of Inventories at the end of the year**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **Finished Goods** | | |
| Billet | 8,61,85,826 | 5,20,00,866 |
| Wire Rod | 21,96,54,215 | 11,35,10,440 |
| HB Wire / MS Wire | 7,31,45,396 | 3,29,57,257 |
| TMT Bar/ MS Round | 15,63,925 | 1,02,30,566 |
| **Work In Progress** | | |
| Billet/ Wire Rod | 1,25,58,970 | 96,45,629 |
| Others | 8,55,041 | 18,67,135 |
| | **39,39,63,373** | **22,02,11,893** |

## NOTE NO.: 24 EMPLOYEE BENEFITS EXPENSE

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Salaries, Wages and Bonus | 7,91,60,770 | 7,48,31,975 |
| Managerial Remuneration | 10,98,703 | 18,59,000 |
| Contribution to Provident and Other Funds | 49,63,410 | 48,67,849 |
| Gratuity Expenses | 28,43,754 | 29,15,266 |
| Staff Welfare Expenses | 1,50,572 | 1,50,989 |
| | **8,82,17,209** | **8,46,25,079** |

## NOTE NO.: 25 FINANCE COSTS

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| (i) Interest Expenses | | |
| (a) On banks (includes Working Capital, Other Loans, etc.) | 89,44,538 | 64,58,971 |
| (b) On Others | 33,114 | 1,92,362 |
| (ii) Other Borrowing Costs | 1,24,50,762 | 1,81,95,678 |
| (iii) Applicable Net (Gain)/Loss on foreign currency transactions and translation | 10,62,250 | 1,07,75,205 |
| | **2,24,90,664** | **3,56,22,216** |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

## NOTE NO.: 26 DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in ₹)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| On Tangible Assets | 4,95,46,603 | 4,90,86,700 |
| | **4,95,46,603** | **4,90,86,700** |

## NOTE NO.: 27 OTHER EXPENSES

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **MANUFACTURING EXPENSES** | | |
| Stores and Spare Parts Consumed | 10,57,03,569 | 11,36,56,767 |
| Power & Fuel | 78,84,62,689 | 86,65,39,615 |
| Repairs to Plant & Machinery | 16,15,738 | 19,98,971 |
| Job / Labour Charges | 4,43,87,052 | 5,34,01,224 |
| Other Manufacturing Expenses | 25,49,900 | 25,93,500 |
| **TOTAL (A)** | **94,27,18,948** | **1,03,81,90,077** |

## SELLING & ADMINISTRATIVE EXPENSES

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Advertisement, Subscription and Business Promotion Expenses | 14,09,027 | 1,29,83,408 |
| Corporate Social Responsibilities (Refer Note No. 28K) | 41,40,100 | 35,00,000 |
| Auditor's Remuneration & Expenses (Refer detail below) | 6,40,276 | 6,32,500 |
| Bank Charges | 2,72,396 | 3,23,522 |
| Bad Debts | 2,48,726 | 1,67,420 |
| Carriage Outwards /Forwarding Charges | 14,44,420 | 12,85,217 |
| Director's Sitting Fees | 1,00,000 | 1,22,500 |
| Loss on Sale of Property Plant & Equipment | 16,914 | - |
| Fees, Rates & Taxes | 64,70,904 | 42,80,393 |
| Net Loss on Foreign currency transaction and translation | - | 10,11,102 |
| Premium / Discount on Forward contracts | 7,54,163 | 11,47,259 |
| Insurance Charges | 19,05,330 | 11,98,204 |
| Motor Vehicle Expenses | 10,36,457 | 11,09,356 |
| Rent/ Lease line Charges | 22,96,776 | 32,57,948 |
| Professional & Legal Fees | 45,31,822 | 46,17,466 |
| Printing & Stationery | 2,10,218 | 2,29,868 |
| Provision for Doubtful Debts | - | 27,51,413 |
| Provision for Non-moving/ slow moving Items | - | 7,92,211 |
| Repairs and Maintenance to Others | 20,87,995 | 19,96,207 |
| Security Charges | 66,66,696 | 71,92,489 |
| Miscellaneous Expenses | 4,66,052 | 8,75,865 |
| **TOTAL (B)** | **3,46,98,272** | **4,94,74,348** |
| **Less : Amount transferred to Capital Work In Progress/ Pre Operative Expenses (Refer Note 28B) TOTAL (C)** | 53,58,871 | 18,45,678 |
| **TOTAL (A+B-C)** | **97,20,58,349** | **1,08,58,18,747** |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

**Detail of Auditors Remuneration & Expenses**

(Amount in ₹)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **Statutory Auditor:** | | |
| Statutory Audit Fees | 4,00,000 | 4,00,000 |
| Limited Review | 1,50,000 | 1,50,000 |
| Tax Audit Fees | 50,000 | 50,000 |
| Certification Job | 15,000 | 25,000 |
| Reimbursement of Expenses | 25,276 | 7,500 |
| | **6,40,276** | **6,32,500** |

## NOTE NO. 28 OTHER DISCLOSURES

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **A. Contingent Liabilities and Commitments (to the extent not provided for)** | | |
| **i) Contingent Liabilities*** | | |
| Claims against the company not acknowledged as debt relating to: | | |
| -Excise Duty/ Service Tax | 22,27,06,869 | 16,21,54,457 |
| - Sales Tax / VAT | - | 6,31,732 |
| | **22,27,06,869** | **16,27,86,189** |
| *** The above figure does not include Interest** | | |
| **ii) Commitments (to the extent not provided for)** | | |
| Estimated amount of contracts remaining to be executed on account of capital goods and not provided as liability in accounts (Net of advances) | 1,77,11,500 | 1,23,500 |
| Bank Guarantees | 25,04,68,590 | 3,40,31,590 |
| | **26,81,80,090** | **3,41,55,090** |

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **B. Pre Operative Expenses (Pending Allocation)** | | |
| Opening balances brought forward | 39,60,000 | 39,60,000 |
| **Add:** | | |
| Professional & Legal Fees | 1,00,000 | - |
| Fees, Rates & Taxes | 41,42,871 | - |
| Power & Fuel | 11,16,000 | 18,45,678 |
| **Total** | **93,18,871** | **58,05,678** |
| **Less:** | | |
| Capitalised during the year | 3,24,000 | 18,45,678 |
| **Closing Balance carried forward pending allocation** | **89,94,871** | **39,60,000** |

**C. Segment Reporting: -** The Company operates mainly in one business segment viz, Iron & Steel Products being primary segment and all other activities revolve around the main activity.

**D.** The Company uses forward contracts, swaps and other derivative contracts to hedge its risks relating to changes in exchange rates and interest rates. The use of such contract is consistent with the Company's risk management policy. The Company does not use forward contracts for speculation purposes.

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

(Amount in ₹)

| Foreign currency exposures are as under: | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Hedged foreign Currency exposures** | | |
| Suppliers' Credit / Import Bills | 1,55,60,710 | 2,55,60,159 |
| **Unhedged foreign Currency exposures** | | |
| Suppliers' Credit / Import Bills & Suppliers Liabilities | 1,32,65,899 | 9,58,03,579 |

| Outstanding short-term forward exchange contracts entered into by the Company on account of Payables including forecast payables: | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| No. of Contracts | 1 | 3 |
| US Dollar equivalents | 2,11,697 | 3,39,058 |
| INR equivalents | 1,55,60,710 | 2,55,60,159 |

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **E. Earnings Per Share (EPS):** | | |
| Profit After Tax | 13,22,59,807 | 11,73,16,134 |
| Weighted average number of Equity Share | 1,15,25,278 | 1,15,25,278 |
| **Earnings per share-Basic** | **11.48** | **10.18** |
| **Earnings per share-Diluted** | **11.48** | **10.18** |

| F. Value of Imported & Indigenous Raw Materials and Stores & Spares consumed | For the year ended 31st March,2021 | % of Total | For the year ended 31st March,2020 | % of Total |
|---|---|---|---|---|
| **Raw Material** | | | | |
| Imported | 8,64,54,149 | 3.26% | 36,02,92,676 | 12.26% |
| Indigenous | 2,56,94,04,543 | 96.74% | 2,57,76,05,092 | 87.74% |
| **Total Consumption** | **2,65,58,58,692** | **100%** | **2,93,78,97,768** | **100%** |
| **Stores & Spares** | | | | |
| Imported | 55,38,121 | 5.24% | 32,77,190 | 2.88% |
| Indigenous | 10,01,65,448 | 94.76% | 11,03,79,577 | 97.12% |
| **Total Consumption** | **10,57,03,569** | **100%** | **11,36,56,767** | **100%** |

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **G. Expenditure in Foreign Currency** | | |
| Foreign Bill Discounting Charges | 3,36,790 | 57,41,254 |
| Interest Paid | - | 3,28,962 |

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **H. C.I.F. value of imports** | | |
| Stores | 54,85,667 | 32,36,668 |
| Raw Material | 7,57,98,701 | 64,01,93,902 |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

(Amount in ₹)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **I. Earning in Foreign Currency** | | |
| FOB Value of Exports | 4,26,86,297 | 44,44,816 |

| **J. Disclosure as required under Micro, Small, and Medium Enterprises Development Act, 2006** | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| a) The Principal amount and interest due thereon on amount remaining unpaid to MSMED at the end of the accounting year | 10,30,898 | 5,40,630 |
| b) The amount of interest paid by the buyer in terms of Section 16 of the Act,2006 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| c) The amount of interest due and payable for the period of delay in making payment (which have paid but beyond the appointed day during the year) but without adding interest specified under Act) | Nil | Nil |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year | Nil | Nil |
| e) The amount of further interest remaining due and payable even in succeeding years | Nil | Nil |

**Note:** The above particulars, as applicable, have been given in respect of MSMED to the extent they could be identified on the basis of information available with the company.

**K. CSR Expenditure**

a) In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as follows.

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Gross amount required to be spent by the company during the year | 41,10,583 | 32,73,734 |
| Provision made in relation to CSR Expenditure | NIL | NIL |

(b)Amount spent during the year on :

| Particulars | For the year ended 31st March,2021 | | | For the year ended 31st March,2020 | | |
|---|---|---|---|---|---|---|
| | In Cash | Yet to be paid in cash | Total | In Cash | Yet to be paid in cash | Total |
| (i) Construction / acquisition of any asset | - | - | - | - | - | - |
| (ii) On purpose other than (i) above | 41,40,100 | - | 41,40,100 | 35,00,000 | - | 35,00,000 |

**L. Related Party Disclosures:**

**1. Relationships**

**(i) Key Management Personnel (KMP)**

Dilipp Agarwal ,Chairman
Deepak Agarwal , Director
Sudipto Bhattacharyya, Wholetime Director (wef 15th December, 2020)
Ajay Kumar Bajaj, Wholetime Director (till 5th September, 2020)
Shyam S. Somani, Chief Financial Officer
Navin Agarwal, Company Secretary

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

**(ii) Relatives of KMP**

Sitaram Agarwal
Sabita Agarwal
Vibha Agarwal
Priti Agarwal
Rachana Agarwal

**(iii) Enterprises over which key management personnel and relatives of such personnel exercise significant influence and control (others)**

Super Smelters Limited
Sai Electrocasting Private Limited
Giridhan Metal Private Limited*
Linkview Realty Private Limited
Supershakti Foundation

**2. Transactions with Related Parties**

(Amount in ₹)

| Particulars | KMP | | Relatives of KMP | | Enterprises over which KMP and relatives of such personnel exercise significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Year Ended | | Year Ended | | Year Ended | | Year Ended | |
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Purchase of Goods/ License** | | | | | | | | |
| Super Smelters Limited | - | - | - | - | 2,45,54,36,819 | 2,34,84,91,455 | 2,45,54,36,819 | 2,34,84,91,455 |
| **Sale of Goods / License** | | | | | | | | |
| Super Smelters Limited | - | - | - | - | 5,14,17,173 | 54,63,91,893 | 5,14,17,173 | 54,63,91,893 |
| Sai Electrocasting Private Limited | - | - | - | - | 4,36,58,489 | 5,05,85,749 | 4,36,58,489 | 5,05,85,749 |
| **Investments** | | | | | | | | |
| Giridhan Metal Private Limited | - | - | - | - | 19,30,06,000 | 30,00,00,000 | 19,30,06,000 | 30,00,00,000 |
| **Reimbursement of Expenses** | | | | | | | | |
| Super Smelters Limited | - | - | - | - | 27,02,823 | 1,52,99,544 | 27,02,823 | 1,52,99,544 |
| **Recovery of Expenses** | | | | | | | | |
| Super Smelters Limited | - | - | - | - | 5,42,465 | 48,04,861 | 5,42,465 | 48,04,861 |
| Navin Agarwal | | 5,900 | - | - | - | - | - | 5,900 |
| **Rent / Electricity Expenses Paid** | | | | | | | | |
| Linkview Realty Private Limited | - | - | - | - | 4,72,232 | - | 4,72,232 | - |
| **Security Deposit** | | | | | | | | |
| Linkview Realty Private Limited | - | - | - | - | 3,75,000 | - | 3,75,000 | - |
| **Paid to Trust for CSR Activities** | | | | | | | | |
| Supershakti Foundation | - | - | - | - | 41,00,000 | - | 41,00,000 | - |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

(Amount in ₹)

| Particulars | KMP | | Relatives of KMP | | Enterprises over which KMP and relatives of such personnel exercise significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Year Ended | | Year Ended | | Year Ended | | Year Ended | |
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Remuneration, Perquisites & Others** | | | | | | | | |
| Ajay Kumar Bajaj | 7,07,883 | 18,59,000 | - | - | - | - | 7,07,883 | 18,59,000 |
| Sudipto Bhattacharyya | 3,90,821 | - | - | - | - | - | 3,90,821 | - |
| Shyam S. Somani | 31,33,000 | 31,28,784 | - | - | - | - | 31,33,000 | 31,28,784 |
| Navin Agarwal | 14,95,000 | 14,95,000 | - | - | - | - | 14,95,000 | 14,95,000 |
| **Dividend Paid** | | | | | | | | |
| Deepak Agarwal | 75,593 | 75,593 | - | - | - | - | 75,593 | 75,593 |
| Dilipp Agarwal | 62,616 | 62,616 | - | - | - | - | 62,616 | 62,616 |
| Sabita Agarwal | - | - | 7,39,571 | 7,39,571 | - | - | 7,39,571 | 7,39,571 |
| Vibha Agarwal | - | - | 6,63,500 | 6,63,500 | - | - | 6,63,500 | 6,63,500 |
| Priti Agarwal | - | - | 6,76,500 | 6,76,500 | - | - | 6,76,500 | 6,76,500 |
| **Professional & Legal Fees** | | | | | | | | |
| Rachana Agarwal | - | - | - | 4,500 | - | - | - | 4,500 |

### 3. Amount due to/ from Related Parties

| Particulars | KMP | | Relatives of KMP | | Enterprises over which KMP and relatives of such personnel exercise significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | As on | | As on | | As on | | As on | |
| | 31st March,2021 | 31st March,2020 | 31st March,2021 | 31st March,2020 | 31st March,2021 | 31st March,2020 | 31st March,2021 | 31st March,2020 |
| **Trade Receivable** | | | | | | | | |
| Sai Electrocasting Private Limited | - | - | - | - | 1,260 | 63,62,066 | 1,260 | 63,62,066 |
| **Advance against Purchase of Raw Material** | | | | | | | | |
| Super Smelters Limited | - | - | - | - | - | 15,96,34,350 | - | 15,96,34,350 |
| **Trade Payables** | | | | | | | | |
| Super Smelters Limited | - | - | - | - | 2,00,09,679 | - | 2,00,09,679 | - |
| Linkview Realty Private Limited | - | - | - | - | 29,732 | - | 29,732 | - |
| **Security Deposit Receivable** | | | | | | | | |
| Linkview Realty Private Limited | - | - | - | - | 3,75,000 | - | 3,75,000 | - |
| **Payable to KMPs** | | | | | | | | |
| Ajay Kumar Bajaj | - | 2,55,800 | - | - | - | - | - | 2,55,800 |
| Sudipto Bhattacharyya | 1,16,982 | - | - | - | - | - | 1,16,982 | - |
| Shyam S. Somani | 4,12,400 | 4,18,071 | - | - | - | - | 4,12,400 | 4,18,071 |
| Navin Agarwal | 2,13,560 | 2,18,560 | - | - | - | - | 2,13,560 | 2,18,560 |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

(Amount in ₹)

*During the current financial year, the Company has made a further Investment in Equity Shares of Giridhan Metal Private Limited amounting to Rs.19.30 Crores (Previous year Rs. 30 Crore) consisting 6,82,000 Equity Shares (P.Y.25,00,000 Equity Shares) purchase at Rs.10 per share at a premium of Rs.273 per share (P.Y. Rs.110 per share) fully paid up.

**M.** In accordance with the revised Accounting Standard-15, i.e. Employee Benefits, the requisite disclosure are as follows :

(a) The amount recognized as an expenses for the Defined Contribution Plans are as under :

- Provident Fund as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **(i) Provident Fund** | 34,66,256 | 32,69,522 |

(b) In respect of Defined Benefit Plans, necessary disclosures are as under –

(i) Benefits are of the following types :

**Gratuity**

- Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act ,1972. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method.
- Other Long Term Employee Benefits

**Leave Encashment Benefits**

The obligation for leave encashment is determined and recognised in the same manner as gratuity.

| | 2020-21 | | | 2019-20 | | |
|---|---|---|---|---|---|---|
| | Funded Gratuity | Unfunded Gratuity | Unfunded Leave | Funded Gratuity | Unfunded Gratuity | Unfunded Leave |
| **(ii) The amounts recognized in the Balance Sheet are as follow:-** | | | | | | |
| Present value of obligations | 1,44,47,073 | 31,21,843 | 7,00,312 | 1,25,98,643 | 25,15,588 | 5,48,106 |
| Fair Value of plan assets | (12,29,425) | - | - | (16,18,494) | - | - |
| **Total Liabilities** | **1,32,17,648** | **31,21,843** | **7,00,312** | **1,09,80,149** | **25,15,588** | **5,48,106** |
| **(iii) Expenses recognized in the Statement of Profit & Loss for the year ended 31st March, 2021** | | | | | | |
| Current Service cost | 8,72,004 | 8,96,039 | 1,78,745 | 7,47,043 | 6,94,008 | 1,21,681 |
| Interest Cost | 8,56,101 | 1,70,939 | 37,244 | 8,42,321 | 1,05,329 | 32,623 |
| Expected return on Plan Assets | (1,09,979) | - | - | (1,31,218) | - | - |
| Net actuarial (gains)/loss recognised during the year | 6,19,373 | (4,60,723) | (63,783) | 3,06,539 | 3,51,244 | (28,979) |
| Past service cost | - | - | - | - | - | - |
| **Total included in Employee Benefits Expense** | **22,37,499** | **6,06,255** | **1,52,206** | **17,64,685** | **11,50,581** | **1,25,325** |
| **(iv) Change in the Present value of Defined Benefit Obligation during the year ended 31st March, 2021** | | | | | | |
| Opening defined benefit obligation | 1,25,98,643 | 25,15,588 | 5,48,106 | 1,09,15,982 | 13,65,007 | 4,22,781 |
| Service Cost | 8,72,004 | 8,96,039 | 1,78,745 | 7,47,043 | 6,94,008 | 1,21,681 |
| Interest Cost | 8,56,101 | 1,70,939 | 37,244 | 8,42,321 | 1,05,329 | 32,623 |
| Actuarial Losses /(gains) | 3,91,936 | - | (63,783) | 3,06,539 | 3,51,244 | (28,979) |
| Past Service cost | - | - | - | - | - | |
| Benefit paid | (2,71,611) | - | - | (2,13,242) | - | |
| **Closing defined benefit obligation** | **1,44,47,073** | **35,82,566** | **7,00,312** | **1,25,98,643** | **25,15,588** | **5,48,106** |

# Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

(Amount in ₹)

| | 2020-21 | | | 2019-20 | | |
|---|---|---|---|---|---|---|
| | Funded Gratuity | Unfunded Gratuity | Unfunded Leave | Funded Gratuity | Unfunded Gratuity | Unfunded Leave |
| **(v) Change in the fair value of Plan Assets during the year ended 31st March** | | | | | | |
| Opening fair value of plan assets | 16,18,494 | - | - | 17,00,518 | - | - |
| Expected return | 1,09,979 | - | - | 1,31,218 | - | - |
| Actuarial gain/(losses) | (2,27,437) | - | - | - | - | - |
| Benefit paid | (2,71,611) | - | - | (2,13,242) | - | - |
| **Closing fair value of plan assets** | **12,29,425** | **-** | **-** | **16,18,494** | **-** | **-** |
| **(vi) The major categories of plan assets as a percentage of fair value of Plan Assets** | 100% | | | 100% | - | - |
| **(vii) Principal Actuarial Assumptions used** | | | | | | |
| Discount rate at 31st March | 6.80% | 6.80% | 6.80% | 6.80% | 6.80% | 6.80% |
| Expected return on plan assets at 31st March | 6.80% | - | - | 6.80% | - | - |
| Mortality Rate | 100% IALM ( 2012-14) | | | 100% IALM ( 2012-14) | | |
| Salary Escalation | 7% | | | 7% | | |
| Withdrawal Rate | 1% to 2% | | | 1% to 2% | | |
| | Depending on age | | | Depending on age | | |

**Notes:**

a) The Gratuity Scheme is invested in a Group Gratuity - Cum - Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on the assumed rate of return provided by the company.

b) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

c) Amounts for the current annual period and previous four annual periods are as follows:

| | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|---|
| Present value of defined obligation | 1,75,68,916 | 1,51,14,231 | 1,22,80,989 | 1,02,95,207 | 83,11,122 |
| Fair Value of Plan Assets | (12,29,425) | (16,18,494) | (17,00,518) | (15,79,753) | (14,59,356) |
| **Excess of obligation over Plan Assets** | **1,63,39,491** | **1,34,95,737** | **1,05,80,471** | **87,15,454** | **68,51,766** |

N. The possible impacts of COVID-19, if any, have been considered in these financial results, including internal and external factors known upto the date of approval of these financial results, to assess the carrying amount of assets and liabilities of the Company. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes in future economic conditions.

O. "Exceptional items for FY 2019-20 represent excise duty refund (including interest) aggregating to Rs. 861.58 Lakhs received during the previous year against various refund claims submitted by the Company under Section 35F,35FF and 11B of the Central Excise Act, 1944 vide the Order (Original) No: 09/10/11//12//13/14//22AC/Refund/DGP-I/2019-20. The same was paid and charged to the statement of profit and loss against the various demands raised by the excise department in earlier years."

## Notes to Financial Statements for the year ended 31st March, 2021 *(Contd.)*

P. The Board of Directors has recommended a final dividend of Rs.0.50 per equity share for the year ended 31st March, 2021 subject to the approval of shareholders at the ensuing Annual General Meeting.

Q. Certain Balances of Trade Receivable , Loans & Advances and Trade Payable are subject to confirmation and reconciliation and adjustments in this respect are carried out as and when amount thereof, if any, are ascertained.

R. In the opinion of the management and Board of the Directors, Current Assets and Loans & Advances have the value at which these are stated in the Balance Sheet, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

S. Previous year figures have been regrouped/re-classified where necessary, to confirm to this year's classification.

As per our report of even date annexed herewith
**For SINGHI & CO.**
Chartered Accountants
Firm Registration No : 302049E

**ANURAG SINGHI**
*(Partner)*
Membership No. 066274

Place: Kolkata
Date: 29th June, 2021

**For and on behalf of the Board**

**DILIPP AGARWAL**
*(Chairman)*
DIN 00343856

**NAVIN AGARWAL**
*(Company Secretary)*

**DEEPAK AGARWAL**
*(Director)*
DIN 00343812

**SHYAM S. SOMANI**
*(Chief Financial Officer)*

# Notes

# Notes

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