



**SYNERGY STEELS**  
A Synergy Group Company

## NOTICE

Notice is hereby given that 49<sup>th</sup> Annual General Meeting of the Synergy Steels Limited will be held on Wednesday on 28<sup>th</sup> Sep, 2022 at 02.00 P.M at the registered office of the company 1/1, Kirti Nagar, Industrial Area, New Delhi-110015, to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup>, March, 2022 and profit and loss account for the year ended on that date together with the Auditors' Report and Directors' Report thereon.
2. To Retire Mr. Subhash Jain (DIN: 00176960), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s S.R. Dinodia & Co. LLP., Chartered Accountants, New Delhi (FRN No. 001478N/N500005) as Statutory Auditors of the company to hold office until the conclusion of 54<sup>th</sup> Annual General Meeting and to fix their remuneration.

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

**RESOLVED THAT** Pursuant to the provisions of Section 139,142 and other applicable provisions, if any of the Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014 and other applicable Rules , if any framed thereunder , as amended from time to time, M/s S.R. Dinodia & Co. LLP, Chartered Accountants (Firm Registration No. 001478N/N500005) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the Conclusion of this 49<sup>th</sup> Annual General Meeting until the conclusion of the 54<sup>th</sup> Annual General Meeting. (subject to the rectification of the appointment by the members at every Annual General meeting held after this Annual General Meeting) on such remuneration as shall be fixed by the Board of Directors as mutually decided with the Auditors."

### SPECIAL BUSINESS:

4. To Ratify the Remuneration payable to M/s ABP & CO., Cost Auditors of the Company for the Financial Year ending on March 31, 2022

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

#### Synergy Steels Limited

**Regd. Office** 1/1, Kirti Nagar, Industrial Area,  
New Delhi-110015, India  
+91 11 40500500  
fax +91 11 41428521  
email [ssl@synergysteels.com](mailto:ssl@synergysteels.com)  
[contact@synergysteels.com](mailto:contact@synergysteels.com)

**Works** Plot No.: 2 & 5,  
Matsya Industrial Area  
Alwar (Rajasthan) - 301030  
tel +91 144 2881202  
fax +91 144 2881845  
email [plant@synergysteels.com](mailto:plant@synergysteels.com)  
[contact@synergysteels.com](mailto:contact@synergysteels.com)

[www.synergysteels.com](http://www.synergysteels.com)  
CIN: U27107DL1973PLC210670

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration of Rs.50,000/- (Rupees Fifty Thousand only) per annum plus GST and out of pocket Expenses as recommended by Audit Committee and approved by the Board, payable to M/s. ABP & CO., Cost Accountants, New Delhi (Firm Regn. No. 00403), who have been appointed by the Board of Directors of the Company as Cost Auditors to conduct an audit of cost accounting records of the Company as prescribed under Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, for the financial year ending on March 31, 2022, be and is hereby ratified and confirmed.

Place: New Delhi  
Date : 03.09.2022

By order of the Board  
For Synergy Steels Limited

  
Arvind Kumar Tiwari  
Company Secretary  
Membership No.: F6421

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. A PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Proxy form shall be in the format as attached in **Annexure I**.
3. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of board resolution authorizing the representative to attend and vote in the Annual general meeting.
4. Members/proxies attending the meeting are requested to bring their copy of attendance Slip duly filed and signed by the person attending the meeting and also sing the attendance Sheet/register. Attendance slip is attached in **Annexure II**
5. Queries proposed to be raised at the Annual General Meeting, may be sent to the Company at its registered office or may be Communicate to Mr. Arvind Kumar Tiwari, Company Secretary of the Company, (E-Mail: [tiwari.arvind@synergysteels.com](mailto:tiwari.arvind@synergysteels.com)) least seven days prior to the date of Meeting to enable the management to compile the relevant information to reply the same in the meeting.

6. A route map providing directions to reach the venue of the 49<sup>th</sup> AGM is provided in the Notice.
7. Any member, who desirous to propose any resolution may sent a prior Notice to the Company at least 14 days before the Annual General Meeting at the registered office of the company.
8. All the Documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company during working days between 12:00 Noon to 3:00 P.M. (barring Sunday and Public Holidays), up to the date of AGM.
9. All the Statutory Registers maintained under Companies Act, 2013 will be available for inspection by the members at the AGM.
10. The Company is conscious of promoting e-governance and green and sustainable environment. Members are requested to update their email address with their Depository Participants to enable the company to send the future correspondences / communication via e-mail.
11. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividends, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
12. Hard copy of the notice along with the copies of the Annual Report 2021, are being sent by the permitted mode to those members who have not registered their email addresses and those who have requested for the same
13. Voting shall be conducted by Show of Hands Process at the meeting unless Poll is demanded by requisite member and a Proxy shall have right to vote only in Poll process.
14. Any member who wishes to update or change his information in the records maintained by the company may send his particulars of information in the format attached in Annexure III.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

INFORMATION PURSUANT TO SS-2

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Item No. 2

**Profile and other details of Director seeking Re-appointment**

**MR. SUBHASH JAIN**

Mr. S.C. Jain is a commerce graduate from Meerut University and has over 20 years of experience in the Steel industries. Mr. Jain has very rich and varied experience in marketing, banking etc. Mr. Jain is look after company day to day administrative affairs from day one because Mr. Jain having very rich experience with the company and understand corporate day to day administrative affairs very deeply.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are concerned or interested, financially or otherwise in these proposed Resolutions.

Item No. 4

**Ratification of Remuneration of Cost Auditor for the F.Y21-22**

In terms of the provision of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 it is required to appoint the Cost Auditor to conduct the audit of the cost records of the Company. The remuneration of Cost Auditor is subject to the approval of Members of the Company.

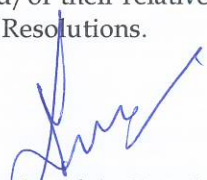
M/s. ABP & CO., Cost Accountants, Firm Registration No. 00403, has been appointed as Cost Auditor by the Board on the recommendation of the Audit Committee at their respective meetings held on the 20<sup>th</sup> Sep, 2021, to conduct the audit of the cost records of the Company for the financial year ended on the 31st March, 2022 at the remuneration amounting Rs. 50,000/- plus GST and out of pocket expenses.

In compliance with the provisions of said Section the remuneration of the Cost Auditor for the financial year 2021-2022 is now being placed before the Members at this AGM for their ratification/confirmation and approval, respectively.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are concerned or interested, financially or otherwise in these proposed Resolutions.

Place: New Delhi

Date: 03.09.2022

  
By order of the Board  
For Synergy Steels Limited

Arvind Kumar Tiwari  
Company Secretary  
Membership No.: F 6421

**Synergy Steels Limited**

CIN: U27107DL1973PLC210670

Regd. Off.: 1/1, Kirti Nagar, Industrial Area, New Delhi-110015

Tel: 11-40500500; E-Mail: tiwari.arvind@synergysteels .com

Web Site: [www.Synergsteels.com](http://www.Synergsteels.com)

**Annexure I**

**Proxy form**

**MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014

**Name of the Member(s):**

<p><b>Registered address:</b></p> <p><b>E-Mail ID:</b></p> <p><b>Folio No./Client ID :</b></p> <p><b>DP ID:</b></p>
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I/We, being the member (s) of ..... shares of the above named company, hereby  
appoint

1. Name: .....E-mail  
:.....

Address:.....

.....Signature

:..... or failing him

2. Name: .....E-mail  
:.....

Address:.....

.....Signature

:..... or failing him

1. Name: .....E-mail  
:.....

Address:.....

.....Signature

:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 49<sup>th</sup> Annual  
general meeting/ of the company, to be held on Wednesday at 28th Sep, 2022 At 2:00 p.m. at 1/1,  
Kirti Nagar, Industrial Area, New Delhi-110015 and at any adjournment thereof in respect of  
such resolutions as are indicated below:

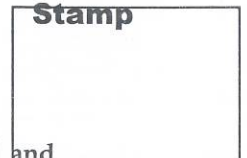
S. No.	Resolution	No. of Share held by me	I assent to the resolution	I dissent to the resolution
1.	To receive, consider and adopt the Audited Balance sheet as on 31 <sup>st</sup> , March, 2022 and profit and loss account for the year ended on that date together with the Auditors' report and Directors' Report thereon.			
2.	To retire Mr. Subhash Chand Jain, who retires by rotation and being eligible offers himself for re-appointment.			
3.	To appoint of Statutory Auditors S.R. Dinodia & Co. LLP., Chartered Accountants, New Delhi (FRN No. 001478N/N500005) as Statutory Auditors of the company			
4	To Ratify the Remuneration payable to M/s ABP & CO., Cost Auditors of the Company for the Financial Year ending on March 31, 2022			

Signed this ..... day of .....2022

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**Affix  
Revenue  
Stamp**



**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**Synergy Steels Limited**

CIN: U27107DL1973PLC210670

Regd. Off.: 1/1, Kirti Nagar, Industrial Area, New Delhi-110015

Tel: 11-40500500; E-Mail: tiwari.arvind@synergysteels .com

Web Site: [www.Synergsteels.com](http://www.Synergsteels.com)

**ATTENDANCE SLIP**

(Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall)

Folio No. / DP ID / Client ID #	
No. of Equity Shares held	

I hereby record my presence at the 49<sup>th</sup> Annual General Meeting of the Company being held at 1/1, Kirti Nagar, Industrial Area, New Delhi-110015 on Wednesday at 28th Sep, 2022 at 02:00 P.M.

Name of the Shareholder (in block letters)	
Name of Proxy/ Authorised Representative attending* (in block letters)	

Signature of the attending Member/Proxy/ Authorised Representative\*

\*Strike out whichever is not applicable #Applicable for shareholders holding shares in dematerialised form.

Note: 1. A member/proxy/authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.

1. If you intend to appoint a Proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the meeting.

*Shareholders/Proxy or representative of Shareholders are requested to produce the above attendance slip, duly signed in accordance with their specimen signatures registered with the Bank, along with the entry pass, for admission to the venue.Shareholders / Proxy holders / Authorised Representatives may note that the admission to the meeting will be subject to verification / checks, as may be deemed necessary and they are advised to carry valid proof of identity viz., Voters ID Card / Employer Identity Card / Pan Card / Passport / Driving license etc.*







## DIRECTORS' REPORT

Dear Members,  
**Synergy Steels Limited**

Your Board of Directors are pleased to present 49<sup>th</sup> Annual Report of the company and Brief on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2022 along with the annexures thereto.

### FINANCIAL RESULTS

The Company's financial performance is given hereunder.

(Rs. in Lacs)

Particulars	Financial Year Ended 31.03.2022	Financial Year ended 31.03.2021
Sales & other income	225459.96	128583.20
Financial Cost	1837.68	1497.35
Depreciation	1338.80	1145.05
Profit before tax	8646.86	3679.12
Less: Provision for (Current Tax)	1996.77	1284.08
(Deferred)	-456.62	58.80
Profit after tax	7179.75	2343.08
Appropriations:		
EPS Basic	54.28	17.71
Diluted	54.28	17.71

### REVIEW OF OPERATIONS

The Gross Revenue from the Operations of the Company during the Financial Year ended 31<sup>st</sup> March, 2022 amounted to Rs 225459.96 as compared to Rs. 128583.20 during the previous year ended 31st March, 2021.

Synergy Steels Limited

**Regd. Office** 1/1, Kirti Nagar, Industrial Area,  
New Delhi-110015, India  
+91 11 40500500  
+91 11 41428521  
**fax** +91 11 41428521  
**email** ssl@synergysteels.com  
contact@synergysteels.com

**Works** Plot No.: 2 & 5,  
Matsya Industrial Area  
Alwar (Rajasthan) - 301030  
**tel** +91 144 2881202  
**fax** +91 144 2881845  
**email** plant@synergysteels.com  
contact@synergysteels.com

**www.synergysteels.com**  
CIN: U27107DL1973PLC210670

## **DIVIDEND**

The Company has future plans for expansion & Growth and the company will require huge amount of fund, hence the company retain the earning of the company and planning to deploy those internally generated funds for company's expansion & Growth.

## **RESERVES**

Board did not create any special reserve during the year but transfer the amount of Profit & Loss Account to the Reserve & Surplus.

## **SHARE CAPITAL**

Authorised share capital of the company is Rs. 13,80,00,000 which consist 1,38,00,000 Equity Share of Rs. 10 (Rupees ten ) each and 20000 (Twenty Thousands) 9.5% Preference Shares of Rs. 100 (Rupees Hundred) each. Paid of capital of the company is Rs. 132,273,010 which consist 1,32,27,301 Equity shares of Rs. 10 each.

### **A. Issue of equity shares with differential rights**

The company has not issued any Equity Shares with Differential voting rights during the financial year 2021-2022.

### **B. Issue of sweat equity shares:**

The company has not issued any Sweat Equity Shares during the financial year 2021-2022.

### **C. Issue of employee stock options:**

The company has not issued any Employee stock options during the financial year 2021-2022.

### **D. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**

The company has not bought Back any shares during the Financial Year 2021-2022.

### **E. Issue of Shares on Private Placement Basis:**

The company has not issued and as a Private Placement basis during the Financial Year 2021-2022

### **F. Issue/redemption of Preference Shares**

The company neither issue nor redeem its any preference share during the financial year.

## **EXTRACT OF THE ANNUAL RETURN**

The extract of the annual return in Form No. MGT – 9 (Attached as **Annexure-1**) shall form part of the Board's report.

## **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of your Company to which the financial statements relate and the date of this report.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations. Your Company's control system and procedures are regularly reviewed for relevance and effectiveness and changed as per the need of business environment.

The Company has appointed M/s Raghu Nath Rai & Co., Chartered Accountants, as the Internal Auditor of the Company in terms of section 138 of the Companies Act, 2013 and rules made thereunder. Internal Audit Report does not contain any qualification and is self-explanatory.

## **PUBLIC DEPOSITS**

The Company has neither accepted nor renewed any deposits during the financial year 2021-2022.

## **AUDITORS OF THE COMPANY**

### **I. SECRETARIAL AUDITORS AND THEIR REPORT**

The Board had appointed Mr. Akshit Gupta, Company Secretary in Whole Time Practice, for a term of 1(One) year for the Financial Year 2021-2022 to conduct the audit of Secretarial and related records of the Company. The Secretarial Audit Report for the financial year ended March 31, 2022 is provided in **Annexure-2** to this Boards' Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

### **II. STATUTORY AUDITOR'S AND THEIR REPORT**

M/s SBD & Co., Chartered Accountant, Statutory Auditor of the company have submitted their Report to the Company and the Report does not have any qualifications and adverse remarks and notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for further explanations/ clarification in the Directors Report.

Pursuant to the provision of Section 143 (12) of the Companies Act, 2013 and Rules frame thereunder, that there have been no instance of fraud reported by the Auditors either to the Company or to the Central Government.

The Auditors M/s S.B.D & Co, Chartered Accountants, New Delhi, Statutory Auditor of the company whose period of office expires at the conclusion of ensuing Annual General Meeting and M/s S.R. Dinodia & Co, LLP, Chartered Accountant have confirmed their eligibility under section 141 of Companies Act 2013 and they have confirmed that their firm are not disqualified for appointment and being eligible offer themselves for appointment.

M/s S.R. Dinodia & Co, LLP Chartered Accountants is eligible for the purpose of appointment as an Statutory Auditor as per section 139 and rules made thereunder, of the Companies Act, 2013 for a period of five years from this Annual General Meeting until the conclusion of 54th Annual General Meeting, (subject to the rectification of the appointment by the members at every Annual General meeting held after this Annual General Meeting) on such remuneration as shall be fixed by the Board of Directors as mutually decided with the Auditors."

### **III. COST AUDITORS**

In terms of sub-section (1) of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to get its Cost Accounting record audited by the the cost Auditor. Accordingly the Board at its Meeting held on 20.09.2021 has on recommendation of the Audit Committee , re-appointed M/s ABP & Co., (FRN 00403), Cost Accountants, for the financial year 2021-22 . To conduct the Audit of the Cost Accounting records of the company.

### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr. Subhash Chand Jain, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Ms. Sakshi Kathuria has been resigned from the position of the Woman Independent Director during the year.

Mrs. Arundhati Kar has been appointed as Woman Independent Director during the year.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans, Guarantees and Investment have been disclosed in the Financial Statements.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business. The Company presents a Statement of all related party transactions before the Audit Committee on a quarterly basis specifying the nature, value and terms and conditions of transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority. Details of such transactions are given in the accompanying Financial Statements. Details of Transactions has been Annexed in AOC-2 as **Annexure-3**.

### **CREDIT RATING**

Care Ratings Ltd has re-affirmed Synergy Steels Limited's (SSL) Long-Term Issuer Rating CARE A- Stable and Short Term Issuer Rating CARE A2.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Board of Directors met 15 times during the financial year on respective dates; 06.04.2021, 24.05.2021, 30.05.2021, 08.06.2021, 12.07.2021, 31.07.2021, 16.08.2021,02.09.2021,20.09.2021,01.11.2021,28.01.2022,05.02.2022, 10.02.2022, 12.03.2022 and 30.03.2022 for the discussion of different matter and Quorum was duly preset at every meeting of the Board.

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

<b>Name of Directors</b>	<b>Number of Meetings attended/ Total Meetings held during the F.Y. 2021-22</b>
Mr. Subhash Chander Kathuria	15/15
Mr. Anubhav Kathuria	15/15
Mr. Subhash Chand Jain	15/15
Mr. Ajay Kumar Mohanty	15/15
Mrs. Arundhanti Kar	3/5
Ms. Sakshi Kathuria	3/3

## COMMITTEES OF BOARD

Board of Director has formed five vital committees for assistance of the Board these committees are comprised exclusively of directors. Committee members are appointed by the Board of Directors, which also designates each committee's chairman. The responsibilities and specific operating procedures of each committee were specified by the board when they were established and were added to the by-laws.

### 1. Audit Committee

Your Company has in place Audit Committee of Board of Directors. The Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013. The Committee Met Four times during the year.

### 2. Nomination & Remuneration Committee

Your Company has in place duly constituted Nomination and Remuneration Committee of the Board of Directors, In terms of Section 178 of the Companies Act, 2013 ('Act') read with Companies (Meeting of the Board and its Power) Rules, 2014 .

### 3. Stakeholders Relationship Committee

Name of the Shareholder Grievance & Share Transfer Committee changed to Stakeholders Relationship Committee.

The Committee met once during the year. No complaints were received by the Company from the investors. Also, there are no complaints pending in respect of previous period.

#### **4. Corporate Social Responsibility Committee (CSR)**

Your Company has in place CSR Committee of Board of Directors. The CSR Committee is in conformity with the provisions of Section 135 of the Companies Act, 2013. The Committee met Two times during the year.

Synergy believes in inclusive growth to facilitate creation of a value – based and empowered society through continuous and purposeful engagement with the society around.

Guided by the belief that every life is important and must be given fair opportunities to make the best out of it. Synergy is working towards eradicating poverty & Hunger, malnutrition etc. The company will assure you that in the forthcoming year our company will invest more amount and will contribute to the growth of the society as well as Nation.

During the year, the CSR initiatives undertaken by the Company, under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, are attached with the Annual Report **Annexure 4**.

#### **5. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE**

The Company has zero tolerance for sexual harassment at workplace and has formulated a policy on Prevention, Prohibition and Redressal of Sexual harassment at the workplace, in line with the provisions of the Sexual Harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under.

The Policy aim to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has also constituted an internal Complaints Committee, to inquire into complaints of sexual harassment and recommend appropriate action. There were no complaint received from any employee during the financial year 2021-22 and hence no complaint is outstanding as on March 31, 2022.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In compliance to Section 177(9) & (10) of the Companies Act, 2013, Our Company has established a "Vigil Mechanism" for its Employees and Directors, enabling them to report any concerns of unethical behavior, suspected fraud or violation of the Company's code of conduct.

To this effect the Board has adopted a "Whistle Blower Policy" (WBP), which is overseen by the Audit Committee. The policy provides safeguards against victimization of the whistle blower. Employees and other shareholders have direct access to the chairman of the Audit Committee for lodging concern if any, for review.

**PARTICULARS OF EMPLOYEES:**

Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Not Applicable

**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**

Not Applicable

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO Sec 134(3) (m) read with Rule 8 Sub rule 3 of Companies (Accounts rules 2014)**

The company lays great emphasis on saving in the cost of energy consumption. Achieving reduction in per unit if consumption of energy is ongoing exercise in the company. The details of conservation of energy, technology absorption are as follows:

**1. CONSERVATION OF THE ENERGY**

Sl. No	Particular	2021-22	2020-21
1.	Electricity Purchased (units)	130890096	109836576
2.	Total Amount (In Lakh)	901442.314	7744.76
3.	Rate per unit	14.5	7.3

**(B) OWN GENERATION : NIL**

**2. OIL (HFO/COAL)**

**A. COAL USED IN FURNACE :**

**NIL B. LSHS (Premium) USED IN**

**FURNACE**

Sl. No	Particular	2021-22	2020-21
1.	Quantity	2134.658MT	4238.334MT
2.	Total Cost	170317615	142566234.75
3.	Average Rate/MT	79786.8 PMT	33637.32 PMT

**The Company continues to endeavor to improve energy conservation and utilization**

- (i) the steps taken or impact on conservation of energy;
  - a. Energy efficient lights LED
  - b. Advance Melting Plant
  - c. Power Saving Equipment
- (ii) the steps taken by the company for utilizing alternate sources of energy; In the planning stage to install Solar power.

Apart from above, the Company has also other energy conservation measures in place, like, rain harvesting systems, usage of treated/recycled water, tree plantation, optimization of processes and equipment's etc. All these steps ultimately results in savings in energy, water consumption, in fuel consumption and protecting the environment.

**A. RESEARCH & DEVELOPMENT (R&D):**

The Company is in continuous process to take effective steps for energy efficiency which has resulted into improvement of cost of energy. Steps are also being taken to maintain power factor upto .999%

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

The Company recognizes that focused initiative on development on new products would form the backbone of the company's future business performance and profitability. The technology received by the Company is being absorbed, customized and adapted to the demands of the local markets. The technologies used by the company is updated as a continuous exercise. Keeping this in view the company has increased its efforts in terms of development of new products. Following are some of the technology absorption efforts made by the Company during the year.

- a) Customized product formula, process and product quality specifications
- b) Identified alternate local raw material vendors
- c) Reviewing and approval of product claims and providing clinical Support and preparing documentation

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

Details of Foreign exchange earing through exports and Foreign Exchange outgo on account of imports, expenditure on travelling and other matters etc. are given below.

- (i) Foreign exchange earned: 38579.11 Lakh
- (ii) Expenditure in Foreign exchange: 39133.7 Lakh



**DIRECTORS' RESPONSIBILITY STATEMENT Refer Sec 134(3)(C)read with Sec 134(5)**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DETAILS OF APPLICATION MADE OR PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016.**

Not Applicable

**DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS.**

Not Applicable.

## ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the Government of India, various state governments, the Banks/ financial institutions and other stakeholders such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

Date: 03.09.2022

Place: New Delhi



Subhash Chander Kathuria  
Managing Director  
DIN: 00125337



Anubhav Kathuria  
Director  
DIN: 01198916

## Form No.MGT-9

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2022**

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

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
i) CIN:-	U27107DL1973PLC210670
ii) Registration Date:	April 13, 1973
iii) Name of the Company :	Synergy Steels Limited
iv) Category/Sub-Category of the Company:	Company Limited By shares
v) Address of the Registered office and contact details	1/1 Kirti Nagar, Industrial Area, New Delhi-110015 Web Site: www.synergysteels.com
vi) Whether listed company: Yes/ No	No
vii) Name ,Address and Contact details of Registrar and Transfer Agent,if any	Skyline Financial Services Limited Reg Add: D-153 A, 1st Floor, Okhla Industrial Area, Phase - I , New Delhi - 110 020 Contact Details: 011-40450193 to 197

**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:-

SI.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Steels & Scrap Thereto	7204	100%

**III. PARTICULARS OF HOLDING,SUBSIDIARY AND ASSOCIATE COMPANIES**

SI.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiaries/ Associate	% of shares held	Applicable Section
	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year				No. 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(g) Individual / HUF	142308	9028262	9170570	69.33	142308	9028262	9170570	69.33	0.00
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt(s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	-	4056691	4056691	30.66	-	4056691	4056691	30.66	0.00
k) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (1):-</b>	<b>142308</b>	<b>13084953</b>	<b>13227261</b>	<b>100</b>	<b>142308</b>	<b>13084953</b>	<b>13227261</b>	<b>100</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
© Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/ FI	-	-	-	-	-	-	-	-	-
(e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>142308</b>	<b>13084953</b>	<b>13227261</b>	<b>100.00</b>	<b>142308</b>	<b>13084953</b>	<b>13227261</b>	<b>100.00</b>	<b>-</b>
<b>B. Public Shareholding (s)</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	0	0.00	-	-	0	0.00	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	40	40	0.00	-	40	40	0.00	-
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	-	-	-	-	-	-	-	-	-
c) HUF	-	-	-	-	-	-	-	-	-
d) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>0.00</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>0.00</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B) (1)+ (B) (2)</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>0.00</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>0.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>142308</b>	<b>13084993</b>	<b>13227301</b>	<b>100.00</b>	<b>142308</b>	<b>13084993</b>	<b>13227301</b>	<b>100.00</b>	<b>-</b>

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year		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	Mr. Subhash Chander Kathuria	6036348	45.64	6036348	45.64
2	Mrs. Anita Kathuria	575446	4.35	575446	4.35
3	Mr. Anubhav Kathuria	1111428	8.40	1111428	8.40
4	S.C.Kathuria(H.U.F)	2,37,348	1.79	2,37,348	1.79
5	Anita International (proprietor SCK)	11,35,000	8.58	11,35,000	8.58
6	Smt. Monica Sarin	5,000	0.04	5,000	0.04
7	Yasha Sud	65,000	0.49	65,000	0.49
8	Rimple Lohia	5,000	0.04	5,000	0.04
9	Alwar Rolling Mills Pvt. Ltd	4,45,000	3.36	4,45,000	3.36
10	Surya Fin-vest Private limited	13,37,058	10.11	13,37,058	10.11
11	Kathuria Casting Pvt. Ltd	5,85,263	4.42	5,85,263	4.42
12	Himalaya Estate Pvt. Ltd	6,55,263	4.95	6,55,263	4.95
13	Wonder Software Pvt. Ltd	50,000	0.38	50,000	0.38
14	Aakar Technobuild Private Limited	2,60,000	1.97	2,60,000	1.97
15	Synergy Global Steel Private Limited	4,25,000	3.21	4,25,000	3.21
16	Ramnika Estate Pvt Ltd.	2,99,107	2.26	2,99,107	2.26
	<b>Total</b>	<b>13227261</b>	<b>100.00</b>	<b>13227261</b>	<b>100.00</b>

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

There is no change in the Promoters' Shareholding during the Year

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

Sl. No.	Name	For Each of the Top 10 Shareholders	Shareholding during 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
1	K. B. Lal	At the beginning of the year	10	0.00	10	0.00
		Changes During the year		No Change		
		At the End of the year i.e. 31st March, 2019			0	0.00
2	Bhuwan Pandey	At the beginning of the year	10	0.00	10	0.00
		Changes During the year		No Change		
		At the End of the year i.e. 31st March, 2019			10	0.00
3	Ram Talwar	At the beginning of the year	10	0.00	10	0.00
		Changes During the year		No Change		
		At the End of the year i.e. 31st March, 2019			10	0.00
4	M.L. Agarwal	At the beginning of the year	10	0.00	10	0.00
		Changes During the year		No Change		
		At the End of the year i.e. 31st March, 2019			10	0.00

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>						
Sl. No.	Name	For Each of the Directors and KMP	Shareholding during 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
1	Mr. Subhash Chander Kathuria	At the beginning of the year	6036348	45.64	6036348	45.64
		Change During the year	No Change			
		At the End of the year i.e. 31st March, 2022			6036348	45.64
2	Mr. Subhash Jain	At the beginning of the year	0	0.00	0	0.0
		Change During the year	No Change			
		At the End of the year i.e. 31st March, 2022			0	0.0
3	Mr. Anubhav Kathuria	At the beginning of the year	1111428	8.40	1111428	8.40
		Change During the year	No Change			
		At the End of the year i.e. 31st March, 2022			1111428	8.40
4	Mr. Ajay Kumar Mohanty	At the beginning of the year	0	0.00	0	0.0
		Change During the year	No Change			
		At the End of the year i.e. 31st March, 2022			0	0.0
5	Ms.Arundhanti Kar	At the beginning of the year	0	0.00	0	0.0
		Change During the year	No Change			
		At the End of the year i.e. 31st March, 2022			0	0.0
6	Mr. Arvind Kumar Tiwari	At the beginning of the year	0	0.00	0	0.0
		Change During the year	No Change			
		At the End of the year i.e. 31st March, 2022			0	0.0
7	Mr. Yugal Kishor Garg	At the beginning of the year	0	0	0	0
		Change During the year	No change			
		At the End of the year i.e. 31st March, 2022				

**V. INDEBTEDNESS**

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

					(In Lakh)
	Secured Loans excluding deposits	Unsecured Loans	Deposits		Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	15216.12	46	0		15262.12
ii) Interest due but not paid	0	0	0		0
iii) Interest accrued but not due	0	0	0		0
Total (i+ii+iii)	15216.12	46	0		15262.12
Change in Indebtedness during the financial year					
· Addition	2050.25	0	0		2050.25
· Reduction			0		
NetChange	2050.25	0	0		2050.25
Indebtedness at the end of the financial year					
i) Principal Amount	0	0	0		0
ii) Interest due but not paid	0	0	0		0
iii) Interest accrued but not due	0	0	0		0
Total (i+ii+iii)	17266.37	0	0		17266.37

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. no.	Particulars of Remuneration	Mr. Subhash Chander Kathuria*
		Amount
1	Gross salary	0
	(a) Salary as per provisions	0
	(b) Value of perquisites u/s 17(2)	0
	(c) Profits in lieu of salary under	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	0
	- as % of profit	0
	- others, specify...	0
5	Others, please specify	0
	Total (A)	0
	Ceiling as per the Act	

Note: Mr. Subhash Chander Kathuria has waived his right to receive remuneration from the company.

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Independent Director		
		Mr. Ajay Kumar Mohanty	Ms. Arundhanti Kar	Total Amount
<b>3. Independent Directors</b>				
	Fee for attending Board Meeting	0	0	0
	Fee for Attending Committee Meeting	0	0	0
	Commission			
	Others, please specify	0	0	0
	Total(1)	0	0	0

Note: Independent Director has waived his right to receive remuneration from the company hence no remuneration paid during the year.

	4. Other Non-Executive Directors	Mr. Subhash Jain	Mr. Anubhav Kathuria	Total Amount
	Sitting Fees	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total(2)	0	0	0
	Total (B) = (1+2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act	0	0	0

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Arvind Kumar Tiwari (Company Secretary)	YUGAL Kishor Garg (CEO)	Total Amount (In Lakh)
1	Gross salary	24	18	42
	(a) Salary as per provisions	0	0	0
	(b) Value of perquisites u/s 17(2)	0	0	0
	(c) Profits in lieu of salary under	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	24	18	42

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

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2022.

Date: 03/09/2022  
Place: New Delhi

Subhash Chander Kathuria  
Managing Director  
DIN:00125337

Anubhav Kathuria  
Director  
DIN:01198916



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022**

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

To,  
The Members of  
**SYNERGY STEELS LIMITED**  
1/1, Kirti Nagar Industrial Area,  
West Delhi-110015

In connection with issue of a Secretarial Audit Report pursuant to Sec.204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect **SYNERGY STEELS LIMITED** (hereinafter called the Company) for the Financial Year ended **31<sup>st</sup> March, 2022**, we wish to state as under:-

- 1) **SYNERGY STEELS LIMITED** is incorporated under the Companies Act, 1956 vide CIN-U27107DL1973PLC210670 issued by the Registrar of Companies, NCT of Delhi & Haryana.
- 2) We have verified the records maintained by the Company under the provisions of the Companies Act, 2013 (Act) from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 ("the Audit Period") and report that the Company has complied with the various provisions of the said Act.
- 3) The Authorized Share Capital of the Company is Rs. 14,00,00,000 /- (Fourteen Crore Only) divided into 1,40,00,000 (One Crore Forty Lakh Only) Equity Shares of Rs. 10/- (Ten) each.
- 4) The Issued, subscribed and Paid up Capital of the Company is Rs. 13,22,73,010/- (Thirteen Crore Twenty Two Lakh Seventy Three Thousand Ten Only) divided into 1,32,27,301 (One Crore Thirty Two Lakhs Twenty Seven Thousand Three Hundred One Only) Equity Shares of 10/- (Ten) each.

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **SYNERGY STEELS LIMITED (hereinafter may be referred to as "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 and representation letter given by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 ('**Audit Period**'), the Company 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:



Address: 407-408, GD-ITL Tower B-08, Netaji Subhash Place, Pitampura, New Delhi-110034 (India)

Tel: +91-11-47015959/89 Email: [cs@sigmalegal.in](mailto:cs@sigmalegal.in)

(A unit of Sigma Legal Group)



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 31<sup>st</sup> March, 2022 according to the provisions of:

- I. The Companies Act, 2013 ("the Act") and Companies Act, 1956 (to the extent applicable) the rules made thereunder including any re-enactment thereof;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder **[Not Applicable to the Company, since the Company is an unlisted Public Company];**
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder **[Not Applicable to the Company during the Audit Period];**
- IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not Applicable to the Company, as there were no transactions in the Company during the period under review concerning the same];**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):- 1999 **[since the Company is an unlisted Public Company];**
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011/1999 **[Not Applicable];**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/1999 **[Not Applicable];**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018/1999 **[Not Applicable];**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not Applicable];**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable];**
  - 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 **[Not Applicable];**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable];**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable];**

We have also examined compliance with Secretarial Standards issued by the Institute of Company Secretaries of India;

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.





We further report that the compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**WE FURTHER REPORT THAT:**

- The Board of Directors of the Company is duly constituted as per the provision of the Companies Act, 2013.
- Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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.
- Resolutions & Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken with requisite majority.
- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Akshith Gupta & Associates  
Company Secretaries**

  
  
**Akshith Gupta**  
FCS No: 8472  
CP No: 11408

**Place:** New Delhi

**Date:** 18.08.2022

**UDIN:** F008472D000813155

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

**ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT**

To,  
The Members of  
**SYNERGY STEELS LIMITED**  
1/1, Kirti Nagar Industrial Area,  
West Delhi-110015

**OUR REPORT OF EVEN DATE IS TO BE READ ALONG WITH THIS LETTER.**

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

**For Akshit Gupta & Associates**  
**Company Secretaries**

  
Akshit Gupta  
FCS No: 8472  
CP No: 11408

**Place:** New Delhi  
**Date:** 18.08.2022  
**UDIN:** F008472D000813155

**Annexure-3****Form No. AOC-2**

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

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

**1. Details of contracts or arrangements or transactions at arm's length basis**

Sl. No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangement s/transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount in lakhs
1.	Anita International	Purchase					4246.18
2.	Chamak Holdings Limited	Purchase					5707.69
3.	Providentia Tech	Purchase					671.76
4.	Himalaya Estate Pvt Ltd	Rent					84
5.	Synergy Global Steel Pvt Ltd	Advance					14422.16
6.	Alwar Rolling Mills Pvt Ltd	Job Work					1150.90

**2. Details of material contracts or arrangement or transactions not at arm's length basis: Nil**

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

Note: Form shall be signed by the persons who have signed the Board's report.

Date: 03.09.2022

Place: New Delhi

  
Subhash Chander Kathuria  
Managing Director  
DIN: 00125337

  
Anubhav Kathuria  
Director  
DIN: 01198916

**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**A. Objective**

Managing the CSR contribution to produce an overall positive impact on our society and create wellness.

**B. Vision**

Taking CSR as a strategic social investment, your Company aims to align and integrate Its resources with society's developmental needs towards creating a better tomorrow.

**C. Mission**

To align its activities with its CSR vision and carry out initiatives in the area of:

- a) Education and skill development,
- b) Social and economic welfare,
- c) Environmental sustainability,
- d) Any other permissible areas of CSR.

**D. Activities**

Main Focus Area being Education and other CSR activities listed in the Policy Document as per Companies Act, 2013.

1. Your company after doing analysis and as per the requirement of society, decided to manufacture and supply the Oxygen Cylinders during the second wave of Covid-19 to District Administrator and Hospitals During the Year, and to invest in a Trust and NGO i.e International Society of Krishna Consciousness, which is part of combat world hunger, And Donation under scheme Ghar Ghar Aushadi Yojna (GGAY) which is a part of an scheme of State Government of Rajasthan, Forest Department for preserving Sapling Medical herbs..

2. The Composition of the CSR Committee.

CSR Committee consists the following members:

Mr. Subhash Jain	Chairman
Mr. Subhash Chander Kathuria	Member
Mrs. Arundhati Kar	Member

3. Average net profit of the company for last three financial years: 283398099
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs.67.25 Lac
5. Details of CSR spent during the financial year. Rs. 71.69 Lac

1. Total amount to be spent for the financial year; Rs. 67.25 Lac
2. Amount unspent, if any: Nil

3. Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector or in which the project is covered	Projects or programs (1) Local Area or other (2)Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Sub Heads:</b> (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	<b>Manufacturing and Supply of Oxygen Cylinders</b> (during second wave of Covid -19 to District, Administrator and Hospitals during the year, which expenditure is classified as CSR Expenditure in terms of General Circular No. 09/2021 issues by MCA )			NA	NA	NA	a) 65.69 Lac
2.	<b>International Society of Krishna Consciousness</b> (Combat world hunger by providing free meals)		Rajasthan				B) 5.00 Lac
3.	<b>Ghar Ghar Aushadi Yojna (GGAY)</b> (An scheme of State Government of Rajasthan, Forest Department for preserving Sapling Medical herbs)						C) 1.00 Lac

- e) In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount.- **NA**

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: It is hereby stated that the implementation and monitoring of CSR Policy is in compliance / will be in compliance with the CSR Objectives and Policy of the Company.

Date:03.09.2022  
Place: New Delhi



Subhash Chander Kathuria  
Managing Director

DIN: 00125337



Subhash Jain  
Chairman CSR Committee

DIN: 00176960



## INDEPENDENT AUDITOR'S REPORT

To the Members of Synergy Steels Limited

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Synergy Steels Limited**, ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 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 Board's Report including Annexures to Board's Report, 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 conclusion thereon.

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

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

#### Responsibilities of Management and those charged with governance 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, including accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection, application and implementation of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the



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accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

#### **Other Matter**

We draw attention to note no. 9(i) to the financial statements of the Company. The Company has not provided interest of Rs. 2.38 Lakhs in respect of interest payable on amount due to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 pertaining to financial year 2020-21, on account of delay in payment to abovesaid entities. The profit of the Company is overstated by an amount of Rs. 2.38 Lakhs on account of non-provision of interest payable to abovesaid entities pertaining to FY 2020-21, and Reserve and Surplus of the Company are overstated by the same amount.

Our opinion is not modified in this respect.

#### **Auditor's Responsibilities for the Audit of 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 scepticism throughout the audit. We also:

- (i) 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.
- (ii) 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 system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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.



- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

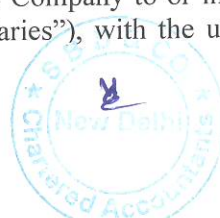
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **Annexure – 'A'**, a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid 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, taken on record by Board of Directors, none of the director is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the Company has not paid any remuneration to its directors during the year and accordingly, no reporting is required to be made under the provisions of Section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i) The Company did not have any pending litigations, which would have any material impact on financial position of the Company in its financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) (a) The management has represented that, to the best of knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in



writing or otherwise, that the intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any other manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of knowledge and belief, , no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the "Funding Parties" (Ultimate Beneficiaries) or provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries and

(c) Based on such audit procedure that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v) The Company has not declared any dividend or paid any dividend during the year.

Workingdom Office Solutions Pvt. Ltd.  
E-13/29, First Floor, Harsha Bhawan,  
Connaught Place, New Delhi - 110001



Place: New Delhi

Date: 03-09-2022

for S B D & Co.

Chartered Accountants

Firm Registration No. 024005N

By the hand of

*Vishwanand Keshri*

**Vishwanand Keshri**

Partner

Membership No.505508

UDIN: 22505508AYURSZ4543

### **Annexure – ‘A’ to the Independent Auditor’s Report**

(Referred to in paragraph (1) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Synergy Steels Limited of even date)

- (i) In respect of its Property, Plant & Equipment:
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
  - b) As per information and explanation given to us, the property, plant and equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the title deeds of immovable properties are held in the name of the Company. Also, the Company has lease deed executed in its favour in respect of leasehold land held by the Company.
  - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - e) According to the information and explanations given to us by the management of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) In respect of its inventories:
- (a) As explained to us and on the basis of records examined by us, in our opinion, the inventories have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification.
  - (b) As per the information and explanations given to us by the management and examination of books of account and other records produced before us, in our opinion quarterly returns or statements filed by the Company with banks or financial institutions pursuant to terms of sanction letters for working capital limits secured by current assets are in agreement with the books of account of the Company.
- (iii) In our opinion and according to the information and explanations given to us the Company has not made investment in the nature of loan or provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, paragraph 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of section 185 and 186 of the Act in respect of loans granted, investment made and guarantee and security provided, as applicable.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
- (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 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been 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 the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, cess and other material statutory dues as applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, cess and other material statutory dues were outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income-tax Act, 1961 (43 of 1961) as income during the year.

- (ix) (a) In our opinion and according to the information and explanations given and books of account and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, and according to the information and explanations given and records examined by us, the Company has not raised any money by way of term loans during the year.

d) According to the information and explanations given to us, procedures performed by us, and on an overall examination of the financial statements of the Company, we report, prima facie, that funds raised on the short-term basis has not been utilized for long term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiary, joint venture or associate company, therefore question of raising taking any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate or joint venture does not arise.

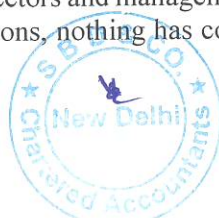
f) In our opinion, and according to the information and explanations given to us, the Company does not have any subsidiary, joint venture or associate company, therefore question of raising any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures does not arise

- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, requirement to report on paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) The Company did not make any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, requirement to report on paragraph 3(x)(b) of the Order is not applicable to the Company



- (xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year;
- (b) No report has been filed by us under sub-section (12) of section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government;
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per provisions of the Act. Accordingly, the requirements to report on clause (xii)(a) to clause (xii)(c) of paragraph 3 of the Order are not applicable to the Company.
- (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. (Refer Note No. 40 of the financial statements).
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, requirement to report under paragraph 3(xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, requirement to report under clause (xvi)(a) of Paragraph 3 of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, requirement to report under clause (xvi)(b) of Paragraph 3 of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulation made by the Reserve Bank of India. Accordingly, requirement to report under clause (xvi)(c) of Paragraph 3 of the Order is not applicable to the Company.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, requirement to report under clause (xvi)(d) of Paragraph 3 of the Order is not applicable to the Company.
- (xvii) In our opinion and according to the examination of the financial statements, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation by the statutory auditors during the year. Accordingly, requirement to report under clause (xviii) of Paragraph 3 of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to



believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) With respect to Corporate Social Responsibility contribution under section 135 of the Act:

a) According to the information and explanations given to us and on the basis of our audit procedures, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.

b) According to the information and explanations given to us and on the basis of our audit procedures, there were no ongoing projects related to Corporate Social Responsibilities. Therefore, provisions of clause (xx) (b) of Paragraph 3 of the Order are not applicable to the Company.

(xxi) According to the information and explanations given to us, the Company does not have any subsidiary and associate and there is no consolidated financial statements of the Company as at the year end. Accordingly, requirement to report under clause (xxi) of paragraph 3 of the Order is not applicable to the Company.

Workingdom Office Solutions Pvt. Ltd.  
E-13/29, First Floor, Harsha Bhawan,  
Connaught Place, New Delhi - 110001



Place: New Delhi  
Date: 03-09-2022

for S B D & Co.  
Chartered Accountants  
Firm Registration No. 024005N  
By the hand of

*Vis-lease'*

**Vishwanand Keshri**  
Partner

Membership No.505508  
UDIN: 22505508AYURS24543



### **Annexure – ‘B’ to the Independent Auditor’s Report**

(Referred to in paragraph (2)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Synergy Steels Limited of even date)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“Act”)**

We have audited the internal financial controls over financial reporting of **Synergy Steels Limited** (“the Company”) as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note and Standards of Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company’s internal financial controls system over financial reporting.

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

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) 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 (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Workingdom Office Solutions Pvt. Ltd.  
E-13/29, First Floor, Harsha Bhawan,  
Connaught Place, New Delhi - 110001



Place: New Delhi

Date: 03-09-2022

for **S B D & Co.**

*Chartered Accountants*

Firm Registration No. 024005N

By the hand of

*Vishwanand Keshri*

**Vishwanand Keshri**

*Partner*

Membership No.505508

UDIN: 22505508AYURSZ4543

**SYNERGY STEELS LIMITED**  
1/1, Main Road, Kirti Nagar, New Delhi- 110015  
CIN: U27107DL1973PLC210670  
**BALANCE SHEET AS AT MARCH 31, 2022**

	Notes	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
Share capital	3	1,322.73	1,322.73
Reserves and surplus	4	28,173.38	21,033.00
		<u>29,496.11</u>	<u>22,355.73</u>
<b>Non current liabilities</b>			
Long term borrowings	5	998.40	1,698.33
Deferred tax liabilities (Net)	6	1,730.21	2,186.83
Long-term provisions	7	277.69	265.03
		<u>3,006.30</u>	<u>4,150.19</u>
<b>Current liabilities</b>			
Short term borrowings	8	16,313.97	13,563.79
Trade payables	9	22,124.49	14,712.37
Other current liabilities	10	7,700.03	4,935.34
Short term provisions	11	943.60	343.77
		<u>47,082.09</u>	<u>33,555.27</u>
<b>TOTAL</b>		<b>79,584.50</b>	<b>60,061.19</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment and intangible assets			
- Property, plant and equipment	12	19,916.85	14,038.30
- Intangible assets	12A	235.98	43.37
Capital work in progress	13	-	4,754.30
Non current investments	14	30.38	30.38
Long term loans and advances	15	1,414.64	384.04
Other non current assets	16	837.22	830.73
		<u>22,435.07</u>	<u>20,081.12</u>
<b>Current assets</b>			
Inventories	17	24,852.96	18,141.65
Trade receivables	18	23,689.24	14,605.01
Cash and bank balances	19	1,943.16	967.61
Short term loan and advances	20	4,044.68	3,831.85
Other current assets	21	2,619.39	2,433.95
		<u>57,149.43</u>	<u>39,980.07</u>
<b>TOTAL</b>		<b>79,584.50</b>	<b>60,061.19</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES TO FINANCIAL STATEMENTS</b>	3 - 55		

The accompanying notes form an integral part of the financial statements.  
As per our report of even date.

for S B D & Co.  
Chartered Accountants  
Firm Registration No.: 024005N  
By the hand of



Vishwanand Keshri  
Partner  
Membership No.: 505508  
New Delhi.  
Date: 03-09-2022

For and on behalf of Board of Directors of  
Synergy Steels Limited

Subhash Chander Kathuria  
Managing Director  
DIN: 00125337

Yugal Kishor Garg  
Chief Financial Officer  
PAN: AHXPG2362B

Anubhav Kathuria  
Director  
DIN: 01198916

Arvind Kumar Tiwari  
Company Secretary  
Membership No. F-6421

**SYNERGY STEELS LIMITED**  
1/1, Main Road, Kirti Nagar, New Delhi- 110015  
CIN: U27107DL1973PLC210670

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

	Notes	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs
<b>INCOME</b>			
Revenue from operations	22	2,64,533.00	1,49,127.41
Less: Goods and service tax		40,389.98	22,987.72
		2,24,143.02	1,26,139.69
Other income	23	1,316.94	2,443.51
<b>Total income</b>		<b>2,25,459.96</b>	<b>1,28,583.20</b>
<b>EXPENSES</b>			
Materials consumed	24	1,73,969.79	1,02,324.65
Purchase of traded goods		7,255.84	1,355.60
Manufacturing costs	25	21,044.04	14,201.23
Change in inventories of finished goods and traded goods	26	(869.94)	(1,236.05)
Employees benefits expense	27	1,711.38	1,436.10
Finance costs	28	1,837.68	1,497.35
Depreciation and amortization	12/12A	1,338.80	1,145.05
Other expenses	29	10,525.51	4,180.15
<b>Total expenses</b>		<b>2,16,813.10</b>	<b>1,24,904.08</b>
<b>Profit before prior adjustments and tax</b>		<b>8,646.86</b>	<b>3,679.12</b>
Less: Prior period expenses		-	-
<b>Profit before tax</b>	(i)	<b>8,646.86</b>	<b>3,679.12</b>
Less: Tax expense			
Current tax		1,996.77	1,284.08
Excess provision of income tax created last year (Now reversed)		(73.04)	(6.85)
Less: MAT adjustment of earlier year		-	-
Net current tax	(ii)	1,923.73	1,277.23
Deferred tax	(iii)	(456.62)	58.81
<b>Profit for the year</b>	(iv=i-ii-iii)	<b>7,179.75</b>	<b>2,343.08</b>
<b>Earnings per equity share of nominal value of Rs. 10 (Rs. 10)</b>	39		
Basic (Rs.)		54.28	17.71
Diluted (Rs.)		54.28	17.71

**CORPORATE INFORMATION**

**SIGNIFICANT ACCOUNTING POLICIES**

**NOTES TO FINANCIAL STATEMENTS**

The accompanying notes form an integral part of the financial statements.

As per our report of even date.


for S B D & Co.  
Chartered Accountants  
Firm Registration No.: 024005N  
By the hand of

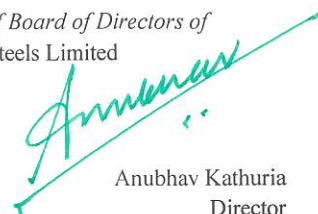


Vishwanand Keshri  
Partner  
Membership No.: 505508  
New Delhi.  
Date: 03-09-2022

For and on behalf of Board of Directors of  
Synergy Steels Limited

  
Subhash Chander Kathuria  
Managing Director  
DIN: 00125337

  
Yugal Kishor Garg  
Chief Financial Officer  
PAN: AHXPG2362B



Anubhav Kathuria  
Director  
DIN: 01198916  
  
Arvind Kumar Tiwari  
Company Secretary  
Membership No. F-6421

**SYNERGY STEELS LIMITED**

1/1, Main Road, Kirti Nagar, New Delhi- 110015

CIN: U27107DL1973PLC210670

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

For the year ended	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	8,646.86	3,679.12
Adjustments for:		
Depreciation	1,338.80	1,145.05
Finance costs	1,623.92	1,382.35
Interest received	(162.08)	(122.29)
Prior period expenses	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>11,447.50</b>	<b>6,084.22</b>
Adjustments for (increase) / decrease in operating assets:		
Inventories	(6,711.30)	(1,262.87)
Trade receivables	(9,084.23)	(5,798.31)
Short-term loans and advances	(139.79)	(2,082.56)
Long-term loans and advances	(1,030.60)	36.59
Other current assets	(185.45)	(1,248.57)
Other non-current assets	(6.50)	85.40
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	7,412.12	2,749.04
Other current liabilities	2,764.70	2,053.15
Short-term provisions	13.58	0.02
Long-term provisions	12.66	67.78
<b>CASH GENERATED FROM OPERATIONS</b>	<b>4,492.69</b>	<b>683.90</b>
Income tax paid	(1,410.52)	(668.60)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>A 3,082.17</b>	<b>15.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,449.34)	(418.47)
Sale/Adjustment of property, plant and equipment	-	0.92
(Increase)/decrease in capital work in progress	4,754.30	(1,957.76)
(Increase)/decrease in deposits with bank	(669.78)	(261.90)
Interest received	162.08	122.29
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>B (3,202.74)</b>	<b>(2,514.92)</b>
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>		
Increase/(decrease) of long-term borrowings	(699.92)	(1,921.84)
Proceeds from other short-term borrowings	2,750.18	5,570.13
Finance costs	(1,623.92)	(1,382.35)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>C 426.34</b>	<b>2,265.95</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C) 305.77</b>	<b>(233.67)</b>
CASH AND CASH EQUIVALENTS OPENING BALANCE	227.94	461.61
CASH AND CASH EQUIVALENTS CLOSING BALANCE	533.71	227.94

**Note: Figures in brackets indicate cash out flow.**

This is the Cash Flow Statement referred to in our report of even date.

for S B D & Co.

Chartered Accountants

Firm Registration No.: 024005N

By the hand of

*Vishwanand Keshri*

Vishwanand Keshri

Partner

Membership No.: 505508

New Delhi.

Date: 03-09-2022



For and on behalf of Board of Directors of

Synergy Steels Limited

*Subhash Chander Kathuria*

Subhash Chander Kathuria

Managing Director

DIN: 00125337

*Yugal Kishor Garg*

Yugal Kishor Garg

Chief Financial Officer

PAN: AHXPG2362B

*Anubhav Kathuria*

Anubhav Kathuria

Director

DIN: 01198916

*Arvind Kumar Tiwari*

Arvind Kumar Tiwari

Company Secretary

Membership No. F-6421

**1 CORPORATE INFORMATION**

Synergy Steels Limited was incorporated in 1973 under the Companies Act, 1956. The Company manufactures SS Billets, flats, heavy casting products and wire rods at its plants situated at 2 Matsya Industrial Area (MIA), Alwar, Rajasthan and 5 SPL, Matsya Industrial Area (MIA), Alwar, Rajasthan. The Company has Stainless Steel melting capacity of 155,000 M.T. per annum at 2 MIA, Alwar, Rajasthan and Stainless Steel Wire Rod manufacturing capacity of 100,000 M.T. per annum. The installed Plant is a continuous process using latest modern technology available for making high quality products.

**2 SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards as notified under section 133 of the Companies Act, 2013, read with Rule 7 of [Companies (Accounts) Rules, 2014], and other relevant provisions of Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The management evaluates all recently issued or revised accounting standards on an ongoing basis.

**b) USE OF ESTIMATES**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Although these estimates are based on the management's best knowledge of current events and actions, the company may undertake in future, the actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**c) PROPERTY, PLANT AND EQUIPMENTS, CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to the acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

Plant and machinery, leasehold land and other assets were revalued as at March 15, 2007. Accordingly, those assets are stated at revalued amounts. The resultant increase on revaluation was credited to Revaluation Reserve. Depreciation on revalued portion of property, plant and equipment has been charged against the Revaluation Reserve.

Depreciation on factory building, plant and machinery and furnaces is charged in accordance with useful life of the assets on straight line method at rates prescribed in Part 'C' of Schedule II of the Companies Act, 2013. Other assets are depreciated in accordance with their useful life on written down method at rates prescribed in Part 'C' of Schedule II of the Companies Act, 2013. Depreciation on assets purchased during the year is provided pro-rata to the period such asset was put to use during the year.

Depreciation on revalued amount of property, plant and equipment is charged on the straight line method except laboratory equipment on which depreciation has been charged on written down value method over the useful life of the assets at rates prescribed in Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the year the asset is de-recognized.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as "Capital Advances" under Long Term Loans and Advances and cost of property, plant and equipment not yet ready for their intended use as at the reporting date are disclosed under "Capital Work in Progress".

Interest on borrowed money allocated to and utilised for property, plant and equipment, pertaining to the period upto the date of capitalisation is capitalised. Assets acquired on hire purchase are capitalised at the gross value and interest thereon is charged to the Statement of Profit and Loss.



**d) IMPAIRMENT OF ASSETS**

At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

(a) the provision for impairment loss, if any required or

(b) the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

(a) in the case of an individual asset, at the higher of the net selling price and the value in use.

(b) in the case of a cash generating unit (a group of assets that generates identified independent cash flows) at the higher of the cash generating unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

**e) INVESTMENTS**

Investments are stated at cost. Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are stated at cost less provision for diminution in the value of such investments, if such diminution is of permanent nature. Investments other than long term investments being current investments are valued at lower of cost and fair value, computed separately in respect of each category of investment.

**f) INVENTORIES**

Inventories are valued as follows:

Raw materials including material in transit, stores and spares are valued at cost; Cost being ascertained on basis of first in first out basis.

Finished goods including work-in-process are valued at lower of direct cost of production (inclusive of excise duty paid/payable thereon) or net realisable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operation capacities. Excise duty payable on finished goods has been included in the value of finished goods inventory. Net market value is the estimated selling price in the ordinary course of business.

Skum/skim, etc. and similar goods, generated in production process, are valued at net realisable value.

**g) REVENUE RECOGNITION**

Revenue from sale of products is recognized when risk and reward of ownership of the products are transferred to the customers and the Company retains no effective control of the goods to a degree usually associated with ownership, which are generally on dispatch/delivery of the goods and no significant un-certainty exists regarding the amount of consideration that will be derived from the sale of goods. Sales are stated at net of discounts, returns and recoverable taxes and inclusive of excise duty.

Interest income is recognized on time proportion basis considering the amount outstanding and the applicable interest rate.

Revenue from arbitration award and claims made by the Company is recognised in the year in which there is no uncertainty as to its ultimate collection.

Government benefits are accounted for in the year in which application is filed by the Company for such benefits.

Export incentive are accounted for on accrual basis.

**h) BORROWING COST**

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.



**i) EMPLOYEE BENEFITS****1.) Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the services are classified as Short Term Employee Benefits. Benefits such as salaries, wages and short term compensated absence, etc. and the expected cost of ex-gratia is recognized in the period in which the employee renders the related services.

**2.) Post Employment Benefits:**

(a) **Defined Benefit Plans:** The Company's Gratuity and Leave encashment schemes are defined benefit plans. In accordance with the requirements of revised Accounting Standard-15 "Employee Benefits", the Company provides for gratuity covering eligible employees on the basis of actuarial valuation as carried out by an independent actuary using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans is based on the market yields on Government securities as at the Balance Sheet date.

The liability is un-funded. Actuarial gains and losses arising from changes in the actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such gains or losses arise.

Leave encashment benefits payable to employees of the Company with respect to accumulated leave outstanding at the year end are accounted for on the basis of an actuarial valuation as at the Balance Sheet date.

**(b) Defined Contribution Plans:**

Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employees state insurance are defined contribution plans. The contributions are recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.

Other employee benefits are accounted for on accrual basis.

**j) FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the Balance Sheet date except in cases where actual amount has been ascertained by the time of finalization of accounts.

Exchange differences arising on the translation or settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recorded in exchange fluctuation account and recognized as income or expense in the year in which they arise.

**k) TAXES ON INCOME**

The accounting treatment followed for taxes on income is to provide for current tax and deferred tax. Provision for current income tax is made for the tax liability payable on taxable income ascertained in accordance with the applicable tax rates and laws.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements, carrying amounts of existing assets and liabilities and their respective tax bases and carry forwards of operating loss. Deferred tax assets and liabilities are measured on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Changes in deferred tax assets and liabilities between one Balance Sheet date and the next, are recognised in the Statement of Profit and Loss in the year of change. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in Statement of Profit and Loss in the year of change.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized by way of future taxable income. Deferred tax assets related to unabsorbed depreciation and carry forward losses are recognised only to the extent that there is virtual certainty of realisation. Deferred tax assets are reviewed for appropriateness of their carrying amounts at each Balance Sheet date.

The credits arising from 'Minimum Alternate Tax' paid are recognised as receivable only if there is virtual certainty that the Company will have sufficient taxable income in future years in order to utilize such credits.





**l) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and short term deposits with an original maturity period of three months or less.

**m) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**n) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized for a present obligation as result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Re-imbursment expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the re-imbursment will be received. Contingent liabilities is disclosed in the notes in case of a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and

**o) EARNINGS PER SHARE**

In determining earnings per share, the Company considers the net profit after tax for the year attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive

**p) LEASES OBTAINED**

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term. Finance lease which effectively transfer to the Company substantial risk and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs
<b>3 SHARE CAPITAL</b>		
Authorized		
1,38,00,000 (1,38,00,000 ) equity shares of Rs. 10 (Rs. 10) each	1,380.00	1,380.00
20,000 (20,000) 9.5% (9.5%) cumulative preference shares of Rs. 100 (Rs. 100) each	20.00	20.00
	<u>1,400.00</u>	<u>1,400.00</u>
Issued, subscribed and paid up		
1,32,27,301 (1,32,27,301) equity shares of Rs. 10 ( Rs. 10) each fully paid up	1,322.73	1,322.73

**Notes:****(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:**

Particulars	March 31, 2022		March 31, 2021	
	Numbers	Rs., Lakhs	Numbers	Rs., Lakhs
Outstanding at the beginning of the year	1,32,27,301	1,322.73	1,32,27,301.00	1,322.73
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>1,32,27,301</u>	<u>1,322.73</u>	<u>1,32,27,301.00</u>	<u>1,322.73</u>

**(b) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the 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 remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shareholders holding more than 5% of fully paid equity shares in the Company:**

Name of shareholder	March 31, 2022		March 31, 2021	
	Numbers	Percentage (%)	Numbers	Percentage (%)
1 Subhash Chander Kathuria	71,71,348	54.22%	71,71,348.00	54.22%
2 Surya Finvest Pvt. Ltd.	13,37,058	10.11%	13,37,058.00	10.11%
3 Anubhav Kathuria	11,11,428	8.40%	11,11,428.00	8.40%

**(d) No bonus issue, buy back of shares and issue of shares other than cash in last five years.****(e) Details of equity shares held by promoters of the Company:**

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
1 Subhash Chander Kathuria	71,71,348	54.22%	-
2 Surya Finvest Pvt. Ltd.	1337058	10.11%	-
3 Anubhav Kathuria	11,11,428	8.40%	-
4 Himalaya Estate Pvt. Ltd.	6,55,263	4.95%	-
5 Kathuria Casting Pvt. Ltd.	5,85,263	4.42%	-
6 Anita Kathuria	5,75,446	4.35%	-
7 Alwar Rolling Mills Pvt. Ltd.	4,45,000	3.36%	-
8 Synergy Global Steel Pvt. Ltd.	4,25,000	3.21%	-
9 Ramnika Estate Pvt. Ltd.	2,99,107	2.26%	-
10 Aakar Technobuild Pvt. Ltd.	2,60,000	1.97%	-
11 Shubhash Chander Kathuria (HUF)	2,37,348	1.79%	-
12 Yasha Sud	65,000	0.49%	-
13 Wonder Software Pvt. Ltd.	50,000	0.38%	-
14 Monica Sarin	5,000	0.04%	-
15 Rimple Lohia	5,000	0.04%	-



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs
<b>4 RESERVES AND SURPLUS</b>		
(a) Securities premium account		
Balance as at the beginning of the year	8,231.27	8,231.27
Add: Received on issuance of equity shares	-	-
Balance as at the end of the year	<u>8,231.27</u>	<u>8,231.27</u>
(b) Revaluation reserve		
Balance as at the beginning of the year	908.70	948.13
Less: Depreciation for the period	39.38	39.43
Balance as at the end of the year	<u>869.32</u>	<u>908.70</u>
(c) Central Government cash subsidy	<u>12.59</u>	<u>12.59</u>
(d) Surplus		
Balance at the beginning of the year	11,880.45	9,537.37
Add: Profit for the year	7,179.75	2,343.08
Balance as at the end of the year	<u>19,060.20</u>	<u>11,880.45</u>
	<u>(a+b+c+d)</u>	<u>21,033.00</u>
	<u>28,173.38</u>	<u>21,033.00</u>
<b>5 LONG TERM BORROWINGS</b>		
<b>A. Secured</b>		
<b>From Indian Overseas Bank (IOB)</b>		
Term loan-I	-	1,474.17
WCTL under GECL	906.67	146.67
<b>From UCO Bank</b>		
UCO Covid-19 Emergency Credit Line (UCECL) Term Loan	-	31.49
<b>Vehicle loan from Toyota Financial Services Limited</b>	45.73	-
<b>B. Unsecured</b>		
From related party		
Body corporate	46.00	46.00
	<u>998.40</u>	<u>1,698.33</u>

**Notes:**
**A) Term loan-I from Indian Overseas Bank (IOB)**

(i) Term loan-I of Rs. 14,78.00 Lakhs (Rs. 28,24.17 Lakhs) for Wire Rod Mill (WRM) project is repayable in 22 (twenty two) quarterly instalments (Balance 4 instalments) commenced from April 1, 2017, with moratorium of 32 (thirty two) months. Interest on term loan to be serviced on monthly basis when charged to the account.

(ii) **Primary security:** The aforesaid term loan-I is secured by first charge (only IOB) by way of equitable mortgage of factory land and building situated at New Unit situated at Plot No. 5, MIA, Alwar, Rajasthan, and hypothecation of plant and machinery and first charge on fixed assets of the Company.

(iii) **Collateral security:** Pari-passu charge among consortium lenders on, i) Equitable mortgage of leasehold factory land and building at Plot No. 2, Matsya Industrial Area, Alwar, Rajasthan; ii) Hypothecation of plant and machinery and other block assets of the Company (excluding plant and machinery and other block assets which are acquired/to be acquired out of term loans sanction for the WRM project); (iii) Hypothecation of plant and machinery at Plot No. 2, Matsya Industrial Area, Alwar, Rajasthan and iv) First pari-passu charge on Flat No. C-0402, 4th Floor, Tower No. 3, Provence Estate, Village - Gwal Pahari, Sector -2, Gurugram, Haryana owned by Mr. Subhash Chander Kathuria, Managing Director of the Company.

During the year, the collateral security being Residential land and building situated at Plot No. 3041, HUDA, Sector -46, Gurugram, Haryana owned by Mr. Subhash Chander Kathuria, Managing Director of the Company, has been replaced with fresh collateral Security being Residential flat situated at Flat No. C-0402, 4th Floor, Tower No. 3C, Provence Estate, Village - Gwal Pahari, Sector -2, Gurugram, Haryana, and lien on fixed deposit receipts worth of Rs. 98.30 Lakhs in the name of Mr. Subhash Chander Kathuria, Managing Director of the Company.

(iv) **Guarantee:** Personal guarantees of Mr. Subhash Chander Kathuria, Managing Director of the Company, and Mr. Anubhav Kathuria, Director of the Company.



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Notes to the financial statements as at and for the year ended on March 31, 2022

- (v) The term loan-I were repayable in 22 (twenty two) unequal instalments commencing from 01.04.2017. The Company availed moratorium in payment of instalments on this term loan on account of Covid-19 pandemic in terms of announcement made by Reserve Bank of India. Accordingly, details of instalments payable earlier and as rescheduled are as under:

**(a) As earlier payable****(Rs., Lakhs)**

Particulars	Number of instalments	Quarterly	Total
		instalment	
From April 1, 2017 to March 31, 2020	12	300.00	3,600.00
From April 1, 2020 to March 31, 2021	4	325.00	1,300.00
From April 1, 2021 to March 31, 2022	4	350.00	1,400.00
From April 1, 2022 to June 30, 2022	1	414.00	414.00
From July 1, 2022 to Sept 30, 2022	1	364.00	364.00
			<b>7,078.00</b>

**(b) As rescheduled:****(Rs., Lakhs)**

Particulars	Number of instalments	Quarterly	Total
		instalment	
From April 1, 2017 to March 31, 2020	12	300.00	3,600.00
From April 1, 2020 to September 30, 2020	-	-	-
From October 1, 2020 to September 30, 2021	4	325.00	1,300.00
From October 1, 2021 to September 30, 2022	4	350.00	1,400.00
From October 1, 2022 to December 31, 2022	1	414.00	414.00
From January 1, 2023 to March 31, 2023	1	364.00	364.00
			<b>7,078.00</b>

- (vi) Current maturities of long term debts in respect of term loan -I of Rs. 14,78.00 Lakhs (Rs. 13,50.00 Lakhs) are separately disclosed under "Short Term Borrowings" (Refer Note No. 8).
- (vii) The Company has not made any default as at March 31, 2022.

**B) WCTL under GECL from IOB**

- (i) Working Capital Term Loan under Guaranteed Emergency Credit Line of Rs. 12,80.00 Lakhs sanctioned for working capital purpose out of which Rs. 12,80.00 Lakhs (Rs. 200.00 Lakhs) availed by the Company, which is repayable in 48 (forty eight) equal monthly instalments (balance 46 instalments) commencing from February 2022 of Rs. 26.67 Lakhs (rounded off) after payment holiday of 12 months. Interest on aforesaid WCTL are serviced on monthly basis when charged to the account.
- (ii) **Security:** This WCTL under GECL is secured by ranking second charge with existing credit facilities from IOB in term of cash flow (including repayment) and security which charge on assets finance under scheme.
- (iii) Current maturities of long term debts in respect of WCTL under GECL of Rs. 320.00 Lakhs (Rs. 53.33 Lakhs) has been separately disclosed under "Short Term Borrowings" (Refer Note No. 8).
- (iv) The Company has not made any default as at March 31, 2022.

**C) UCECL Term Loan from UCO Bank**

- (i) UCO Covid-19 Emergency Credit Line (UCECL) of Rs. 400.00 Lakhs to meet the temporary liquidity mismatch and cash flow problems availed by the Company is repayable in 24 (twenty four) monthly instalments (Nil balance instalments) commenced from December, 2020 of Rs. 23.63 Lakhs after payment holiday of 6 months. Interest on aforesaid UCECL are serviced on monthly basis when charged to the account.
- (ii) **Primary Security:** Extension of charges on (i) first pari passu charge with IOB on all current assets including hypothecation of stocks of raw material, work in progress, finished goods and spares, and receivables upto 90 (ninety) days.
- (iii) **Collateral security:** Extension of charges on i) second charge on leasehold factory land with building situated at new unit at 5, MIA, Alwar, Rajasthan; ii) hypothecation of plant and machinery at the new unit situated at Plot No. 5, MIA, Alwar, Rajasthan; iii) first pari passu charge with IOB on leasehold factory land and building at Plot No. 2, MIA, Alwar, Rajasthan; iv) first pari passu charge with IOB on hypothecation of plant and machinery and other block of assets of the Company; v) second charge on plant and machinery exclusively charged to IOB; and vi) First pari-passu charge with IOB on residential property situated at Plot No. 3041, HUDA Sector -46, Gurugram, Haryana owned by Mr. Subhash Chander Kathuria, Managing Director of the Company.
- (iv) **Guarantee:** Extension of personal guarantees of Mr. Subhash Chander Kathuria, Managing Director of the Company, and Mr. Anubhav Kathuria, a director of the Company.
- (v) Current maturities of long term debts in respect of UCECL of Nil (Rs. 283.55 Lakhs) has been separately disclosed under "Short Term Borrowings" (Refer Note No. 8).
- (vi) The Company had repaid the UCECL during the year.



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Notes to the financial statements as at and for the year ended on March 31, 2022

**D) Vehicle loan from Toyota Financial Services Limited**

Vehicle loan of Rs. 70.91 Lakhs (Nil) from Toyota Financial Services Limited is secured against hypothecation of respective vehicle. The loan is repayable in 36 equated monthly instalments of Rs. 2.43 Lakhs starting from December 2021.

Current maturities of long term debts in respect of vehicle loan of Rs. 25.17 Lakhs (Nil) has been separately disclosed under "Short Term Borrowings" (Refer Note No. 8).

**E) Maturity Profile of secured loans as at March 31, 2022 is set out below:**

Particulars	Maturity profile		Non-current	Current
	6-10 years	2-5 years	Total	One year
	Rs., Lakhs	Rs., Lakhs	Rs., Lakhs	Rs., Lakhs
Loans from banks and NBFC	-	952.40	952.40	2,233.17
(Previous year)	-	(1,652.33)	(1,652.33)	(1,686.88)

**F) Long term borrowings (unsecured)**

Long term borrowings from related party represent non-interest bearing unsecured loans obtained by the Company, which loans are repayable, wherever stipulated, and mutually agreed.

**6 DEFERRED TAX LIABILITIES (NET)**

	As at April 1, 2021	(Charged)/credited to Statement of Profit and Loss	As at March 31, 2022
	Rs., Lakhs	Rs., Lakhs	Rs., Lakhs
i) Deferred tax assets			
Gratuity	82.72	(15.21)	67.51
Leave encashment	18.33	(6.46)	11.87
Share issue expenses	0.18	(0.18)	-
	<u>101.23</u>	<u>(21.85)</u>	<u>79.38</u>
ii) Deferred tax liability			
Property, plant and equipments	<u>2,288.06</u>	<u>478.47</u>	<u>1,809.59</u>
	<u>2,288.06</u>	<u>478.47</u>	<u>1,809.59</u>
Net deferred tax assets/(liabilities); (i)-(ii)	<u>(2,186.83)</u>	<u>456.62</u>	<u>(1,730.21)</u>

(a) In accordance with the provisions of the Accounting Standard-22 on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, the Company has recognised deferred tax assets of Rs. 79.38 Lakhs (Rs. 101.23 Lakhs) and deferred tax liabilities of Rs. 18,09.59 Lakhs (Rs. 22,88.06 Lakhs) as at March 31, 2022.

(b) The net deferred tax assets/(liability) amounting to Rs. 456.62 Lakhs (Previous Year: Deferred tax liabilities of Rs. 58.81 Lakhs) for the year has been recognised in the Statement of Profit and Loss.

	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
<b>7 LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits:</b>		
Gratuity (Unfunded)	238.83	219.06
Leave encashment (Unfunded)	38.86	45.97
	<u>277.69</u>	<u>265.03</u>



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs
<b>8 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
a) Loans repayable on demand:		
From Indian Overseas Bank Limited (IOB)		
Cash credit facilities^	4,034.47	4,000.00
From UCO Bank Limited		
Cash credit facilities^	-	4,000.00
From HDFC Bank Limited		
Cash credit facilities	1,835.95	3,876.91
Working capital demand loan	6,000.00	-
From Axis Bank Limited		
Cash credit facilities	710.38	-
Working capital demand loan	1,500.00	-
b) Current maturities of long term debts	2,233.17	1,686.88
	<u>16,313.97</u>	<u>13,563.79</u>

**Notes:****A) Cash Credit facilities, working capital demand loan, and non-fund based facilities from IOB, UCO Bank, HDFC Bank Limited and Axis Bank Limited:**

**Primary Security:** Working capital facilities, fund based, are secured against, (i) first pari passu charge on entire current assets of the Company; ii) hypothecation of stocks of raw material, work in progress, finished goods and spares, and receivables upto 90 (ninety) days.

**Collateral security:** The aforesaid cash credit facilities, working capital demand loan, foreign letter of credit and buyer's credit facilities are further collaterally secured by, i) First pari-passu charge on leasehold factory land and building at Plot No. 2, Matsya Industrial Area, Alwar, Rajasthan; ii) First charge on plant and machinery at Plot No. 2, Matsya Industrial Area, Alwar, Rajasthan; iii) Second charge on factory building and plant and machinery at Plot No. 5, Matsya Industrial Area, Alwar, Rajasthan; iv) First pari-passu charge on block assets of the Company other than assets financed by IOB; and iv) Flat No. C- 0402, 4th Floor, Tower No. 3, Provence Estate, Village - Gwal Pahari, Sector -2, Gurugram, Haryana owned by Mr. Subhash Chander Kathuria, Managing Director of the Company, and (v) Lien on fixed deposit receipt worth of Rs. 98.30 Lakhs in the name of Mr. Subhash Chander Kathuria, Managing Director of the Company .

During the year, the collateral security being Residential land and building situated at Plot No. 3041, HUDA, Sector -46, Gurugram, Haryana owned by Mr. Subhash Chander Kathuria, Managing Director of the Company, has been replaced with fresh collateral Security being Residential flat situated at Flat No. C- 0402, 4th Floor, Tower No. 3C, Provence Estate, Village - Gwal Pahari, Sector -2, Gurugram, Haryana, and lien on fixed deposit receipts worth of Rs. 98.30 Lakhs in the name of Mr. Subhash Chander Kathuria, Managing Director of the Company.

**Guarantee:** The aforesaid cash credit facilities, working capital demand loan, foreign letter of credit and buyer's credit facilities are further secured by personal guarantees of Mr. Subhash Chander Kathuria, Managing Director of the Company, and Mr. Anubhav Kathuria, Director of the Company.

The working capital facilities from UCO Bank had been repaid by the Company during the year.

^The balance in above credit facilities as at 31.03.2021 to the extent it exceeded the sanctioned limit had been accounted as Book Overdraft.

**Supplier's Bills:**

(i) Supplier's bills of Rs. 17,62.19 Lakhs (Rs. 9,59.00 Lakhs) are outstanding as on March 31, 2022 for which Company's Banks had issued Letter of Credit.

(ii) Supplier's Bills of Rs. 59,66.03 Lakhs (Rs. 50,50.86 Lakhs) are outstanding as on March 31, 2022 for which Company's Banks had issued Guarantee backed by Counter Guarantee given by the Company to the Banks.



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
<b>9 TRADE PAYABLES</b>		
For raw materials, stores and consumables		
(a) Micro and small enterprises	263.83	148.56
(b) Related parties (refer Note No. 40)	5,450.42	3,875.83
(c) Others	16,410.24	10,687.98
	22,124.49	14,712.37

Note:

- (i) The Company has identified (based on information available) Micro, Small and Medium Enterprises as those registered under Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
a) Principal amount remaining unpaid	263.83	148.56
b) Interest due thereon	-	2.11
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	2.38	2.11
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act,	-	-

Note : Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.

- (ii) Trade payables ageing schedules are as follows:

Particulars	Outstanding for following periods from due date of payment				(Rs., Lakhs)
	Less than 1				Total
	1 - 2 years	2 - 3 years	More than 3 years	year	
(i) MSME	263.83	-	-	-	263.83
Previous Year	(148.56)	-	-	-	(148.56)
(ii) Others	21,860.66	-	-	-	21,860.66
Previous Year	(14,563.81)	-	-	-	(14,563.81)
(iii) Disputed dues - MSME	-	-	-	-	-
Previous Year	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Previous Year	-	-	-	-	-
<b>Total</b>	22,124.49	-	-	-	22,124.49
Total (Previous year)	(14,712.37)	-	-	-	(14,712.37)

**10 OTHER CURRENT LIABILITIES**

Interest accrued and due on borrowings	47.16	23.21
Others		
Advances from customers	23.07	177.56
Duties and taxes payable	2,335.62	2,249.22
Employees salary and other benefits payable	219.73	220.40
Creditors for capital goods	341.03	269.46
Electricity and power dues payable	389.11	353.56
Security deposits from customer	250.00	-
Book overdraft	-	465.46
Others payables	4,094.31	1,176.47
	7,700.03	4,935.34



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs			
<b>11 SHORT TERM PROVISIONS</b>					
<b>Provision for employee benefits</b>					
Gratuity (Unfunded)	29.42	17.66			
Leave encashment (Unfunded)	8.30	6.48			
<b>Others</b>					
Income tax (Net off of taxes paid and MAT utilised)	905.88	319.63			
	<u>943.60</u>	<u>343.77</u>			
<b>13 CAPITAL WORK-IN-PROGRESS</b>					
Wire Rod Mill project	-	1,637.31			
Steel Melting Shop project	-	3,054.71			
ERP Software	-	62.28			
	<u>-</u>	<u>4,754.30</u>			
(i) Capital work in progress ageing schedule is as follows:		(Rs., Lakhs)			
Particulars	Amount in Capital work in progress for period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(a) Wire Rod Mill project	-	-	-	-	-
Previous year	(1,006.26)	(631.04)	-	-	(1,637.30)
(b) Steel Melting Shop project	-	-	-	-	-
Previous year	(910.34)	(343.44)	(1,661.53)	(139.40)	(3,054.71)
(c) ERP Software	-	-	-	-	-
Previous year	(41.16)	(21.12)	-	-	(62.28)
(ii) There is no capital work in progress whose completion is overdue or suspended as at March 31, 2022.					
<b>14 NON CURRENT INVESTMENTS</b>					
Non trade investments (valued at cost)					
In metals	30.38	30.38			
	<u>30.38</u>	<u>30.38</u>			
<b>15 LONG TERM LOANS AND ADVANCES</b>					
(Unsecured, considered good)					
Capital advances	283.71	253.67			
Earnest money deposit**	765.00	-			
Others					
Duties and taxes***	357.25	116.69			
Advances to suppliers and service providers	4.26	9.26			
Interest subsidy recoverable	4.42	4.42			
	<u>1,414.64</u>	<u>384.04</u>			

\*\*Earnest money deposit made by the Company during the year for participating in an E-Auction for purchase of assets.

\*\*\*The Company had deposited Rs. 275.00 Lakhs (Nil) with Custom Authority under protest during the year and the Company is initiating action to recover the amount.





**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

12. Property, Plant and Equipment PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at April 1, 2021	Additions during the year	Sales/ Adjustment during the year	As at March 31, 2022	Upto March 31, 2021	During the year	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
	<b>Tangible Assets:</b>								
Leasehold land	757.53	-	-	757.53	151.18	10.79	161.97	595.56	606.35
Factory Land & building	2,661.56	548.88	-	3,210.43	921.15	107.75	1,028.90	2,181.54	1,740.40
Plant and machinery	14,517.67	3,279.92	-	17,797.59	5,588.86	655.26	6,244.12	11,553.47	8,928.82
Furnaces	2,762.27	2,510.27	-	5,272.54	1,038.48	158.65	1,197.13	4,075.41	1,723.79
Office equipments	162.56	30.95	-	193.52	128.10	21.00	149.10	44.42	34.47
Electrical equipments	45.54	-	-	45.54	38.67	1.74	40.41	5.12	6.87
Laboratory equipments	129.44	15.54	-	144.98	67.27	8.82	76.09	68.90	62.17
Pollution control equipments	1,116.25	687.02	-	1,803.27	569.95	286.04	855.99	947.28	546.30
Furniture and fixtures	338.43	40.16	-	378.59	188.35	41.37	229.72	148.86	150.08
Vehicles	820.42	108.43	-	928.85	676.11	52.94	729.05	199.80	144.31
Bicycle	0.01	-	-	0.01	0.01	-	0.01	0.00	0.00
Earth moving equipment	52.64	-	-	52.64	22.55	3.18	25.73	26.92	30.09
Air conditioner	82.39	7.75	-	90.14	45.36	7.31	52.67	37.46	37.03
Generator	38.63	-	-	38.63	34.65	0.70	35.35	3.28	3.98
Computers	102.44	23.92	-	126.36	78.79	18.75	97.54	28.82	23.65
<b>Total</b>	<b>23,587.79</b>	<b>7,252.83</b>	<b>-</b>	<b>30,840.62</b>	<b>9,549.48</b>	<b>1,374.29</b>	<b>10,923.77</b>	<b>19,916.85</b>	<b>14,038.30</b>
<b>Previous year</b>	<b>23,218.42</b>	<b>370.29</b>	<b>0.92</b>	<b>23,587.79</b>	<b>8,369.83</b>	<b>1,179.66</b>	<b>9,549.48</b>	<b>14,038.30</b>	<b>14,848.59</b>

12A. Intangible Assets PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at April 1, 2021	Additions during the year	Sales/ Adjustment during the year	As at March 31, 2022	Upto March 31, 2021	During the year	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
	<b>Intangible Assets:</b>								
ERP-Software	48.19	196.51	-	244.69	4.82	3.90	8.72	235.98	43.37
<b>Total</b>	<b>48.19</b>	<b>196.51</b>	<b>-</b>	<b>244.69</b>	<b>4.82</b>	<b>3.90</b>	<b>8.72</b>	<b>235.98</b>	<b>43.37</b>
<b>Previous Year</b>	<b>-</b>	<b>48.19</b>	<b>-</b>	<b>48.19</b>	<b>-</b>	<b>4.82</b>	<b>4.82</b>	<b>43.37</b>	<b>-</b>

Depreciation on Property, plant and equipment and intangible assets for the year of Rs. 13,78.19 Lakhs (Rs. 11,84.48 Lakhs) includes depreciation of Rs. 39.38 (Rs. 39.43 Lakhs) on revalued assets, which are debited to Revaluation Reserve created by the Company at the time of Revaluation of its assets. Depreciation for the year net of depreciation on revalued assets of Rs. 13,38.80 Lakhs (Rs. 11,41.40 Lakhs) has been charged to Statement of Profit and Loss. [Refer Note No. 4(b) and 32].



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
<b>16 OTHER NON CURRENT ASSETS</b>		
(Unsecured, considered good)		
Long term trade receivables	87.88	102.16
Security deposits	745.09	724.32
Others		
Advances to employees	4.25	4.25
	837.22	830.73

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	-	0.51	87.37	87.88
Previous year	-	-	(0.51)	-	(101.65)	(102.16)
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
<b>Total</b>	-	-	-	0.51	87.37	87.88
Total (Previous year)	-	-	(0.51)	-	(101.65)	(102.16)

**17 INVENTORIES**

(As taken, valued and certified by management)\*

Raw materials	8,373.95	5,432.48
Material in transit	3,414.93	1,312.39
Stores and supplies	1,420.46	623.10
Finished goods	11,339.52	10,286.15
Traded goods	121.32	-
Scum/skim, etc.	182.78	487.53
	24,852.96	18,141.65

\* for valuation refer Note No. 2(f) to the financial statements.



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
<b>18 TRADE RECEIVABLES</b>		
Unsecured, considered good	23,689.24	14,605.01
Doubtful	-	-
	<u>23,689.24</u>	<u>14,605.01</u>
Less: Trade receivables written off	-	-
	<u>23,689.24</u>	<u>14,605.01</u>

(i) Trade receivables considered good include Rs. 19,53.36 Lakhs (Rs. 239.37 Lakhs) due from related party. [Refer Note No. 40]

(ii) Trade receivables ageing schedule are as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	23,180.69	4.89	87.22	209.60	206.85	23,689.25
Previous year	(14,014.38)	(47.29)	(314.48)	(228.85)	-	(14,605.00)
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
Previous year	-	-	-	-	-	-
<b>Total</b>	<u>23,180.69</u>	<u>4.89</u>	<u>87.22</u>	<u>209.60</u>	<u>206.85</u>	<u>23,689.25</u>
Total (Previous year)	<u>(14,014.38)</u>	<u>(47.29)</u>	<u>(314.48)</u>	<u>(228.85)</u>	<u>-</u>	<u>(14,605.00)</u>

**19 CASH AND BANK BALANCES**
**Cash and cash equivalents**

Balances with Banks in current accounts	499.86	195.44
Cash on hand	33.85	32.50
	<u>533.71</u>	<u>227.94</u>

**Other bank balances**

Deposits with Bank having maturity of more than 3 months (Held as margin money deposits against letter of credit and bank guarantees)	1,409.45	739.67
	<u>1,943.16</u>	<u>967.61</u>

**20 SHORT TERM LOAN AND ADVANCES**

(Unsecured, considered good)

Mat credit entitlement	44.78	-
Advances to suppliers of goods and services	2,711.96	2,715.76
Advance to employees	59.41	57.98
Security deposits	121.82	106.45
Dues recoverable from Government Authorities	502.49	388.69
Advances recoverable in cash or in kind	604.22	562.97
	<u>4,044.68</u>	<u>3,831.85</u>

(i) Advances to suppliers of goods and services include Rs. 235.16 Lakhs (Rs. 242.88 Lakhs) due by related party. (ii) Advances recoverable in cash or in kind include Rs. 377.86 Lakhs (Rs. 412.97 Lakhs) due by related parties. [Refer Note No. 40]

**21 OTHER CURRENT ASSETS**

Prepaid expenses	69.85	48.62
Electricity duty recoverable	716.05	716.05
Subsidy & incentive under RIPS recoverable (refer Note No. 48)	1,559.19	1,630.01
Insurance claim receivable	67.89	-
Duty drawback receivable	206.41	39.27
	<u>2,619.39</u>	<u>2,433.95</u>



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
<b>22 REVENUE FROM OPERATIONS</b>		
<b>Domestic Sales</b>		
Flats	29,559.93	14,419.27
Wire rod	1,79,968.19	1,14,055.08
Sale of scum/skim	557.04	138.60
<b>Export Sales</b>		
Wire rod	45,348.51	18,683.50
<b>Trading sales</b>		
Scrap	9,099.33	1,830.96
	<u>2,64,533.00</u>	<u>1,49,127.41</u>
<b>23 OTHER INCOME</b>		
Other operating income		
Interest income:		
- Fixed deposits	59.58	34.77
- Others	102.50	87.52
Export benefits received	565.32	522.01
Subsidy & incentive received	-	1,489.16
Quality claims received	148.17	86.62
Gain on foreign exchange fluctuation	367.85	172.28
Other non-operating income		
Insurance claim received	67.89	34.70
Other income	5.63	16.45
	<u>1,316.94</u>	<u>2,443.51</u>
<b>24 COST OF MATERIALS CONSUMED</b>		
Raw materials as at beginning of the year	6,744.87	6,582.79
Add: Purchases during the year	1,79,013.80	1,02,486.73
	(a) <u>1,85,758.67</u>	<u>1,09,069.52</u>
Raw materials as at the end of the year	(b) 11,788.88	6,744.87
Cost of raw materials consumed	(a-b) <u>1,73,969.79</u>	<u>1,02,324.65</u>
<b>25 MANUFACTURING COSTS</b>		
Stores and spares consumed	8,201.99	3,541.52
Electricity and power	9,014.42	7,744.76
Factory salary, wages and allowances	912.35	783.97
Labour charges	1,528.33	1,248.87
Job work charges	1,167.39	693.53
Others		
Loading unloading, weighment and other charges	205.06	174.21
Others	14.50	14.37
	<u>21,044.04</u>	<u>14,201.23</u>
<b>26 CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS</b>		
Inventories as at beginning of the year		
Finished goods	10,286.15	9,220.82
Traded goods	-	-
Scum/skim, etc.	487.53	316.81
	(a) <u>10,773.68</u>	<u>9,537.63</u>
Inventories as at the end of the year		
Finished goods	11,339.52	10,286.15
Traded goods	121.32	-
Scum/skim, etc.	182.78	487.53
	(b) <u>11,643.62</u>	<u>10,773.68</u>
(Increase)/decrease in inventories	(a-b) <u>(869.94)</u>	<u>(1,236.05)</u>



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended on March 31, 2022

	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
<b>27 EMPLOYEES BENEFITS EXPENSE</b>		
Salary, bonus and allowances	1,526.94	1,240.57
Contribution to provident and other funds	86.86	70.66
Staff welfare	53.00	35.08
Gratuity	44.58	89.79
Leave encashment	-	-
	<u>1,711.38</u>	<u>1,436.10</u>
<b>28 FINANCE COSTS</b>		
Interest on:		
Term loans	282.84	427.91
Working capital borrowings	1,133.93	786.50
Letter of credits	18.54	37.50
Vehicle loan	1.71	-
Others:		
Processing charges	146.49	72.38
Factoring charges	127.74	34.88
Bank charges	84.30	80.12
Interest on income tax	42.13	58.06
	<u>1,837.68</u>	<u>1,497.35</u>
<b>29 OTHER EXPENSES</b>		
Advertisement and promotion	547.39	223.26
Rent	276.80	268.18
Commission	1,239.36	819.55
Legal and professional	238.86	191.48
Freight outward and export expenses	5,345.91	426.79
Travelling and conveyance	121.41	172.86
Fees, rates and taxes	19.03	9.05
Repairs and maintenance		
Plant and machinery	80.12	113.05
Vehicles	265.27	188.83
General	36.98	43.61
Computer	8.03	4.83
Security expenses	192.87	181.37
Delivered duty unpaid charges	200.25	160.72
Office maintenance	44.32	55.10
Membership fee	8.16	3.44
Communication	45.25	21.52
Payment to auditors	8.18	10.20
Insurance	136.89	119.01
Discount	1,447.12	809.21
Printing and stationery	13.64	11.62
Recruitment expenses	5.53	7.91
CSR expenditure	94.75	99.26
Miscellaneous	149.39	239.30
	<u>10,525.51</u>	<u>4,180.15</u>
<b>Payment to Statutory Auditor (exclusive of Goods and Service Tax):</b>		
Statutory audit fee	6.85	6.85
Tax audit fee	1.00	1.00
Other Services	0.33	2.35
	<u>8.18</u>	<u>10.20</u>



**30 CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	As at March 31, 2022 Rs., Lakhs	As at March 31, 2021 Rs., Lakhs
<b>(A) Contingent liabilities (to the extent not provided for)</b>		
(i) Claims against the Company not acknowledged as debts:		
An appeal of the Company and an appeal of the Director of the Company filed before the Customs, Excise and Service tax Appellate Tribunal, New Delhi, against demand order of Rs. 273.45 Lakhs, including penalty, issued by the Commissioner, Central Excise, Alwar, Rajasthan, was decided by the Appellate Tribunal in favour of the Company and the Director, and the demand has been dropped against the Company and the Director and also penalty imposed against the directors has been quashed. The Company has received the refund of Rs. 53.13 Lakhs, including interest on 05.05.2020. The amount has been accounted in the year of receipt, i.e, during financial year 2020-21. The department has filed an appeal before the Hon'ble Supreme Court of India against the order passed by Hon'ble High Court, which is pending adjudication as on March 31, 2022.	273.45	273.45
(ii) Letter of guarantees established by Banks in favour of Commercial Tax Department and Sales Tax Authorities (Bank is holding lien on fixed deposits against guarantees issued (Refer Note No. 19 to the financial statements).	1.26	67.96
(iii) Foreign letter of credit and Bank Guarantees issued by Banks favouring suppliers, for which the Company issued counter guarantee to Banks. [Against the above, the Bank is holding fixed deposits of Rs. 14,09.45 Lakhs (Rs. 739.67 Lakhs) as margin; the deposit forms part of 'Cash and Bank Balances' (Refer note no. 19 to the financial statements)]	7,728.21	6,010.85
<b>(B) Commitments</b>		
a) Capital commitments (net of advances) and not provided for	316.22	856.72

**31** The Company availed input credit of VAT outstanding as on 30.06.2017 of Rs. 37,195,371/- as input under Goods and Service Tax under transitional provisions by filing Form GST TRAN-1 on 26.08.2017. The Company after replying to the Show Cause Notice issued by the relevant Authority seeking record of credit and refund of inadmissible input, had challenged the said notice by filing Civil Writ Petition No. 5015/2019 before the Hon'ble High Court of Judicature for Rajasthan at Jaipur. The Hon'ble High Court observed that prima facie the impugned Show Cause Notice is beyond the jurisdiction of the issuing authority under the Rajasthan Goods and Service Tax, 2017 and directed that final order may not be passed by the relevant Authority on the said Notice.

**32** The Company's plant & machinery, leasehold land and other fixed assets were revalued as at March 15, 2007 at a value of Rs. 28,54.11 Lakhs on the basis of valuation report obtained by the Company. Accordingly, these assets have been restated with the incremental amount over their written down value and the same was correspondingly transferred to Revaluation Reserve Account. During the year, depreciation of Rs. 39.38 Lakhs (Rs. 39.43 Lakhs) pertaining to revalued portion of property, plant and equipment has been charged to Revaluation Reserve arising on revaluation of above stated tangible assets.

**33** The disclosure in accordance with Guidance Note issued by the Institute of Chartered Accountants of India on 'Accounting for Expenditure on Corporate Social Responsibility' (CSR):

Activity read with Section 135 of the Companies Act, 2013, and Schedule VII thereof is as under:

Particulars of CSR activities	Gross amount required to be spent during the year (Rs., Lakhs)	Amount spent (Rs., Lakhs)	CSR pending disbursement as at March 31, 2022 (Rs., Lakhs)
a) The Company had spent Rs. 65.69 Lakhs for manufacturing and supply of Oxygen cylinders during second wave of Covid-19 to District Administrator and Hospitals during the year, which expenditure is classified as CSR expenditure in terms of General Circular No. 09/2021 issued by the Ministry of Corporate Affairs; b) Donation to International Society of Krishna Consciousness of Rs. 5.00 Lakhs (the trust utilised the donation to combat world hunger by providing free meals to the needy; c) Donation under the scheme Ghar Ghar Aushadi Yojna (GGAY) of Rs. 1.00 Lakh (a scheme of the State Government of Rajasthan, Forest Department for preserving sapling medical herbs).	67.25 (56.68)	71.69 (99.26)	- -



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended March 31, 2022

**34 Segment reporting**

## i) Information about Business Segment

The Company operates in Single Business Segment i.e. Stainless Steel Products and therefore the Company considered Business Segment as Secondary Segment.

## ii) Information about Geographical Segment

The Company operates in two Geographical Segments i.e. within India and Outside India and Geographical Segment has been considered as Primary Segment.

(Rs., Lakhs)

Particulars	March 31, 2022			March 31, 2021		
	Within India	Outside India	Total	Within India	Outside India	Total
<b>Segment Revenue</b>						
Total Revenue	1,85,712.08	38,430.94	2,24,143.02	1,10,306.21	15,833.48	1,26,139.69
Less: Inter Segment Sales			-	-	-	-
External Sales (Net of GST)	1,85,712.08	38,430.94	2,24,143.02	1,10,306.21	15,833.48	1,26,139.69
<b>Segment Results</b>						
Segment Results before unallocated Corporate Expenses	11,551.58	945.58	12,497.16	6,554.79	236.72	6,791.51
Less: Unallocated Corporate Expenses			2,344.58			1,829.97
<b>Segment Results before Interest and Taxes</b>			<b>10,152.58</b>			<b>4,961.54</b>
Less: Finance costs			1,667.80			1,404.42
Add: Interest income			162.08			122.00
<b>Profit Before tax and Exceptional Items</b>			<b>8,646.86</b>			<b>3,679.12</b>
Add/Less: Exceptional items						-
<b>Profit Before tax</b>			<b>8,646.86</b>			<b>3,679.12</b>
Less: Current tax			1,923.73			1,277.23
Add/Less: Deferred tax			-456.62			58.81
<b>Profit after tax</b>			<b>7,179.76</b>			<b>2,343.08</b>
<b>Other Information</b>						
Segment Assets	66,455.20	9,752.10	76,207.30	54,750.11	4,493.23	59,243.34
Unallocated Corporate Assets			3,377.21	-	-	817.84
<b>Total Assets</b>			<b>79,584.51</b>			<b>60,061.18</b>
Segment Liabilities	30,070.12	-	30,070.12	19,399.71	-	19,399.71
Unallocated Corporate Liabilities			20,018.28			18,305.74
<b>Total Liabilities</b>			<b>50,088.40</b>			<b>37,705.45</b>
Capital expenditure incurred during the year			2,695.04			2,371.41
Depreciation and Amortisation during the year			1,338.80			1,145.05

35 The Company's significant leasing arrangements are in respect of operating leases for office and residential premises. These leasing arrangements are not non-cancellable and of 3 years, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals paid/payable are charged as 'Rent' to the Statement of Profit and Loss (Refer Note No. 29).

36 Rajasthan Industrial and Investment Corporation Limited, Jaipur, had leased the factory land situated at Plot No. 2, SPL, Matsya Industrial Area, Alwar, Rajasthan, in 1974, to the Company for a period of 99 (ninety nine) years and the residual life of the said leasehold land is 51 years (52 years) as on the Balance Sheet date. The Company acquired leasehold land situated at Plot No. 5, SPL, Matsya Industrial Area, Alwar, Rajasthan, in 2008 from the Official Liquidator for the balance period of lease of 63 (Sixty three) years and residual life of the said leasehold land is 49 years (50 years) as on the Balance Sheet date.



- 37 The Company was granted reliefs for payment of Purchase tax and Sales tax in 2002 which were availed by the Company. For failure of the respective Departments of State Government of Rajasthan to confirm the reliefs, the Company has challenged the inaction of the Authorities by way of filing Writ Petition filed before the Hon'ble Rajasthan High Court at Jaipur, which writ is pending adjudication.

### 38 Employee benefit obligations

Defined contribution plans

- Provident Fund
- Employee State Insurance Fund

An amount of Rs. 86.86 Lakhs (Rs. 70.66 Lakhs) for the year ended March 31, 2022, have been recognized as an expense in respect of Company's contribution for Provident Fund and Employee State Insurance Fund deposited with the government authorities and has been shown under employee benefit expenses in the Statement of Profit and Loss.

Defined benefit plans

- Gratuity
- Leave encashment

The disclosures as per the revised AS-15 are as follows:

(a) Change in defined benefit obligations

(Rs., Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Gratuity	Leave	Gratuity	Leave
Present value obligation at the beginning of the year	236.72	52.45	176.52	44.85
Current service cost	56.77	10.97	52.83	15.49
Past service cost	-	-	-	-
Interest cost	15.86	3.51	11.83	3.00
Actuarial (gain)/loss on obligations	(25.58)	(16.95)	12.92	(6.28)
Benefits paid	(15.53)	(2.81)	(17.37)	(4.62)
Present value obligation at the end of the year	268.25	47.17	236.72	52.45

- (b) The fair value of plan assets is Nil since employee benefit plans are wholly unfunded as on March 31, 2022.

(c) Net periodic defined benefit cost

(Rs., Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Gratuity	Leave	Gratuity	Leave
Current service cost	56.77	10.97	52.83	15.49
Past service cost	-	-	-	-
Interest cost	15.86	3.51	11.83	3.00
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/loss recognised	(25.58)	(16.95)	12.92	(6.28)
Expenses recognised in the Statement of Profit and Loss	47.05	(2.47)	77.58	12.21

(d) Principal actuarial assumptions

Particulars	March 31, 2022	March 31, 2021
	Gratuity and leave encashment	Gratuity and leave encashment
Discount rates	7.20% per annum	6.70% per annum
Future salary increases	8.00% per annum	8.00% per annum

- (e) The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches with the liabilities.
- (f) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion, business plan, HR policy and other relevant factors.
- (g) The employees are assumed to retire at the age of 58 years, unless otherwise contractually agreed.
- (h) The mortality rate considered is as per the published rates under Indian Assured Lives Mortality (2012-2014) ultimate table.





**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended March 31, 2022

- 39 EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Particulars		March 31, 2022	March 31, 2021
a) Net profit available for equity shareholders	Rs., Lakhs	7,179.75	2,343.08
b) Weighted average number of equity shares outstanding	Nos.	1,32,27,301	1,32,27,301
c) Nominal value of per equity share	Rs.	10	10
d) Earning per share (a)/(b) - Basic and diluted	Rs.	54.28	17.71

**40 Related Party Disclosures:**

Pursuant to Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, following parties are to be treated as related parties along with their relationships:

- a) Related parties where control exists and other parties with whom transaction have taken place during the year, and their relationships are as

Key management personnel and their relative:

1 Subhash Chander Kathuria	Managing Director
2 Anubhav Kathuria	Director
3 Subhash Jain	Director
4 Ajay Kumar Mohanty	Independent Director
5 Sakshi Kathuria^	Woman cum Independent Director
6 Surbhi Narang^^	Chief Financial Officer
7 Yugal Kishor Garg^^^	Chief Financial Officer
8 Anita Kathuria	Wife of Managing Director
9 Arvind Kumar Tiwari	Company Secretary

^ Resigned on 30.05.2021

^^^ Appointed on 31.07.2021

^^ Resigned on 31.07.2021

Enterprises over which key management personnel are able to exercise control:

1 Anita International*	8	Kathuria Castings Pvt. Ltd.
2 S.C. Kathuria (HUF)**	9	Life Medicare & Biotech Pvt. Ltd.
3 Alwar Rolling Mills Pvt. Ltd.	10	Ramnika Estates Pvt Ltd.
4 Chamak Holdings Limited	11	Surya Finvest Pvt. Ltd.
5 Geetanjali Properties Pvt. Ltd.	12	Synergy Global Steels Pvt. Ltd.
6 Himalaya Estate Pvt. Ltd.	13	Synergy Ispat Pvt. Ltd.
7 Providentia Tech***		

\* Proprietorship concern of Subhash Chander Kathuria, Managing Director of the Company.

\*\* HUF in which Subhash Chander Kathuria, Managing Director of the Company is Karta.

\*\*\* Proprietorship concern of Anubhav Kathuria, Director of the Company.

Note: The above related parties have been identified by the Management.

**b) Transactions with related parties during the year:**

Sl. No.	Nature of transaction	Related party	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs
1	Personal Guarantee given in respect of:	Subhash Chander Kathuria		
	Term loan	"	3,185.57	3,339.21
	Working capital facilities	"	16,313.97	13,563.79
	Foreign letter of credits	"	1,762.19	959.99
	Supplier's Bills counter guaranteed by the Company to Banks	"	5,966.03	5,050.86
	Short term borrowings received	"	390.00	-
	Short term borrowing repaid	"	390.00	700.00
2	Personal Guarantee given in respect of:	Anubhav Kathuria		
	Term loan	"	3,185.57	3,339.21
	Working capital facilities	"	16,313.97	13,563.79
	Foreign letter of credits	"	1,762.19	959.99
	Supplier's Bills counter guaranteed by the Company to Banks	"	5,966.03	5,050.86
	Short term credit received and paid	"	-	30.56



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended March 31, 2022

**Transactions with related parties during the year (continued):**

Sl. No.	Nature of transaction	Related party	March 31, 2022 Rs.	March 31, 2021 Rs.
3	Purchases (net of return)	Anita International	4,246.18	3,739.68
	Short term borrowings received and paid back	"	-	500.00
4	Purchases (net of return)	Chamak Holdings Limited	5,707.69	8,451.99
5	Purchases (net of return)	Providentia Tech	671.76	-
6	Rent for office building	Himalaya Estate Pvt. Ltd.	84.00	84.00
	Advances adjusted against rent	"	47.99	-
	Interest accrued and due on advances	"	-	9.98
7	Short term borrowings received	Ramnika Estates Pvt Ltd.	-	300.00
	Short term borrowings repaid	"	128.94	171.06
8	Advance against supply of goods	Surya Finvest Pvt. Ltd.	-	0.44
	Advance for supply of goods received back	"	-	4.85
9	Advance against supply of goods	Synergy Global Steels Pvt. Ltd.	-	290.66
	Advance for supply of goods received back/Adjusted against purchases	"	-	199.00
	Sales (net of return)	"	7,774.64	1,830.96
	Purchases (net of return)	"	6,647.52	1,287.58
10	Loans and advance given	Synergy Ispat Pvt. Ltd.	77.48	38.30
	Interest accrued and due on advances	"	36.07	28.18
11	Job Work Charges	Alwar Rolling Mills Pvt. Ltd.	1,150.90	794.52
13	Remuneration to Key Managerial personnel	Arvind Tiwari	24.00	25.39
		Surbhi Narang	3.20	9.60
		Yugal Kishor Garg	18.00	-

**e) Amount outstanding as at March 31, 2022:**

Sl. No.	Account head	Related party	March 31, 2022 Rs., Lakhs	March 31, 2021 Rs., Lakhs
1	Long term borrowings	Geetanjali Properties Pvt. Ltd.	46.00	46.00
2	Trade payables	Anita International	2,193.12	2,243.33
		Chamak Holdings Limited	2,691.30	1,595.01
		Synergy Global Steels Pvt. Ltd.	-	37.48
		Providentia Tech	566.00	-
3	Security deposit (Dr.)	Himalaya Estate Pvt. Ltd.	124.00	124.00
4	Advances to suppliers of goods and services	Himalaya Estate Pvt. Ltd.	-	47.99
		Alwar Rolling Mills Pvt. Ltd.	235.16	194.89
5	Advance recoverable in cash or kind	Synergy Ispat Pvt. Ltd.	377.86	264.31
		Synergy Global Steels Pvt. Ltd.	-	148.66
6	Trade receivables	Synergy Global Steels Pvt. Ltd.	1,953.36	239.37
7	Other payables	Ramnika Estates Pvt Ltd.	-	128.94
		Himalaya Estate Pvt. Ltd.	9.98	-
8	Employee salary and other benefits payable	Surbhi Narang	-	0.37
		Arvind Tiwari	1.50	2.20
		Yugal Kishor Garg	1.98	-



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended March 31, 2022

**41 Earnings in foreign exchange (on accrual basis)**

Particulars	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
1 Sales	38,430.94	15,823.61
2 Quality Claims received	148.17	86.62

**Expenditure in foreign exchange (on accrual basis)**

Particulars	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
1 Travelling	3.02	3.69
2 Raw material, components, stores and spares costs	38,790.15	32,278.26
3 Commission Expenses	340.53	175.28
4 Rebate & Discount	-	3.32

**42 Value of imports calculated on CIF basis**

Particulars	March 31, 2022	March 31, 2021
	Rs., Lakhs	Rs., Lakhs
1 Raw material	38,318.71	32,055.67
2 Components, stores and spare parts	471.43	222.59

**43 Value of imported and indigenous raw material, components, stores and spare parts consumed and % of each of the total consumption:**

Particulars	March 31, 2022		March 31, 2021	
	Rs., Lakhs	%age	Rs., Lakhs	%age
1 Raw material				
Imported	38,318.71	18.05%	32,055.67	30.93%
Indigenous	1,73,969.79	81.95%	71,577.92	69.07%
2 Components, stores and spare parts				
Imported	471.43	5.75%	222.59	6.29%
Indigenous	7,730.56	94.25%	3,318.92	93.71%

Consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

**44 Value of export sales:**

Particulars	March 31, 2022		March 31, 2021	
	Qty. (M.T.)	Rs., Lakhs	Qty. (M.T.)	Rs., Lakhs
1 Stainless Steel Wire-Rod	16,719	45,348.51	8,202	18,683.50
Sales includes Goods and Service tax (GST) of Rs. 69,17.57 Lakhs (Rs. 28,50.03 Lakhs).				

**45 A summary of Company's exposure to currency risk as reported by the management is as follows:**

	March 31, 2022		March 31, 2021	
	EUR exposure Rs., Lakhs	USD exposure Rs., Lakhs	EUR exposure Rs., Lakhs	USD exposure Rs., Lakhs
<b>a) Receivables net exposure</b>				
Trade receivables	5,327.69	2,748.76	347.30	2,512.86
Forward exchange contracts against exports	-	634.00	-	-
Receivables net exposure	5,327.69	2,114.76	347.30	2,512.86
<b>b) Payables net exposure</b>				
Trade payables	258.88	6,392.67	920.42	5,031.71
Advance from customers	-	-	-	-
Forward exchange contracts against imports	-	-	-	-
Payables net exposure	258.88	6,392.67	920.42	5,031.71
<b>Total net exposure on Receivables/(payables)</b>	<b>5,068.81</b>	<b>(4,277.91)</b>	<b>(573.12)</b>	<b>(2,518.85)</b>

46 The Company has not carried out any transactions with Companies struck off under section 248 or section 560 of the Companies Act, 2013 during the year ended on March 31, 2022.

47 The Company has not traded or invested in Crypto currency or Virtual currency during the financial year 2021-22.

48 The Company will account for its financial entitlements under Rajasthan Investment Policy Scheme, 2020, in the year of resolution of outstanding matters by the Authorities.



**SYNERGY STEELS LIMITED**

Notes to the financial statements as at and for the year ended March 31, 2022

**49 Ratios:**

Sl. No.	Particulars	Numerator/ Denominator	As on 31.03.2022	As on 31.03.2021	% Change in Ratio	Reason of Change in the year ended March 31, 2022 (Where Change is more than 25% over earlier year)
(a)	Current Ratio (in times)	Current Assets/ Current Liabilities	1.21	1.19	0.02	Does not require comment.
(b)	Debt-Equity Ratio (in times)	(Non-current borrowing + Current Borrowing)/ Total Equity	1.63	1.58	3.37%	Does not require comment.
(c)	Debt Service Coverage Ratio (in times)	Net Operating Income/ Debt Service = Principal repayment + Interest repayment	3.50	1.85	88.82%	Debt service coverage is higher due to increased profit during the year.
(d)	Return on Equity Ratio (in %)	Profit/(Loss) after tax/ Total Equity	24.34%	10.48%	132.25%	Return on equity is higher due to increased profit during the year.
(e)	Inventory Turnover Ratio (in times)	Revenue from operations/ Average Inventory	10.72	7.20	0.49	Does not require comment.
(f)	Trade Receivables Turnover Ratio (in days)	365/(Net Credit Sale/ Average Trade Receivables)	31.18	33.87	-0.08	Does not require comment.
(g)	Trade Payables Turnover Ratio (in days)	365/(Net Credit Purchase/ Average Trade Payables)	34.43	45.39	-0.24	Does not require comment.
(h)	Net Capital Turnover Ratio (in %)	Revenue from operations/ Average Working Capital	27.18	18.81	44.49%	Net capital turnover is higher due to increase in revenue during the year.
(i)	Net Profit Ratio (in %)	Net Profit/ Total income	3.18%	1.82%	74.76%	Net profit ratio is higher due to increased margin on revenue during the year.
(j)	Return on Capital Employed (in %)	EBIT/ Capital Employed = Equity + Non-current liabilities	32.26%	19.53%	65.17%	Return on capital employed is higher due to increase in EBIT during the year.

50 The quarterly returns or statements of current assets filed by the Company with banks or financial institutions during the year against working capital limits are in agreement with the books of account maintained by the Company.

51 The Company has a system of reconciling balances with parties with whom it has dealings at regular intervals and exchanging confirmations. Debit and credit balances are subject to confirmation and reconciliation in cases where confirmations could not be obtained during the year.

52 In the opinion of the management, all assets other than fixed assets and non current investments have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

53 The Company has presented its financial statements in Rs. Lakhs and accordingly, figures have been rounded off to the nearest Rs. Lakhs.

54 Figures in brackets pertain to previous year, unless otherwise indicated.

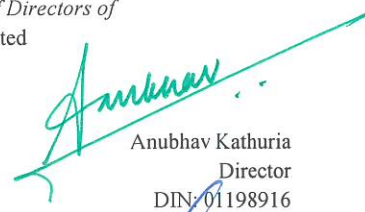
55 Figures of the previous year have been regrouped / recast, wherever necessary, to confirm to current year's presentation.

The accompanying notes form an integral part of the financial statements.

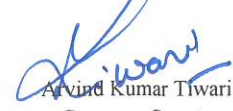
For and on behalf of Board of Directors of  
Synergy Steels Limited



  
Subhash Chander Kathuria  
Managing Director  
DIN: 00125337

  
Anubhav Kathuria  
Director  
DIN: 01198916

  
Yugal Kishor Garg  
Chief Financial Officer  
PAN: AHXPG2362B

  
Arvind Kumar Tiwari  
Company Secretary  
Membership No. F-6421

New Delhi  
Date: 03-09-2022