



## NOTICE

Notice is hereby given that 50<sup>th</sup> Annual General Meeting of the Synergy Steels Limited will be held on Thursday on 28th Sep, 2023 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, 2023 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. Anubhav Kathuria (DIN: 01198916), who retires by rotation and being eligible offers himself for re-appointment.
3. To Ratify the appointment of Statutory Auditor M/s S.R. Dinodia & Co. LLP., Chartered Accountants, New Delhi (FRN No. 001478N/N500005) as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next 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) as the statutory auditor of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined

### 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, 2023

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

#### Synergy Steels Limited

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

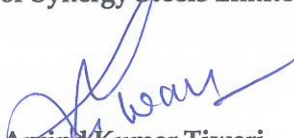
**Works** 2, Matsya Industrial Area  
Alwar (Rajasthan) - 301031  
India  
**tel** +91 144 3201101 | 3201101  
+91 144 2881450 | 2881717  
**fax** +91 144 2881845  
**email** plant@synergysteels.com  
contact@synergysteels.com

**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.175000/- (Rupees one lakh seventy Five thousand only) per annum plus all taxes 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, 2023, be and is hereby ratified and confirmed.

Place: New Delhi  
Date: 02.09.2022

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 50<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 2023, 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. 4**

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**Ratification of Remuneration of Cost Auditor for the F.Y22-23**

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.

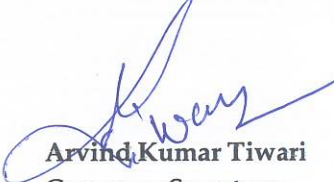
M/s. ABP & CO., Cost Accountants, Firm Registration No. 00403, has been appointed as Cost Auditor by the Board on the recommendation of the Audit Committee at their respective meetings held on the 05<sup>th</sup> Sep, 2022, to conduct the audit of the cost records of the Company for the financial year ended on the 31st March, 2023 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 2022-2023 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: 02.09.2023

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 50<sup>th</sup> Annual  
general meeting/ of the company, to be held on Thursday at 28<sup>th</sup> Sep, 2023 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, 2023 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. Anubhav Kathuria , who retires by rotation and being eligible offers himself for re-appointment.			
3.	To Ratify the Appointment of Statutory Auditors S.R. Dinodia & Co. LLP., Chartered Accountants, New Delhi (FRN No. 001478N/N500005 from conclusion of this AGM to Next AGM..			
4	To Ratify the Remuneration payable to M/s ABP & CO., Cost Auditors of the Company for the Financial Year ending on March 31, 2023			

Signed this ..... day of .....2023

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 50<sup>th</sup> Annual General Meeting of the Company being held at 1/1, Kirti Nagar, Industrial Area, New Delhi-110015 on Thursday at 28th Sep, 2023 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 50<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, 2023 along with the annexures thereto.

**FINANCIAL RESULTS**

The Company's financial performance is given hereunder.

(Rs. in Lacs)

Particulars	Financial Year Ended 31.03.2023	Financial Year ended 31.03.2022
Sales & other income	212145.25	223953.82
Financial Cost	2417.68	1894.68
Depreciation	2249.61	1394.43
Profit before tax	2451.26	8418.54
Less: Provision for (Current Tax)	600.37	1923.73
(Deferred)	136.52	-502.65
Profit after tax	1714.37	6997.46
Appropriations:		
EPS Basic	12.96	52.90
Diluted	12.96	52.90

**REVIEW OF OPERATIONS**

The Gross Revenue from the Operations of the Company during the Financial Year ended 31<sup>st</sup> March, 2023 amounted to Rs 212145.25 as compared to Rs. 223953.82 during the previous year ended 31st March, 2022

**Synergy Steels Limited**

**Office** 1/1, Kirti Nagar Main Road,  
New Delhi-110015, India

tel +91 11 40500500  
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email ssl@synergysteels.com  
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**Works** 2, Matsya Industrial Area  
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tel +91 144 3201101 | 3201101  
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fax +91 144 2881845  
email plant@synergysteels.com  
contact@synergysteels.com

[www.synergysteels.com](http://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 2022-2023.

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

The company has not issued any Sweat Equity Shares during the financial year 2022-2023.

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

The company has not issued any Employee stock options during the financial year 2022-2023.

### **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 2022-2023.

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

The company has not issued and as a Private Placement basis during the Financial Year 2022-2023

### **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.

## **DETAILS OF SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES**

During the year under review, there is no Subsidiary/ Joint Venture/ Associate Companies of the Company.

## **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.

## **RISK MANAGEMENT:**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

## **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 2022-2023.

## **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 2022-2023 to conduct the audit of Secretarial and related records of the Company. The Secretarial Audit Report for the financial year ended March 31, 2023 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**

Accordingly, the Audit Committee and the Board of Directors of the Company have recommended to the shareholders for the Ratification of M/s S.R. Dinodia & Co, LLP, Chartered Accountants, as statutory auditors from the conclusion of this AGM till the next Annual General Meeting pursuant to section 139 of the Companies Act, 2013.

However, for the Financial Year ended March 31, 2023, the report of the auditors M/s S.R. Dinodia & Co, LLP,, Chartered Accountant, 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.

## **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 05.09.2022 has on recommendation of the Audit Committee , re-appointed M/s ABP & Co., (FRN 00403), Cost Accountants, for the financial year 2022-23.To conduct the Audit of the Cost Accounting records of the company.

## **CHANGE IN DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr. Anubhav Kathuria, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.  
There has been no other changes 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) Term Loan Issuer Rating CARE A- Stable Cash Credit Issuer Rating CARE A- and BG/LC Issuer Rating CARE A2+.

## SECRETARIAL STANDARDS

The Directors state that applicable secretarial standards i.e. SS-1 and SS-2, relating to meetings of the Board of the Directors and General Meetings, have been duly followed by the Company.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Board of Directors met 21 times during the financial year on respective dates; 15.04.2022, 19.04.2022, 30.04.2022, 04.05.2022, 23.05.2022, 12.08.2022, 05.07.2022, 12.08.2022, 03.09.2022, 05.09.2022, 07.09.2022, 22.09.2022, 28.09.2022, 19.11.2022, 19.12.2022, 04.01.2023, 10.01.2023, 30.01.2023, 05.02.2023, 27.02.2023 and 30.03.2023 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. 2022-23</b>
Mr. Subhash Chander Kathuria	21/21
Mr. Anubhav Kathuria	21/21
Mr. Subhash Chand Jain	21/21
Mr. Ajay Kumar Mohanty	21/21
Mrs. Arundhanti Kar	5/21

## 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 . The Committee Met twice times during the year.

### **3. Stakeholders Grievance 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 2022-23 and hence no complaint is outstanding as on March 31, 2023.

### **COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The policy of the Company on Directors' appointment, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is governed by the Nomination Policy. The remuneration paid to the directors is in accordance with the remuneration policy of the Company. The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of

governance and management. The Company has duly constituted the Nomination and Remuneration Committee of the Board and the committee interalia periodically evaluates:

1. The need for change in composition and size of the Board;
2. Recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.
3. Recommend the policy for remuneration of Directors, KMPs & other senior level employees of the Company and review the same in accordance with the performance of the Company and industry trend.

#### **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:**

There is no employee receiving salary Rs. 102 lakh or more p.a. or Rs. 8.50 lakh or more per month, there is no information required to be given pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of rules the Companies (Appointment & 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**

<b>Sl. No</b>	<b>Particular</b>	<b>2022-2023</b>	<b>2021-22</b>
1.	Electricity Purchased (units)	137881728	130890096
2.	Total Amount (In Lakh)	981200000	901442314

3.	Rate per unit	7.12	6.89
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**(B) OWN GENERATION : NIL**

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

**A. COAL USED IN FURNACE :**

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

Sl. No	Particular	2022-23	2021-22
1.	Quantity	261,982 M.T	2134.658MT
2.	Total Cost	15400000	170317615
3.	Average Rate/MT	58782.66	79786.8 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 earning through exports and Foreign Exchange outgo on account of imports, expenditure on travelling and other matters etc. are given below.

- (i) Foreign exchange earned: 249.15 Cr
- (ii) Expenditure in Foreign exchange: 452.09 Cr

### **Declaration by independent directors**

The Company has received declaration from all the Independent Directors confirming that they continue to meet the criteria of independence as prescribed under the Act and comply with the Code for Independent Directors as specified under Schedule IV of the Act

The Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

### **Disclosures:**

Disclosure relating to the interest in other entities has been duly received from the Directors in form MBP-1 and duly approved by the Board of Directors in their Meeting.

The company has followed the guidelines of accounting standards laid by The Institute of Chartered Accountants of India in preparation of its Financial Statements.

The Company has received declaration from all the Independent Directors confirming that they continue to meet the criteria of independence as prescribed under the Act and comply with the Code for Independent Directors as specified under Schedule IV of the Act.

The Certificate has been obtained from the company Secretary stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

### **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 for the Financial year 2022-2023 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.**

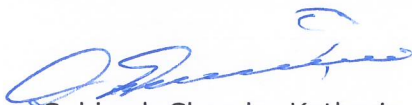
Not Applicable.

**ACKNOWLEDGEMENTS**

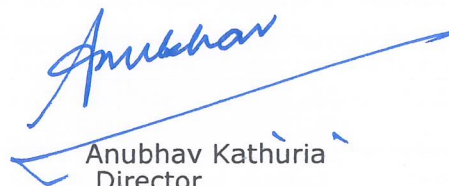
The Board of Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the Government of India, various state 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:02.09.2023

Place: New Delhi



Subhash Chander Kathuria  
Director  
DIN:00125337



Anubhav Kathuria  
Director  
DIN:001198916

**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 / arrangements/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				30.03.2022	78.60
2.	Chamak Holdings Limited	Purchase				30.03.2022	4603.62
3.	Providentia Tech	Purchase				30.03.2022	2059.38
4.	Himalaya Estate Pvt Ltd	Rent				30.03.2022	100.80
5.	Synergy Global Steel Pvt Ltd	Advance				30.03.2022	5565.03
6.	Alwar Rolling Mills Pvt Ltd	Job Work				30.03.2022	1262.20

**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:

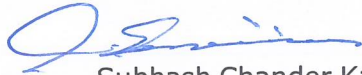
(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

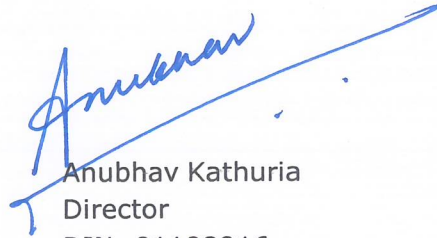
Note: Form shall be signed by the persons who have signed the Board's report.

Date: 02.09.2023

Place: New Delhi



Subhash Chander Kathuria  
Director  
DIN: 00125337



Anubhav Kathuria  
Director  
DIN: 01198916

### Corporate Social Responsibility (CSR)

[Pursuant to the provisions of Section 135 read with Rule 9 of the Company (Corporate Social Responsibility) Rules, 2014]

1.	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the Web-link to the CSR Policy and projects or Program	<p>Objective is to Manage the CSR contribution to produce an overall positive impact on our society and create wellness.</p> <p>vision is to 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.</p> <p>Your company to Contribute to the Social welfare for enabling communities, children, youths, women and men through education, and livelihood programs, with Multi stakeholders partnerships by contributing to Mera Parivar and also contributed to NGO Manav Kalyan for the promotion of sustainable development and health and nutrition for the welfare and have done contribution towards the environment and other social welfare activities .</p>
2.	The composition of the CSR Committee	<p>The Composition of the CSR Committee is as under:</p> <p>1.Subhash Chand Jain: Chairman  2.Subhash Chander Kathuria: Member  3.Ajay Kumar Mohanty: Member</p>
3.	(a) Average net profit of the company for last three financial years (In Lakhs)	5358

4.	(b) Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (In Lakhs)	107.06
5.	Details of CSR Spent during the year 2022-23	
	(c) Total Amount to be spent for the financial year 2022-23 (In Lakhs)	(a)107.16
	(d) Amount un spent , if any	(b) Nil

**Manner in which the amount spent during the financial year is detailed below:**

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or program 1) Local Area or other 2) Specify location of the Programs	Amount outlay (budget Projects or programs Wise) (In Lakh)	Amount Spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs- 2) Overheads (In Lakh)	Cumulative expenditure upto the reporting period (In Lakh)	Amount spent direct or through implemented agency
1.	Welfare Activity	Welfare Activity	Environment Protection express at Alwar	Rs. 10.73	Rs. 10.73	Rs. 10.73	Environment Protection express at Alwar
2.	Welfare Activity	Welfare Activity	Activities for promotion of Education (Alwar)	Rs. 18.65	Rs. 18.65	Rs. 18.65	Assistant to Alwar school as per
3.	Welfare Activity	Welfare Activity	Mera Pariwar Delhi	Rs.40	Rs.40	Rs.40	Mera Pariwar Delhi
4.	Welfare Activity	Welfare Activity	Manav Kalyan Foundation	Rs.40	Rs.40	Rs.40	Manav Kalyan Foundation
Tot				Rs.109.39	Rs.109.39	Rs.109.39	

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:02.09.2023  
Place: New Delhi



Subhash Chander Kathuria  
Director

DIN: 00125337



Subhash Jain  
Chairman CSR Committee

DIN: 00176960

## Form No.MGT-9

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on March 31, 2023

[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:-

Sl.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**

Sl.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	803571	3253120	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>945879</b>	<b>12281382</b>	<b>13227261</b>	<b>100</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) 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>945879</b>	<b>13084953</b>	<b>13227261</b>	<b>100.00</b>	<b>945879</b>	<b>12281382</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>945879</b>	<b>12281422</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, 2023		0.00	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, 2023		0.00	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, 2023		0.00	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, 2023		0.00	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	7171348	54.22	7171348	54.22
		Change During the year	No Change			
		At the End of the year i.e. 31st March, 2023	7171348	54.22	7171348	54.22
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, 2023			0	0.0
3	Mr. Anubhav Kathuriria	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, 2023	1111428	8.40	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, 2023			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, 2023			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, 2023			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, 2023	0			0

#### 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	17195.4	116.9	0	17312.3
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	17195.4	116.9	0	17312.3
Change in Indebtedness during the financial year				
· Addition	4864.4	0		4864.4
· Reduction	2212.2	25.57		2237.77
NetChange				
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)	19847.6	91.33		19938.93

## 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.

Sl. no.	Particulars of Remuneration	Name of Independent Director		
		Mr. Subhash Jain	Mr. Anubhav Kathuria	Total Amount
<b>4. Other Non-Executive Directors</b>				
	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

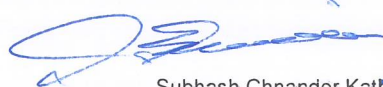
### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Arvind Kumar Tiwari (Company Secretary)	YUGAL Kishor Garg (CFO)	Total Amount (In Lakh)
1	Gross salary	31	31.09	62.53
	(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
	<b>Total (A)</b>	<b>31.44</b>	<b>31.09</b>	<b>62.53</b>

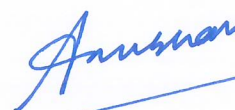
### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2023.

Date: 02/09/2023  
Place: New Delhi



Subhash Chander Kathuria  
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, 2023**

[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, 2023**, 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, 2022 to 31<sup>st</sup> March, 2023 ("the Audit Period") and report that the Company has complied with the various provisions of the said Act.
- 3) 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.

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, 2023 ('Audit Period'), the Company has, complied with the statutory provisions listed hereunder and also that the Company has proper

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)



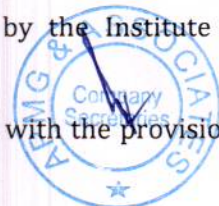
Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 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.



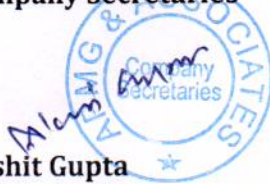
We further report that the compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**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 APMG & Associates  
Company Secretaries**



**Akshit Gupta**  
FCS No: 8472  
COP No: 11408

**Date: 02.09.2023**  
**UDIN: F008472E000922209**

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.

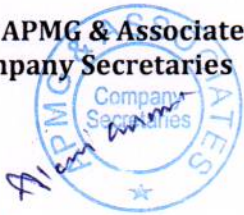
**ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT**

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 APMG & Associates  
Company Secretaries**



**Akshit Gupta**  
FCS No: 8472  
COP No: 11408

**Place:** New Delhi  
**Date:** 02.09.2023  
**UDIN:** F008472E000922209



**Independent Auditor's Report**

**To The Members of Synergy Steels Limited**

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

**Opinion**

We have audited the accompanying financial statements of **Synergy Steels Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Report, but does not include the financial statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibility 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records



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

In preparing the financial statements, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



### Other Matter

The comparative financial information of the Company for the year ended March 31, 2022 and the transition date opening balance sheet as at April 01, 2021 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2012 and March 31, 2021 dated November 01, 2021 and September 03, 2022 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

### 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 sub-section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - I. 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.
  - II. 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.
  - III. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - IV. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - V. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - VI. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - VII. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 37 to the financial statements.
    - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - (d)
      - (i). The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (ii). The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 47 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (iii). Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.
- (e)
- (i). The Company has not declared and paid any interim dividend during the year.
  - (ii). As stated in note 15(b) to the financial statements, the Company has not proposed any dividend during the year.
- (f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, accordingly reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):  
In our opinion and according to the information and explanation given to us, the Company has not paid or provided any managerial remuneration to any director during the year.

**For S.R. Dinodia & Co. LLP**

*Chartered Accountants,*

Firm Registration Number 001478N/N500005


**(Sandeep Dinodia)**

*Partner*

Membership Number 083689

UDIN: 23083689 B6W0IC 4934

Place of Signature: New Delhi

Date: - 2 SEP 2023

**Annexure 'A' to the Independent Auditors' Report of even date on the financial statements of Synergy Steels Limited**

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2023, we report that:

- i) In respect of Property, Plant and Equipment:
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
  - b) The Company has a program of verification of Property, Plant and Equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. 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 the records examined by us, the title deeds of all the immovable properties as disclosed in the financial statements are held in the name of the Company. In respect of leasehold immovable properties, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. However, the above immovable properties are mortgaged with the banks for securing the borrowings.
  - d) According to the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i) (d) of the Order are not applicable.
  - e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i) (e) of the Order are not applicable.
- ii)
- a) On the basis of information and explanation provided, the Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management. In our opinion, the coverage and procedure of such verification is appropriate having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on such physical verification.
  - b) According to the records examined by us, during the year, working capital limits in excess of five crore rupees, in aggregate has been sanctioned to the Company by the banks and financial institutions on the basis of security of current assets. According to the information and explanations given to us, the quarterly statements filed by the Company with such banks are materially in agreement with the books of account of the Company except the following:

(Amount in ₹ lakh)					
Quarter ended	Value Date	Stocks Value as per Books of Account (A)	Stocks Value as per quarterly statement (B)	Difference (A-B)	Reasons of discrepancies
Dec. 22	Dec. 22	24,532.25	26388.91	(1856.66)	Due to inclusion of GST on finished goods stock in the statement
March 23	March 23	31,536.65	34,876.97	(3,340.32)	

- iii) According to the information and explanations given to us and based on the audit procedures performed by us, during the year, the Company has neither made any investments nor provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured to companies, firms and Limited Liability Partnerships (LLPs). However, during the year, the Company has granted unsecured loans to a company and other parties, in respect of which:



- a) The Company has granted unsecured loan to a company during the year and detail of which is given below:

	Loan (₹ in lakh)
Aggregate amount granted/provided during the year	
- Other	64.63
Balance outstanding as at balance sheet date in respect of above cases	
- Other	488.05

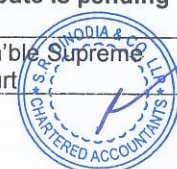
The Company has not granted any loan to any other entity.

- a) The terms and conditions of the grant of loans to other parties and a company (reported in "a" above), are, prima facie, not prejudicial to the Company's interest.
- b) The schedule of repayment of principal and payment of interest in respect of loans has been stipulated and the repayment/receipts of the principal amount and the interest are generally been regular as per stipulation.
- c) There is no overdue amount in respect of loans granted.
- d) No loans or advance in the nature of loan granted which has fallen due during the year or has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Accordingly, the provisions of clause 3(iii) (e) of the Order are not applicable.
- e) During the year, the Company has granted loan which is repayable on demand, the detail of which is follow:

	(₹ in lakh)
Aggregate amount of loans/advances in nature of loans	
- Repayable on demand (A)	488.05
- Agreement does not specify any terms or period of repayment (B)	-----
Total (A+B)	488.05
Percentage of loans/advances in nature of loans to the total loans	100%

- iv) In our opinion and according to the information and explanations given to us, in our opinion and according to the information and explanations given to us, company has complied with the provisions of Sections 185 and 186 of the Act in respect of loan given. However, the Company has not made any investments or given guarantees or provided any security during the year.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) In respect of statutory dues:
- a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities except certain delay in deposit of advance Income tax. Further, there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues in respect of statutory dues referred to in sub-clause (vii) (a) above that have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statute	Nature of Dispute	Amount involved (in ₹ in lakh)	Amount Deposited (in ₹ in lakh)	Period	Forum where dispute is pending
Central Excise & Customs Act	Excise duty	273.45	23.15	2015-16	Hon'ble Supreme Court



- viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- ix) In respect of loans or other borrowings taken by the Company, according to the information and explanations given to us and audit procedures performed by us:
- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - The Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
  - No funds raised on short-term basis have been used for long-term purposes by the Company.
  - The Company doesn't have any subsidiaries, joint ventures or associate. Accordingly, the provisions of clause 3(ix)(e)&(f) of the Order are not applicable.
- x) In respect of moneys raised by the Company through issue of shares & debt instruments:
- During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x) (a) of the Order are not applicable.
  - During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, provisions of clause 3 (x) (b) of the Order are not applicable.
- xi)
- As per the information and explanations given to us on our enquiries on this behalf, no fraud of material significance on or by the Company has been noticed or reported during the year.
  - In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and upto the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi company. Accordingly, provisions of clause 3(xii) (a) to (c) of the Order are not applicable.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In respect of internal audit system in the Company:
- In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
  - We have considered the internal audit reports of the Company issued till date, for the year under audit.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.
- xvi)
- The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a), (b) and (c) of the Order are not applicable.
  - According to the information and explanations given to us, there are no core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3 (xvi) (d) of the Order are not applicable.



- xvii) According to the information and explanations given to us, the Company has neither incurred any cash losses in the current financial year nor in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.
- xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) In respect of Corporate Social Responsibility, according to the information and explanations given to us and audit procedures performed by us:
- a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (a) of the Order are not applicable.
- b) There are no ongoing CSR projects under sub-section (6) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (b) of the Order are not applicable.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable to the Company as it is not required to prepare consolidated financial statements since it doesn't have any subsidiaries, joint ventures or associate. Accordingly, no comment in respect of the said clause has been included in this report.

**For S.R. Dinodia & Co. LLP**

*Chartered Accountants,*

Firm's Registration Number 001478N/N500005

  
(Sandeep Dinodia)  
Partner



Membership Number 083689

UDIN: 23083689 B6W0IC 4934

Place of Signature: New Delhi

Date: - 2 SEP 2023



## **Annexure 'B' to the Independent Auditors' Report of even date on the Financial Statements of Synergy Steels Limited**

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

We have audited the internal financial controls with reference to financial statements of Synergy Steels Limited ("**the Company**") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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



**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Dinodia & Co. LLP**

*Chartered Accountants,*

Firm's Registration Number 001478N/N500005


**(Sandeep Dinodia)**

*Partner*

Membership Number 083689

UDIN: 23083689 B6W0JC 4934

Place of Signature: New Delhi

Date: - 2 SEP 2023

# Synergy Steels Limited

## Balance Sheet as at March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As At		As At	
		March 31, 2023	March 31, 2022	March 31, 2022	April 01, 2021
<b>Assets</b>					
<b>I. Non-Current Assets</b>					
(a) Property, Plant and Equipment	4	19,189.81	19,916.84		14,038.30
(b) Capital Work-in-Progress	5	2,141.31	-		4,754.30
(c) Right-of-use assets	36	555.79	120.41		136.65
(d) Other Intangible Assets	6	234.20	235.98		43.37
(e) Financial Assets					
(i) Investments	7	30.38	30.38		30.38
(ii) Other Financial Assets	8A	1,691.39	193.35		193.20
(f) Other Non Current Assets	9	570.06	794.58		595.44
(g) Non-current tax assets(net)	10	154.71	17.50		-
<b>Total Non-Current Assets</b>		<b>24,567.65</b>	<b>21,309.04</b>		<b>19,791.64</b>
<b>Current Assets</b>					
(a) Inventories	11	31,536.66	23,114.51		16,498.24
(b) Financial Assets					
(i) Trade Receivables	12	14,544.96	21,555.30		14,262.37
(ii) Cash and Cash Equivalents	13	475.98	533.71		227.94
(iii) Bank Balances other than Cash and Cash Equivalents	14	1,100.39	1,409.45		739.67
(iv) Loans	8	488.05	389.73		734.62
(v) Other Financial Assets	8A	4,281.55	3,207.03		3,015.28
(c) Other Current Assets	9	5,318.36	6,176.49		3,288.10
<b>Total Current Assets</b>		<b>57,745.95</b>	<b>56,386.22</b>		<b>38,766.22</b>
<b>Total Assets</b>		<b>82,313.60</b>	<b>77,695.26</b>		<b>58,557.86</b>
<b>II. Equity And Liabilities</b>					
<b>Equity</b>					
(a) Equity Share Capital	15	1,322.73	1,322.73		1,322.73
(b) Other Equity	16	29,802.32	28,063.61		21,047.01
<b>Total Equity</b>		<b>31,125.05</b>	<b>29,386.34</b>		<b>22,369.74</b>
<b>Liabilities</b>					
<b>Non- Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	17 A	1,275.27	983.09		1,700.30
(iia) Lease Liabilities	36	490.04	121.53		133.60
(ii) Other Financial Liabilities	18	325.00	325.00		75.00
(b) Provisions	19	285.05	277.24		265.04
(c) Deferred Tax Liabilities (Net)	21	1,788.10	1,643.41		2,139.62
<b>Total Non- Current Liabilities</b>		<b>4,163.46</b>	<b>3,350.27</b>		<b>4,313.56</b>
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	17 B	36,976.55	24,042.19		20,040.10
(iia) Lease Liabilities	36	78.82	12.07		11.09
(ii) Trade Payables	22				
a) Total Outstanding Dues to Micro and Small Enterprises		215.58	266.21		150.67
b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises		9,222.01	18,639.02		10,262.41
(iii) Other Financial Liabilities	18	206.84	379.07		288.69
(b) Other Current Liabilities	23	193.94	672.01		777.83
(c) Provisions	19	131.35	44.20		24.14
(d) Current Tax Liabilities (Net)	20	-	903.88		319.63
<b>Total Current Liabilities</b>		<b>47,025.09</b>	<b>44,958.65</b>		<b>31,874.56</b>
<b>Total Equity and Liabilities</b>		<b>82,313.60</b>	<b>77,695.26</b>		<b>58,557.86</b>

Summary of Significant Accounting Policies 3

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

For S.R.Dinodia & Co. LLP

Chartered Accountants

Firm's registration number: 001478/N/500005

(Sandeep Dinodia)  
Partner




Membership number : 083689

Place of Signature: New Delhi

Date: - 2 SEP 2023



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

(Subhash Chander Kathuria)  
Director  
DIN 00125337



(Yugal Kishor Garg)  
Chief Financial Officer



(Anubhav Kathuria)  
Director  
DIN 01198916



(Arvind Kumar Tiwari)  
Company Secretary  
ICSI Membership No F-6421



**Synergy Steels Limited**  
**Statement of Profit and Loss for the Year Ended March 31, 2023**

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from Operations	24	210,719.41	223,350.23
II Other Income	25	1,425.84	603.59
<b>III Total Income (I+II)</b>		<b>212,145.25</b>	<b>223,953.82</b>
<b>IV Expenses</b>			
(a) Cost of Materials Consumed	26	176,235.25	173,912.77
(b) Purchases of Stock-in-Trade	27	3,765.44	7,255.84
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	28	(11,537.76)	(869.95)
(d) Employee benefits expense	29	3,403.96	2,649.31
(e) Finance costs	30	2,417.68	1,894.68
(f) Depreciation and amortization expense	31	2,249.61	1,394.43
(g) Other expenses	32	33,159.81	29,298.20
<b>Total expenses</b>		<b>209,693.99</b>	<b>215,535.28</b>
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>2,451.26</b>	<b>8,418.54</b>
<b>VI Tax expense:</b>			
(a) Current tax	33	602.17	1,996.77
(b) Adjustment of tax relating to earlier years		(1.80)	(73.04)
(c) Deferred tax		136.52	(502.65)
<b>Total tax expense</b>		<b>736.89</b>	<b>1,421.08</b>
<b>VII Profit/(loss) for the year (V-VI)</b>		<b>1,714.37</b>	<b>6,997.46</b>
<b>VIII Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		32.53	25.58
(ii) Income tax on items that will not be reclassified profit or loss		(8.19)	(6.44)
(B) (i) Items that will be reclassified profit or loss		-	-
(ii) Income tax on items that will be reclassified profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>24.34</b>	<b>19.14</b>
<b>IX Total comprehensive income for the year, net of tax (VII+VIII)</b>		<b>1,738.71</b>	<b>7,016.60</b>
<b>X Earnings per equity share: (Face value ₹ 10 per share)</b>	34		
1) Basic (amount in ₹)		12.96	52.90
2) Diluted (amount in ₹)		12.96	52.90
<b>Summary of Significant Accounting Policies</b>	3		


The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

**For S.R.Dinodia & Co. LLP**

Chartered Accountants

Firm's registration number: 001478N/N500005



(Sandeep Dinodia)  
Partner

Membership number : 083689





(Subhash Chander Kathuria)  
Director  
N 00125337



(Yugal Kishor Garg)  
Chief Financial Officer

**For & on behalf of Board of Directors of Synergy Steels Limited**



(Anubhav Kathuria)  
Director  
DIN 01198916



(Arvind Kumar Tiwari)  
Company Secretary  
ICSI Membership No F-6421

Place of Signature: New Delhi

Date: **2 SEP 2023**

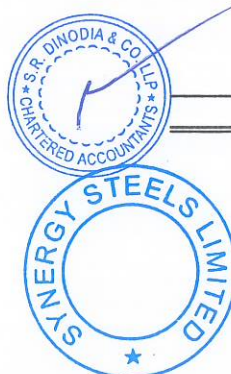


# Synergy Steels Limited

## Cash Flow Statement for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash Flows From Operating Activities</b>		
<b>Profit Before Tax</b>	<b>2,451.26</b>	<b>8,418.54</b>
<b>Adjustments for:</b>		
Depreciation and amortization	2,249.61	1,394.43
Provision for doubtful debt	232.67	149.31
Interest Income	(93.87)	(59.58)
Unwinding of discount on deposits	(0.75)	(0.15)
Interest Paid	1,834.80	1,275.57
Unrealized forex (gain)/loss	(198.81)	(367.85)
<b>Operating Profit Before Working Capital Changes</b>	<b>6,474.91</b>	<b>10,810.27</b>
<b>Movement In Working Capital:</b>		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	(10,117.98)	8,476.73
Increase/(Decrease) in Other Long Term Liabilities	-	250.00
Increase/(Decrease) in Provisions	94.96	51.40
(Increase)/Decrease in Trade Receivables	6,976.48	(7,074.39)
(Increase)/Decrease in Inventories	(8,422.14)	(6,616.27)
(Increase)/Decrease in Other Current Assets	(216.39)	(3,080.14)
(Increase)/Decrease in Other Non-Current Assets	(1,273.51)	(199.30)
<b>Cash Generated From Operations</b>	<b>(6,483.67)</b>	<b>2,618.30</b>
Direct Tax paid (Net of Refunds)	(1,608.95)	(1,350.54)
<b>Net Cash Inflow From/(Used In) Operating Activities (A)</b>	<b>(8,092.62)</b>	<b>1,267.76</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Property, Plant and Equipment, other intangible assets and capital advances	(4,097.49)	(2,695.04)
Sale Proceeds of Property, Plant and Equipment	-	-
Loan given	(98.32)	344.89
(Investment)/redemption of deposits	309.81	(669.63)
Interest Income	93.87	59.58
<b>Net Cash From/ (Used In) Investing Activities (B)</b>	<b>(3,792.13)</b>	<b>(2,960.20)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of share capital	-	-
Increase/ (Decrease) in Long Term & Short Term Borrowings	13,226.54	3,284.88
Repayment of lease liabilities	435.28	(11.10)
Dividend Paid	-	-
Interest paid (net)	(1,834.80)	(1,275.57)
<b>Net cash inflow from/(used in) Financing Activities (C)</b>	<b>11,827.02</b>	<b>1,998.21</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(57.73)</b>	<b>305.77</b>
Opening Balance of Cash and Cash Equivalents	533.71	227.94
<b>Total Cash And Cash Equivalent (Note No. 13)</b>	<b>475.98</b>	<b>533.71</b>
<b>Components Of Cash And Cash Equivalents</b>		
Cash on hand	41.00	33.85
With banks - on current accounts and cash credit accounts	434.98	499.86
<b>Total Cash and Cash equivalent (Note No. 13)</b>	<b>475.98</b>	<b>533.71</b>



Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Non Cash Transactions:</b>	-	-
Increase/(Decrease) in liabilities arising on account of non cash transactions:		
Unwinding of discount on deposits	(0.75)	(0.15)
Provision for litigation/(Provision for litigation written back)	-	-
Excess Liability written back	-	-
Unrealized forex (gain)/loss	(198.81)	(367.85)

**Notes:**

(a) Purchase of Property, Plant and Equipment includes cash flows of capital work-in-progress (including Capital Advances) and movement in Capital Expenditure Creditors during the year

(b) The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS-7)

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For S.R.Dinodia & Co. LLP**

Chartered Accountants

Firm's registration number: 001478N/N500005

  
(Sandeep Dinodia)  
Partner



Membership number : 083689

Place of Signature: New Delhi


Date: - 2 SEP 2023

**For & on behalf of Board of Directors of  
Synergy Steels Limited**

  
(Subhash Chander Kathuria)  
Director  
DIN 00125337

  
(Anubhav Kathuria)  
Director  
DIN 01198916

  
(Yugal Kishor Garg)  
Chief Financial Officer

  
(Arvind Kumar Tiwari)  
Company Secretary  
ICSI Membership No F-6421



**Synergy Steels Limited**  
**Statement of changes in equity for the year ended March 31, 2023**  
 (All amounts in ₹ lakh, unless otherwise stated)

	Amount
<b>A. Equity Share Capital</b>	
Opening Balance as at April 01, 2021	1,322.73
Changes in equity share capital during the year	-
Opening Balance as at March 31, 2022	1,322.73
Changes in equity share capital during the year	-
Closing Balance as at March 31, 2023	<u>1,322.73</u>

	Reserve & Surplus			Total equity
	Equity Component of	Security Premium	Capital Reserve	
<b>Balance as at April 01, 2021</b>	21.24	8,231.27	12.59	12,781.91
Net Income/ Loss for the year	-	-	-	6,997.46
Add: Other comprehensive income *	-	-	-	19.14
<b>Balance as at March 31, 2022</b>	21.24	8,231.27	12.59	19,798.51
<b>Balance as at April 01, 2022</b>	21.24	8,231.27	12.59	19,798.51
Net Income/ Loss for the year	-	-	-	1,714.37
Add: Other comprehensive income *	-	-	-	24.34
<b>Balance as at March 31, 2023</b>	21.24	8,231.27	12.59	<u>21,537.22</u>

\* Represents Re-measurement of defined benefit plans (net)

Summary of Significant Accounting Policies 3

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

**For S. R. Dinodia & Co. LLP**

Chartered Accountants

Firm's registration number: 001478N/IN500005



*(Signature)*  
**(Sandeep Dinodia)**  
 Partner

Membership number : 083689

**For & on behalf of Board of Directors of  
 Synergy Steels Limited**

*(Signature)*  
**(Anubhav Kathuria)**  
 Director  
 DIN 01198916

*(Signature)*  
**(Subhash Chander Kathuria)**  
 Director  
 DIN 00125337

*(Signature)*  
**(Yugal Kishor Garg)**  
 Chief Financial Officer



*(Signature)*  
**(Arvind Kumar Tiwari)**  
 Company Secretary  
 ICSI Membership No F-642

Place of Signature: New Delhi

Date: **- 2 SEP 2023**

# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

### Note 1: Corporate Information

Synergy Steels Limited (hereinafter referred as the Company) was incorporated on April 13, 1973 and is engaged in the manufacturing, trading and selling of 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 2,50,000 M.T. per annum at 2 MIA, Alwar, Rajasthan and Stainless Steel Wire Rod manufacturing capacity of 1,44,000 M.T. per annum. The Company is a public limited company incorporated and domiciled in India and has its registered office at Kirti Nagar, New Delhi, India.

The financial statement are approved by the Board of Directors in its Board Meeting held on September 23, 2023

### Note 2: Statement of Compliance

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Upto the year ended 31st March, 2022, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 01, 2021. Refer note 42 for the details of first time adoption exemptions availed by the Company.

#### Basis of Preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value, financial liabilities at amortized cost and employee's defined benefit plans measured as per actuarial valuation at the end of each reporting period, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakh except otherwise stated.

#### Going Concern

The board of director's has considered the financial position of the Company at March 31, 2023, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of director's has taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

#### Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are as below. The effective date for adoption of this amendment are from annual periods beginning on or after April 01, 2023:

##### - Amendment to Ind AS 1- Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies information rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

##### - Amendment to Ind AS 8- Accounting Policies, Change in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its financial statements.

##### - Amendment to Ind AS 12- Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its financial statement.

### Note 3: Significant Accounting Policies

#### a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.





### Use of Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the financial statements.

#### i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

#### ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

#### iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

#### iv) Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

#### v) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### vi) Leases

Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the the Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

The management's estimates and assessments were based in particular on assumptions regarding the development of the economy as a whole, the development of steel markets, and the development of the basic legal parameters.



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

### b) Current versus non-current classification

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

#### Assets:

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

#### Liabilities:

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

**Operating cycle:** The operating cycle is the time between the acquisition of assets / liabilities for processing and their realisation / payment in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. 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 within other income / expense (as applicable).

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

**Subsequent costs:** The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company, its cost can be measured reliably with the carrying amount of the replaced part getting derecognised and there is increase of future benefits from the existing asset beyond previously assessed standard of performance. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

**Decommissioning Costs :** The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

**Capital work in progress:** Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2021 as the deemed cost under Ind AS.

**Depreciation :** Depreciation on the assets are charged in accordance with useful life of the assets on written down value method as per life prescribed in Part 'C' of Schedule II of the Companies Act, 2013 except for below mentioned assets where useful life have been taken as per management estimate. Depreciation on assets purchased during the year is provided pro-rata to the period such asset was put to use during the year. Leasehold Land and Leasehold Improvements are amortised over the lease term or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Particulars	Useful life as per Schedule II of Companies Act, 2013 (Years)	Management Estimate of Useful Life (Years)*
Air Conditioners	5	20
Computers	3	6
Electrical Equipments	10	20
Furnace	25	27
Furniture & Fixtures	10	15
Generator	15	20
Laboratory Equipment	10	20
Office Equipments	5	20
Plant & Machinery	15	27
Pollution Control Equipment	10	27
Vehicles	8	10

# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

\*For these classes of assets, based on internal assessment by technical team, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

### d) Intangible Assets

#### Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

#### Amortisation

All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 10 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2021 as the deemed cost under Ind AS.

### e) Borrowing Costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

### f) Foreign Currency Transaction

#### Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹ in lakh) which is Company's functional currency and also the presentational currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Advances received or paid in foreign currency are recognised at exchange rate on the date of transaction and are not retranslated.

### g) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods and traded goods

Revenue from contracts with customers:

- Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

- Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at the end of each reporting period.

- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

### Use of significant Judgements in Revenue Recognition

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

- The Company estimates variable considerations to be included in the transaction price for the sale of goods with volume rebates. The Company's expected volume rebates are analysed on a per customer basis. Determining whether a customer will be entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. The Company updates its assessment of volume rebates on regular basis.

- The Company assesses its revenue arrangements against specific recognition criterias like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

### Other Operating Revenue

Dividend income is recognized when the right to receive payment is established.

Income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

### h) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows:-

<b>Raw Materials, Trade Goods, Stores and Spares</b>	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on first in first out basis.
<b>Stocks-in-process and Finished Goods</b>	Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on first in first out basis.
<b>By-Product (Skum/skim, etc.)</b>	It is valued at net realisable value.

### i) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### Company as Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

### j) Employee's Benefits

**Short Term Employee Benefits:** All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service.

### Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and thereafter, will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

### Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income, they are included in retained earnings in the Statement of Changes in Equity and Balancesheet. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

### Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Statement of Profit & Loss. On the basis of company's policy, compensated absences upto 50 days (60 days in case of Dora worker and 30 days in case of SKD workers) are recognised as long term employee benefit & compensated absences beyond 60/50/30 days as may be applicable, shall lapse after the end of financial year.

### Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

### k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;
- ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

### l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### **Initial recognition and measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### **Classification and Subsequent measurement**

##### **(a) Financial Assets**

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

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

##### **•Financial Asset carried at amortised cost**

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

##### **•Financial Asset at fair value through other comprehensive income (FVTOCI)**

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

##### **•Financial Asset at fair value through profit and loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### **• Equity investment in Subsidiary, Associate or Joint Venture**

Investments representing equity interest in subsidiary, associate or joint venture are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### **(b) Financial Liabilities**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

### Financial liabilities at Amortized cost

#### Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to the borrowings.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the statement of profit and loss.

#### (c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### m) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### n) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### o) Fair Value Measurement

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

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

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### p) Taxes on Income

#### **Current income tax**

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred tax**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

### q) Government Grants and Subsidies

Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

### r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### s) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

### t) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.





# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 4 : Property, Plant and Equipment

Particulars	Leasehold land	Building	Plant and machinery	Office equipments	Furniture and fixtures	Vehicles	Computers	Total
<b>Gross Carrying Amount :</b>								
As at April 01, 2021	606.35	1,740.40	11,302.01	71.50	150.08	144.31	23.65	14,038.30
Add: Additions made during the year	-	548.88	6,492.74	38.70	40.16	108.43	23.92	7,252.83
Less: Disposals/adjustments during the year	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>606.35</b>	<b>2,289.28</b>	<b>17,794.75</b>	<b>110.20</b>	<b>190.24</b>	<b>252.74</b>	<b>47.57</b>	<b>21,291.13</b>
Add: Additions made during the year	-	28.71	1,167.95	41.82	99.43	38.66	19.73	1,396.30
Less: Disposals/adjustments during the year	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>606.35</b>	<b>2,317.99</b>	<b>18,962.70</b>	<b>152.02</b>	<b>289.67</b>	<b>291.41</b>	<b>67.30</b>	<b>22,687.43</b>
<b>Accumulated Depreciation/ Amortization :</b>								
As at April 01, 2021	-	-	-	-	-	-	-	-
Add: Depreciation/Amortization for the year	10.79	107.75	1,114.38	28.31	41.37	52.94	18.75	1,374.29
Less: Disposals/adjustments during the year	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>10.79</b>	<b>107.75</b>	<b>1,114.38</b>	<b>28.31</b>	<b>41.37</b>	<b>52.94</b>	<b>18.75</b>	<b>1,374.29</b>
Add: Depreciation/Amortization for the year	56.58	208.07	1,758.17	7.39	28.28	50.77	14.07	2,123.33
Less: Disposals/adjustments during the year	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>67.37</b>	<b>315.81</b>	<b>2,872.55</b>	<b>35.70</b>	<b>69.66</b>	<b>103.71</b>	<b>32.82</b>	<b>3,497.62</b>
<b>Net Carrying Amount :</b>								
As at March 31, 2023	538.98	2,002.18	16,090.15	116.31	220.01	187.70	34.48	19,189.81
As at March 31, 2022	595.56	2,181.54	16,680.37	81.89	148.86	199.80	28.82	19,916.84
As at April 01, 2021	606.35	1,740.40	11,302.01	71.50	150.08	144.31	23.65	14,038.30

(a) Refer Note No-17A and 17B, for Information on Property, Plant and Equipment pledged as security by the Company.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 5 : Capital work in progress

	As March 31, 2023	At March 31, 2022	As April 01, 2021
Balance at the beginning of year	-	4,754.30	2,796.54
Add: Additions during the year	2,141.31	-	4,754.30
Less: Disposals/adjustments during the year	-	4,754.30	2,796.54
<b>Balance at the end of year</b>	<b>2,141.31</b>	<b>-</b>	<b>4,754.30</b>

Note: Refer Note No-17A and 17B, for information on capital work in progress pledged as security by the Company.

### a) Breakup of Capital Work in Progress is as follow

	As March 31, 2023	At March 31, 2022	As April 01, 2021
Plant and Equipment	1,521.15	-	4,754.30
Building	620.16	-	-
<b></b>	<b>2,141.31</b>	<b>-</b>	<b>4,754.30</b>

### b) Aging schedule of CWIP as at March 31, 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress-Capacity Expansion	2,141.31	-	-	-	2,141.31
Projects temporarily suspended	-	-	-	-	-

### Aging schedule of CWIP as at March 31, 2022:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress-server & network upgradation	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

### Aging schedule of CWIP as at April 01, 2021:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress-server & network upgradation	4,754.30	-	-	-	4,754.30
Projects temporarily suspended	-	-	-	-	-

c) There are no capital-work-in progress as at March 31, 2023, as at March 31, 2022 and as at April 01, 2021 whose completion is overdue or has exceeded its cost as compared to its original plan.

### Note 6 : Other Intangible Assets

Particulars	Computer Software	Total
<b>Gross Carrying Amount :</b>		
As at April 01, 2021	43.37	43.37
Add: Additions during the year	196.51	196.51
Less: Disposals / adjustments during the year	-	-
<b>As at March 31, 2022</b>	<b>239.88</b>	<b>239.88</b>
Add: Additions during the year	57.25	57.25
Less: Disposals / adjustments during the year	-	-
<b>As at March 31, 2023</b>	<b>297.13</b>	<b>297.13</b>
<b>Amortisation and impairment</b>		
As at April 01, 2021	-	-
Add: Amortisation charge for the year	3.90	3.90
Less: On disposals / adjustments during the year	-	-
<b>As at March 31, 2022</b>	<b>3.90</b>	<b>3.90</b>
Add: Amortisation charge for the year	59.03	59.03
Less: On disposals/adjustments during the year	-	-
<b>As at March 31, 2023</b>	<b>62.93</b>	<b>62.93</b>
<b>Net carrying amount</b>		
As at March 31, 2023	234.20	234.20
As at March 31, 2022	235.98	235.98
As at April 01, 2021	43.37	43.37



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 7 : Non-Current Investments

#### Non Trade Investment (carried at cost)

In Metal

	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021
	30.38	30.38	30.38
	<b>30.38</b>	<b>30.38</b>	<b>30.38</b>
	38.39	35.37	31.15

Fair value of Metal

	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021
	488.05	389.73	734.62
	<b>488.05</b>	<b>389.73</b>	<b>734.62</b>

### Note 8 : Loans

Unsecured Loan to related parties

Loans or advances in the nature of loans granted to the related parties (as defined under Companies Act, 2013), without specifying any terms or period of repayment:

Type of Borrower	Amount of loan or advance in the nature of loan outstanding				Percentage to the total Loans and Advances in the nature of loans			
	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021	As At March 31, 2023	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021	As At March 31, 2023
Related Parties	488.05	389.73	734.62	100%	100%	100%	100%	100%

### Note 8A : Other Financial Assets

(Unsecured, considered good unless otherwise stated)

	Non-Current				Current			
	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021	As At March 31, 2023	As At March 31, 2022	As At March 31, 2022	As At April 01, 2021	As At April 01, 2021
Security Deposits	208.89	193.35	193.20	888.18	652.10	635.95	635.95	635.95
Subsidy Recoverable (RIPS)	-	-	-	2,542.81	1,563.62	1,559.19	1,559.19	1,559.19
Duty drawback receivable	-	-	-	63.62	206.41	39.27	39.27	39.27
Advances to Employees	-	-	-	55.21	68.85	64.82	64.82	64.82
Deposit with original maturity of more than 12 months *	1,479.76	-	-	-	-	-	-	-
Interest accrued	2.74	-	-	0.12	-	-	-	-
Forward cover receivable	-	-	-	15.56	716.05	716.05	716.05	716.05
Other assets **	-	-	-	716.05	716.05	716.05	716.05	716.05
	<b>1,691.39</b>	<b>193.35</b>	<b>193.20</b>	<b>4,281.55</b>	<b>3,207.03</b>	<b>3,015.28</b>	<b>3,015.28</b>	<b>3,015.28</b>

\* Pledged with bank as security against working capital limit. Refer Note No-17A and 17B, for Information on above assets being pledged as security by the Company

\*\* Represents recoverable against electricity supply



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023 (All amounts in ₹ lakh, unless otherwise stated)

### Note 9 : Other Assets

(Unsecured, considered good, unless otherwise stated)

	Non-Current			Current		
	As March 31, 2023	At March 31, 2022	As April 01, 2021	As March 31, 2023	At March 31, 2022	As April 01, 2021
Capital Advances						
- Considered Good	255.03	479.55	512.88	-	-	-
- Considered doubtful	150.00	-	-	-	-	-
Advance to supplier	-	-	-	4,270.12	5,533.30	2,827.85
Duties and taxes recoverable	315.03	315.03	82.56	-	-	-
Prepaid Expenses	-	-	-	179.76	69.85	51.34
Balance with government authority	-	-	-	821.13	360.22	181.65
Export incentive recoverable	-	-	-	47.37	213.12	227.26
	720.06	794.58	595.44	5,318.36	6,176.49	3,288.10
	150.00	-	-	-	-	-
	570.06	794.58	595.44	5,318.36	6,176.49	3,288.10
Less: Allowances for doubtful advances						

### Note 10 : Non-current tax assets(net)

Advance tax {Net of Provision for Income Tax ₹ 921.81 lakh (March 31, 2022 : ₹ 319.63 lakh)}

	As March 31, 2023	At March 31, 2022	As April 01, 2021
	154.71	17.50	-
	154.71	17.50	-

### Note 11: Inventories

	As March 31, 2023	At March 31, 2022	As April 01, 2021
Raw Materials	429.63	6,635.49	3,789.07
Goods In Transit-Raw Material	6,206.98	3,414.93	1,312.39
Work In Progress	6,650.45	2,427.56	2,791.18
Finished Goods	16,375.52	8,911.97	7,494.97
Stock-in Trade	108.50	121.32	-
Stores and Spares	1,718.66	1,420.46	623.10
By Product	46.92	182.78	487.53
	31,536.66	23,114.51	16,498.24

a) Refer Note No-17A and 17B, for information on above assets being pledged as security by the Company  
b) For mode of valuation Refer Note 3(h).

### Note 12 : Trade Receivables

	As March 31, 2023	At March 31, 2022	As April 01, 2021
- Considered Good - Secured	325.00	325.00	75.00
- Considered Good - Unsecured	14,451.95	21,379.61	14,187.37
	14,776.95	21,704.61	14,262.37
Less: Allowance for Expected Credit Loss	231.99	149.31	-
	14,544.96	21,555.30	14,262.37



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

a) Trade receivables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	11,853.93	2,254.66	219.23	-	29.17	14,776.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	231.99
<b>Net Trade receivables</b>						<b>14,544.96</b>

Trade receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	15,644.19	5,548.29	8.70	73.27	222.77	21,704.61
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	149.31
<b>Net Trade receivables</b>						<b>21,555.30</b>

Trade receivables ageing schedule as at April 01, 2021:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	11,080.65	2,826.78	27.80	123.15	70.05	14,262.37
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Dispute Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	-
<b>Net Trade receivables</b>						<b>14,262.37</b>

b) The Company has no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired. (Refer Note 44)

c) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

d) Trade receivable of ₹679 lakh (March 31, 2022: ₹ 1,953.36 lakh and April 01, 2021: ₹ 239.37 lakh) are due from a private company in which any director is a partner, director or a member.

e) Trade receivables are generally on terms of not more than 30 days.

f) Refer Note 17A and 17B, for information on above assets being pledged as security by the Company



**Synergy Steels Limited**  
**Notes to standalone financial statements for the year ended March 31, 2023**  
 (All amounts in ₹ lakh, unless otherwise stated)

**Note 13 : Cash and Cash Equivalents**

Balances with Banks:  
 - Current Account  
 Cash on Hand

	As March 31, 2023	At March 31, 2022	As March 31, 2022	At April 01, 2021
	434.98	499.86	195.44	195.44
	41.00	33.85	32.50	32.50
	<b>475.98</b>	<b>533.71</b>	<b>227.94</b>	<b>227.94</b>

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same as given above.

**Note 14 : Bank Balances other than Cash and Cash Equivalents**

Deposits with original maturity of more than 3 months but less than 12 months (Refer note 'a' below)  
 Deposits with original maturity of more than 12 months (Refer note 'a' below)

	As March 31, 2023	At March 31, 2022	As March 31, 2022	At April 01, 2021
	140.33	1,409.45	739.67	739.67
	960.06	-	-	-
	<b>1,100.39</b>	<b>1,409.45</b>	<b>739.67</b>	<b>739.67</b>

(a) pledged with bank as security against working capital limit. Refer Note No-17A and 17B, for information on above assets being pledged as security by the Company

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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 15 : Equity Share Capital

	As March 31, 2023	At March 31, 2022	As April 01, 2021
<b>Authorised</b>			
1,38,00,000 (March 31, 2022: 1,38,00,000, April 01, 2021: 1,38,00,000) Equity Shares* of ₹10 each	1,380.00	1,380.00	1,380.00
<b>Issued, subscribed and fully paid up</b>			
1,32,27,301 (March 31, 2022: 1,32,27,301, April 01, 2021: 1,32,27,301) equity shares* of ₹10 each	1,322.73	1,322.73	1,322.73
	<b>1,322.73</b>	<b>1,322.73</b>	<b>1,322.73</b>

\* Number of Shares are given in absolute terms.

### a) Reconciliation of Issued and Subscribed Share Capital:

	No. of shares*	Amount
<b>Balance as at April 1, 2021</b>		
Add: issues/buy back during the year	13,227,301	1,322.73
<b>Balance as at March 31, 2022</b>		
Add: issues/buy back during the year	13,227,301	1,322.73
<b>Balance as at March 31, 2023</b>	<b>13,227,301</b>	<b>1,322.73</b>

### b) Terms/ rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2023, the amount of per share dividend proposed as distributions to equity shareholders is Nil per share (March 31, 2022: Nil per share and April 01, 2021: Nil per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of Shareholders Holding More than 5% Shares in the Company

Name of Party	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares*	Holding %	No. of shares*	Holding %	No. of shares*	Holding %
Subhash Chander Kathuria	6,036,348	45.64%	7,171,348	54.22%	7,171,348	54.22%
Anita International (Proprietor SCK)	1,135,000	8.58%	-	0.00%	-	0.00%
Surya Finvest Pvt. Ltd.	1,337,058	10.11%	1,337,058	10.11%	1,337,058	10.11%
Anubhav Kathuria	1,111,428	8.40%	1,111,428	8.40%	1,111,428	8.40%



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

### d) Details of Promoter's Shareholding:

Promoter's Name	As at March 31, 2023		As at March 31, 2022		% Change during the
	No. of Shares*	%of total shares	No. of Shares*	%of total shares	
Subhash Chander Kathuria	6,036,348	45.64%	7,171,348	54.22%	-8.58%
Anita International (Proprietor SCK)	1,135,000	8.58%	-	0.00%	8.58%
Surya Finvest Pvt. Ltd.	1,337,058	10.11%	1,337,058	10.11%	0.00%
Anubhav Kathuria	1,111,428	8.40%	1,111,428	8.40%	0.00%
Himalaya Estate Pvt. Ltd.	655,263	4.95%	655,263	4.95%	0.00%
Kathuria Casting Pvt. Ltd.	585,263	4.42%	585,263	4.42%	0.00%
Anita Kathuria	575,446	4.35%	575,446	4.35%	0.00%
Alwar Rolling Mills Pvt. Ltd.	445,000	3.36%	445,000	3.36%	0.00%
Synergy Global Steel Pvt. Ltd.	425,000	3.21%	425,000	3.21%	0.00%
Ramnika Estate Pvt. Ltd.	299,107	2.26%	299,107	2.26%	0.00%
Aakar Technobuild Pvt. Ltd.	260,000	1.97%	260,000	1.97%	0.00%
Subhash Chander Kathuria (HUF)	237,348	1.79%	237,348	1.79%	0.00%
Yasha Sud	65,000	0.49%	65,000	0.49%	0.00%
Wonder Software Pvt. Ltd.	50,000	0.38%	50,000	0.38%	0.00%
Monica Sarin	5,000	0.04%	5,000	0.04%	0.00%
Rimple Lohia	5,000	0.04%	5,000	0.04%	0.00%

Promoter's Name	As at March 31, 2022		As at April 01, 2021		% Change during the
	No. of Shares*	%of total shares	No. of Shares*	%of total shares	
Subhash Chander Kathuria	7,171,348	54.22%	7,171,348	54.22%	0.0%
Surya Finvest Pvt. Ltd.	1,337,058	10.11%	1,337,058	10.11%	0.0%
Anubhav Kathuria	1,111,428	8.40%	1,111,428	8.40%	0.0%
Himalaya Estate Pvt. Ltd.	655,263	4.95%	655,263	4.95%	0.0%
Kathuria Casting Pvt. Ltd.	585,263	4.42%	585,263	4.42%	0.0%
Anita Kathuria	575,446	4.35%	575,446	4.35%	0.0%
Alwar Rolling Mills Pvt. Ltd.	445,000	3.36%	445,000	3.36%	0.0%
Synergy Global Steel Pvt. Ltd.	425,000	3.21%	425,000	3.21%	0.0%
Ramnika Estate Pvt. Ltd.	299,107	2.26%	299,107	2.26%	0.0%
Aakar Technobuild Pvt. Ltd.	260,000	1.97%	260,000	1.97%	0.0%
Subhash Chander Kathuria (HUF)	237,348	1.79%	237,348	1.79%	0.0%
Yasha Sud	65,000	0.49%	65,000	0.49%	0.0%
Wonder Software Pvt. Ltd.	50,000	0.38%	50,000	0.38%	0.0%
Monica Sarin	5,000	0.04%	5,000	0.04%	0.0%
Rimple Lohia	5,000	0.04%	5,000	0.04%	0.0%

### Note 15A : Preference Share Capital

Authorised  
20000 (March 31, 2022: 20000, April 01, 2021: 20000) 9.5% cumulative preference shares of Rs. 100 each

20.00

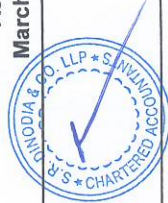
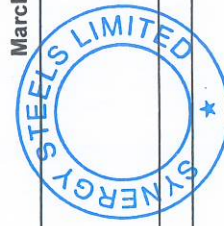
20.00

20.00

20.00

20.00

20.00



\* Number of Shares are given in absolute numbers.



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 16 : Other Equity

	As March 31, 2023	At March 31, 2022	As April 01, 2021
Security Premium	8,231.27	8,231.27	8,231.27
Capital Reserve	12.59	12.59	12.59
Equity Component of Loan	21.24	21.24	21.24
Retained Earnings	21,537.22	19,798.51	12,781.91
	<b>29,802.32</b>	<b>28,063.61</b>	<b>21,047.01</b>

#### Notes:

i) For Movement during the period in Other Equity, refer "Statement of Change in Equity".

#### ii) Nature and Purpose of Other Reserves

##### a) Security Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve will be utilised in accordance with provisions of the Companies Act 2013.

##### b) Capital reserve

Represents amount received from government as subsidy which had already been utilised in earlier year.

##### c) Equity Component of Loan

Represents equity component of loan taken from a related party.

##### d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss. However retained earnings includes ₹ 829.90 lakh (March 31, 2022 : ₹ 869.32 lakh and April 01, 2021: ₹ 908.71 lakh) on account of amount transferred from revaluation reserve which is not available for distribution.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 17A : Long Term Borrowings

	Non-Current			Current		
	As March 31, 2023	At March 31, 2022	As April 01, 2021	At March 31, 2023	As March 31, 2022	At April 01, 2021
<b>Long Term:</b>						
<b>Secured Loans</b>						
<b>Term Loan</b>						
Working capital term loans from a schedule bank (refer note (b)(i) below)	1,226.67	909.59	1,675.54	320.00	2,208.00	1,686.88
Vehicle Loan from a Financial Institution (refer note (b)(ii) below)	18.41	45.74	-	26.92	25.17	-
<b>Unsecured Loans</b>						
<b>Term Loan From:</b>						
- From Related Parties (Refer Note "c" below)	30.19	27.76	24.76	-	-	-
	1,275.27	983.09	1,700.30	346.92	2,233.17	1,686.88
	-	-	-	346.92	2,233.17	1,686.88
<b>Less: Amount disclosed under the head "Short Term Borrowings" (refer note 17B)</b>	<b>1,275.27</b>	<b>983.09</b>	<b>1,700.30</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note 17 B : Short Term Borrowings

Loan from banks (Secured) (refer note (d) below):

- Working capital loans

- Buyer's credit

Unsecured:

- Loan from a related party (refer note (e) below)

Current Maturities of Long Term borrowings (Refer Note 17A)

	As March 31, 2023	At March 31, 2022	As March 31, 2022	At April 01, 2021
Loan from banks (Secured) (refer note (d) below):	18,301.02	14,080.81	12,342.37	6,010.85
- Working capital loans	18,003.61	7,728.21	6,010.85	-
- Buyer's credit	-	-	-	-
Unsecured:	325.00	2,233.17	1,686.88	-
- Loan from a related party (refer note (e) below)	325.00	2,233.17	1,686.88	-
Current Maturities of Long Term borrowings (Refer Note 17A)	346.92	2,233.17	1,686.88	-
	<b>36,976.55</b>	<b>24,042.19</b>	<b>20,040.10</b>	<b>-</b>

a) For Interest rate and Liquidity risk related disclosures, refer note 44.

b) The Nature of Security for Term Loan are :

(i) The above Secured Loans from a bank

- Term loan I is secured by first charge 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. This loan is further secured as collateral security by pari-passu charge 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 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. This term loan is repayable in 22 equal quarterly instalments commencing from April 1, 2017, with moratorium of 32 (thirty two) months.

- Term loan -II is secured ranking second charge with the existing credit facilities in term of cash flos (including repayment) and security with charge on assets financed under scheme. This loan is repayable in 48 equal quarterly instalments commencing from March 1, 2025, with moratorium of 24 months.

These term loan(s) carries rate of interest MCLR+1% (maximum 9.25% p.a.), currently 8.45% per annum.

The above loans are further secured against personnel guarantee of directors

ii) Vehicle loans were secured by way of hypothecation of respective vehicles with the financial institution and is repayable in 36 monthly instalments commencing from Decemeber 21. It carries rate of interest



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

(c) Loan from a related party is unsecured and interest free.

d) The Nature of Security for Cash Credit Facility are :

Working capital facilities 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.

The aforesaid cash credit facilities 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 .

The above loans are further secured against personnel guarantee of directors

Above facility carries interest rate of 7.25% to 8.55% per annum

e) Unsecured loan from a related party is interest free and is repayable on demand

f) Summary of reconciliation for the quarterly statements (statement of current assets filed by the Company with the bank ) with the books of accounts is as following :

Quarter Ended	Value Date	Stock Value as per Books of Accounts (A)	Stock Value as per quarterly statement (B)	Differences (A-B)	Reasons of discrepancies
December 2022	December 2022	24,532.25	26,388.91	(1,856.66)	Due to inclusion of GST on finished goods
March 2023	March 2023	31,536.65	34,876.97	(3,340.32)	stock.

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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 18 : Other Financial Liabilities

	Non-Current			Current		
	At March 31, 2023	At March 31, 2022	At April 01, 2021	At March 31, 2023	At March 31, 2022	At April 01, 2021
Trade Deposit (Refer note 'a' and 'b' below)	325.00	325.00	75.00	-	-	-
Capital Creditors (For MSME refer note 22)	-	-	-	206.84	379.07	288.69
	<b>325.00</b>	<b>325.00</b>	<b>75.00</b>	<b>206.84</b>	<b>379.07</b>	<b>288.69</b>

- a) Trade deposit is repayable on cessation of business transaction with the customer (interest free).  
b) Trade deposits are not in the nature of borrowings and hence are classified as Other Financial Liabilities.  
c) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013.

### Note 19 : Provisions

	Non-Current			Current		
	At March 31, 2023	At March 31, 2022	At April 01, 2021	At March 31, 2023	At March 31, 2022	At April 01, 2021
<b>Provision for Employee Benefits</b>						
Compensated absences	44.19	38.86	45.97	12.97	8.30	6.48
Gratuity (Refer Note 35)	240.86	238.38	219.07	41.61	29.86	17.66
<b>Other Provisions</b>						
Provision for Sales Return	-	-	-	76.77	6.04	-
	<b>285.05</b>	<b>277.24</b>	<b>265.04</b>	<b>131.35</b>	<b>44.20</b>	<b>24.14</b>

(a) Movement in provision for sales return:

	AS			AS		
	March 31, 2023	At March 31, 2023	At March 31, 2022	March 31, 2023	At March 31, 2022	At April 01, 2021
At the beginning of the year		6.04	-		-	-
Additions during the year		76.77	6.04		6.04	-
Utilization/reversal during the year		6.04	6.04		-	-
<b>At the end of the year</b>		<b>76.77</b>	<b>6.04</b>		<b>6.04</b>	<b>-</b>

### Note 20 : Current Tax Liabilities (Net)

	AS			AS		
	March 31, 2023	At March 31, 2023	At March 31, 2022	March 31, 2023	At March 31, 2022	At April 01, 2021
Provision for income tax (Net of advance tax ₹ Nil (March 31, 2022: ₹ 1090.89 lakh and April-01, 2021: ₹352.84 lakh)		-	903.88		903.88	319.63



903.88

319.63

# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 21: Deferred Tax Liabilities (Net)

	As March 31, 2023	At March 31, 2022	As March 31, 2022	At April 01, 2021
Gross Deferred Tax Liabilities		1,940.67	1,809.63	2,288.06
Gross Deferred Tax Assets		(152.57)	(121.44)	(103.66)
Mat Credit		-	(44.78)	(44.78)
	<b>1,788.10</b>	<b>1,643.41</b>		<b>2,139.62</b>

	As April 01, 2021	At March 31, 2022	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As March 31, 2022
<b>Deferred tax assets relates to the following:</b>					
Leases	2.43		1.30	-	3.73
Provision for Employee Benefits	101.05		(15.23)	(6.44)	79.38
Allowance for Expected Credit Loss	-		37.58	-	37.58
Others	0.18		0.53	-	0.75
	<b>103.66</b>		<b>24.18</b>	<b>(6.44)</b>	<b>121.44</b>
MAT credit entitlement	44.78		-		44.78
<b>Deferred tax liability relates to the following:</b>					
Property, plant and equipment	2,288.06		(478.47)	-	1,809.59
Others	-		0.04	-	0.04
	<b>2,288.06</b>		<b>(478.43)</b>	<b>-</b>	<b>1,809.63</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>2,139.62</b>		<b>(502.61)</b>	<b>6.44</b>	<b>1,643.41</b>

	As April 01, 2022	At March 31, 2023	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As March 31, 2023
<b>Deferred tax assets relates to the following:</b>					
Leases	3.73		3.60	-	7.33
Provision for Employee Benefits	79.38		14.28	(8.19)	85.48
Allowance for Expected Credit Loss	37.58		20.81	-	58.39
Others	0.75		0.61	-	1.37
	<b>121.44</b>		<b>39.30</b>	<b>(8.19)</b>	<b>152.57</b>
MAT credit entitlement	44.78		(44.78)		-
<b>Deferred tax liability relates to the following:</b>					
Property, plant and equipment	1,809.59		130.85	-	1,940.44
Others	0.04		0.19	-	0.23
	<b>1,809.63</b>		<b>131.04</b>	<b>-</b>	<b>1,940.67</b>
<b>Total deferred tax assets/(liabilities) (Net)</b>	<b>1,643.41</b>		<b>136.52</b>	<b>8.19</b>	<b>1,788.10</b>

The Government of India has issued the Taxation Laws (Amendment) Act, 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company had opted for lower tax regime from assessment year 2022-23 and accordingly the impact had been considered in computing income tax and deferred tax in previous year. During the year, Company has written off MAT Credit Entitlement of ₹44.78 lakh as the benefit of MAT credit is not available to Companies which opts for lower corporate tax rate.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 22 : Trade Payable

	As March 31, 2023	At March 31, 2022	As April 01, 2021	At
	215.58	266.21	150.67	
	9,222.01	18,639.02	10,262.41	
	<b>9,437.59</b>	<b>18,905.23</b>	<b>10,413.08</b>	

- Outstanding Dues to Micro and Small Enterprises
- Total Outstanding Dues to Parties Other than Micro and Small Enterprises

### a) Trade Payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	Unbilled dues	
(i) MSME	215.58	-	-	-	-	215.58
(ii) Others	-	7,709.76	-	-	1,512.25	9,222.01
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-

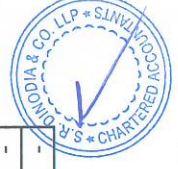
### Trade Payables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	Unbilled dues	
(i) MSME	266.21	-	-	-	-	266.21
(ii) Others	-	15,344.83	-	-	3,294.19	18,639.02
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-

### Trade Payables ageing schedule as at April 01, 2021:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	Unbilled dues	
(i) MSME	150.67	-	-	-	-	150.67
(ii) Others	-	9,891.55	-	-	370.86	10,262.41
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-	-

- b) Trade payables are non-interest bearing and are normally settled within 45-day terms.
- c) Trade payables to related parties amounts to ₹554.34 lakh as at March 31, 2023 (March 31, 2022: ₹4,897.89 lakh and April 01, 2021: ₹ 3,836.91 lakh)
- d) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

	As March 31, 2023	At March 31, 2022	As April 01, 2021	At April 01, 2021
	215.58	266.21		150.67

- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.
- The amount of interest accrued and remaining unpaid at the end of each accounting year.
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

### Note 23 : Other Current Liabilities

	As March 31, 2023	At March 31, 2022	As April 01, 2021	At April 01, 2021
Statutory dues	168.36	648.94		600.27
Advance from Customers	25.58	23.07		177.56
	<b>193.94</b>	<b>672.01</b>		<b>777.83</b>



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 24 : Revenue From Operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Product	211,603.86	224,238.07
<b>Revenue from Operations (Gross)</b>	<b>211,603.86</b>	<b>224,238.07</b>
Less: Provision for Sales Return	(70.74)	(6.04)
Less: Discount	(1,188.27)	(1,447.12)
	<b>210,344.85</b>	<b>222,784.91</b>
<b>Other Operating Revenues</b>		
Export Incentive	374.56	565.32
<b>Revenue from operations (Net)</b>	<b>210,719.41</b>	<b>223,350.23</b>

#### a) Performance Obligation

Revenue is recognised upon transfer of control of products to the customers.

During the year, the company has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the company.

b) **Disaggregation of Revenue:** The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. These revenues are revenues which have been recognised at point in time. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue by geography</b>		
- Within India	185,055.56	184,353.97
- Outside India	25,289.29	38,430.94
	<b>210,344.85</b>	<b>222,784.91</b>

Revenue customer wise	For the year ended March 31, 2023	For the year ended March 31, 2022
- Related party	4,263.06	7,774.64
- Non-related party	206,081.79	215,010.26
	<b>210,344.85</b>	<b>222,784.91</b>

#### c) Revenue recognised in relation to contract liabilities:

Ind AS 115 requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period. Same has been disclosed as below:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Amounts included in contract liabilities at the beginning of the year	23.07	177.56
Performance obligations satisfied in previous years	-	-
	<b>23.07</b>	<b>177.56</b>

#### d) Assets and liabilities related to contracts with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Contract assets related to sale of goods</b>	-	-
<b>Contract liabilities related to sale of goods</b>		
- Advance from customers	25.58	23.07
	<b>25.58</b>	<b>23.07</b>

#### e) Significant changes in contract assets and liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in balance of contract liabilities during the year:		
Opening balance of contract liabilities	23.07	177.56
Amount of revenue recognised against opening contract liabilities	(23.07)	(177.56)
Addition in balance of contract liabilities for current year	25.58	23.07
Closing balance of contract liabilities	<b>25.58</b>	<b>23.07</b>





# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

There has been no significant changes in contract assets/liabilities during the year.

### f) Reconciliation of Revenue from operations with contracted price

	For the year ended March 31, 2023	For the year ended March 31, 2022
Contracted Price (Net of Sale return)	211,603.86	224,238.07
Less: Discounts and sales return	1,259.01	1,453.16
	<b>210,344.85</b>	<b>222,784.92</b>

### g) Trade Receivables and Contract Balances

For Trade Receivables, refer Note No. 12.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2023.

### (h) Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily SS Billets, flats, heavy casting products and wire rods under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the buyer and who takes possession of the goods, depending on the delivery terms. In case of the Company's operations, generally the criteria to recognize revenue has been met when its products are despatched to its customers or received by the customers, depending on the delivery terms, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

### Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realise from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates at each reporting period.

### Note 25 : Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
- On Fixed deposits	93.87	59.58
- On electricity deposit	28.39	22.48
- On Loan to related parties.	37.42	80.01
Insurance claim received	13.53	67.89
Subsidy Income *	1,049.41	-
Foreign exchange fluctuation gain (net)	198.81	367.85
Unwinding of discount on deposits	0.75	0.15
Miscellaneous Income	3.66	5.63
	<b>1,425.84</b>	<b>603.59</b>

a). The Company is eligible for certain incentive under Rajasthan Investment Promotion Scheme for its fixed capital investment in Rajasthan State. Company has reasonable assurance that it will comply with all the conditions as mentioned in the scheme and is also certain that it would receive the grant. Based on above assurance and based on an expert opinion, Company had accounted for subsidy of ₹ 1,049.41 Lakh only (total subsidy recognized till March 31, 2023 if ₹ 2,542.81 Lakh).



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 26 : Cost of Materials Consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Raw Material</b>		
Balance at the beginning of the Year	6,635.49	5,101.46
Add:- Purchases during the year	170,029.39	175,446.80
Less:- Balance at the end of the Year	429.63	6,635.49
<b>Total Raw Material Consumption</b>	<b>176,235.25</b>	<b>173,912.77</b>

### Note 27 : Purchase of Stock in Trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock In Trade	3,765.44	7,255.84
	<b>3,765.44</b>	<b>7,255.84</b>

### Note 28 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the beginning of the year</b>		
Finished Goods	8,911.97	7,494.97
Stock-inTrade	121.32	-
WIP	2,427.56	2,791.18
By Product	182.78	487.53
<b>(A)</b>	<b>11,643.63</b>	<b>10,773.68</b>
<b>Inventories at the end of the year</b>		
Finished Goods	16,375.52	8,911.97
Work In Progress	6,650.45	2,427.56
Stock-inTrade	108.50	121.32
By Product	46.92	182.78
<b>(B)</b>	<b>23,181.39</b>	<b>11,643.63</b>
<b>(Increase) / Decrease in Inventory (A-B)</b>	<b>(11,537.76)</b>	<b>(869.95)</b>

### Note 29 : Employee Benefits Expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages & Bonus	3,165.24	2,436.82
Contribution to Provident and Other fund*	97.31	86.86
Gratuity Expense*	71.94	72.63
Staff Welfare Expenses	69.47	53.00
	<b>3,403.96</b>	<b>2,649.31</b>

\* Refer Note 35

### Note 30 : Finance Cost

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expense		
- On Borrowings	1,834.80	1,275.57
- On Lease Liability	24.84	11.71
- On Delayed Payment of income tax and TDS	113.50	143.40
- On financial liabilities not classified at amortized cost on Financial Instruments	2.44	2.99
Other Finance Cost	442.10	461.01
	<b>2,417.68</b>	<b>1,894.68</b>

### Note 31 : Depreciation and amortization expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation/Amortization of Tangible Assets	2,123.33	1,374.29
Amortization of Intangible Assets	59.03	3.90
Amortization of Right-of-Use Assets	67.25	16.24
	<b>2,249.61</b>	<b>1,394.43</b>



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 32 : Other Expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores & Spares consumed	11,831.54	8,201.99
Job Work Charges	1,301.34	1,167.39
Electricity	9,811.81	9,018.33
Labour Charges	1,760	1,520.59
Rent (Refer Note '36')	305.35	254.00
Rates & Taxes	329.17	19.03
Insurance	139.63	136.89
Repair & Maintenance		
- Plant & Machinery	109.44	103.14
- Building	12.02	3.77
- Other	354.76	249.69
Freight Outward	4,133.21	5,546.45
Security expense	269.06	192.87
Legal & Professional Expenses	289.23	238.88
Travelling & Conveyance	354.79	155.22
Advertisement and Sales Promotion	519.67	550.81
Commission	570.16	1,239.36
Communication expenses	83.64	45.25
Payment to the Auditors (Refer note 'a' below)	10.00	8.18
Loading & unloading charges	234.31	202.67
Allowances for doubtful advance & debts	232.67	149.31
Advances written off	25.94	-
Corporate Social Responsibility (Refer note 'b' below)	109.39	71.69
Donation	7.10	0.20
Miscellaneous Expenses	365.58	222.49
<b>Total</b>	<b>33,159.81</b>	<b>29,298.20</b>

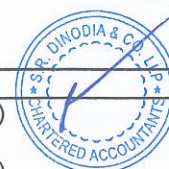
### a) Details of payment made to auditors is as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>As statutory auditor * :</b>		
- For Audit	7.50	6.85
- For Tax audit	2.00	1.00
- For Other Services	0.50	0.33
	<b>10.00</b>	<b>8.18</b>

\* Previous year figure represents payment made to erstwhile auditor

b) The Company has spent ₹ 109.39 lakh (March 31, 2022 : ₹ 71.69 lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)</b>	107.16	67.25
<b>(ii) Amount spent during the year</b>		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above	-	-
a) Activities for Ensuring Environmental Sustainability	10.73	-
b) Activities for Promoting Education	18.65	-
c) Activities for Promoting Healthcare and Others	-	65.69
d) Contribution to Mera Parivar (NGO)	40.00	-
e) Contribution to Manav Kalyan Foundation (NGO)	40.00	-
f) Contribution to ISKON (to combat world hunger by providing free meals)	-	5.00
g) Contribution to Ghar Ghar Aushadhi Yojna (a scheme of State Government, Rajasthan)	-	1.00
	<b>109.39</b>	<b>71.69</b>
(iii) Shortfall/(Excess) at the end of the year	(2.22)	(4.44)
(iv) Shortfall adjusted against pervious year excess spent	-	-
(v) Total of excess spent charged to statement of profit & loss	(2.22)	(4.44)
(vi) The Company does not have any ongoing projects as at March 31, 2023 and March 31, 2022.		



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 33: Income Tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

#### Statement of profit and loss:

##### Profit or loss section

	As March 31, 2023	At March 31, 2022
<b>Tax Expense:</b>		
a) Current tax	602.17	1,996.77
b) Adjustments in respect of current income tax of previous year	(1.80)	(73.04)
c) Deferred tax	136.52	(502.65)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>736.89</b>	<b>1,421.08</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

	As March 31, 2023	At March 31, 2022
<b>Accounting profit before income tax</b>	<b>2,451.26</b>	<b>8,418.54</b>
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	616.93	2,118.78
Adjustments in respect of current income tax of previous years	(1.80)	(73.04)
Tax Effect of Expenses not deductible for tax purposes	78.03	10.77
Mat Credit Entitlement written off	44.78	-
Tax impact on property, plant & equipment	-	(38.08)
Impact of change in tax rate	-	(596.85)
Others	(1.05)	(0.49)
<b>At the effective income tax rate</b>	<b>736.89</b>	<b>1,421.08</b>
Income tax expense reported in the Statement of Profit and Loss	736.89	1,421.08
<b>Difference</b>	<b>-</b>	<b>-</b>

#### Income tax recognised in other comprehensive income

##### Deferred tax assets / (liabilities) related to items recognised in OCI during the year:

	As March 31, 2023	At March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	8.19	6.44
<b>Net amount charged to OCI</b>	<b>8.19</b>	<b>6.44</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into : -</b>		
- Items that will not be reclassified to profit or loss	8.19	6.44
- Items that may be reclassified to profit or loss	-	-
	<b>8.19</b>	<b>6.44</b>



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 34 : Earnings per share (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares including Employee Stock Options except for the case where the result becomes anti- dilutive.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to the equity holders	1,714.37	6,997.46
Weighted average number of equity shares for Basic EPS (A)	13,227,301	13,227,301
<b>Basic earnings per share(in ₹) (face value ₹ 10 per share)</b>	<b>12.96</b>	<b>52.90</b>



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 35 : Gratuity and Other Post-Employment Benefit Plans

#### a) Defined Contribution Plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
Employer's Contribution to Provident Fund and other Fund	97.31	86.86
Employer's Contribution to Employee State Insurance		
<b>Total</b>	<b>97.31</b>	<b>86.86</b>

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

#### b) Defined Benefit Plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. This method is used in following cases:-

#### i) Gratuity Scheme

The Company has defined benefit gratuity plan which is non-funded. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of actuarial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of insurance.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan. These have been provided on accrual basis, based on year end actuarial valuation.

Particulars	For the year ended		For the year ended	
	March 31, 2023	March 31, 2022	March 31, 2022	April 01, 2021
<b>Change in Benefit Obligation</b>	<b>Gratuity</b>	<b>Gratuity</b>	<b>Gratuity</b>	<b>Gratuity</b>
1	268.25	236.73	176.52	
2	19.31	15.86	11.83	
3	52.63	56.77	52.83	
4	-	-	-	
5	-25.19	-15.53	-17.37	
6	-32.53	-25.58	12.92	
<b>Present value of obligation as at the end of the year</b>	<b>282.47</b>	<b>268.25</b>	<b>236.73</b>	



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

d) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended April 01, 2021	
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
Service cost	52.63	56.77	52.83	56.77	52.83	52.83
Net Interest cost	19.31	15.86	19.31	15.86	11.83	11.83
<b>Net cost</b>	<b>71.94</b>	<b>72.63</b>	<b>71.94</b>	<b>72.63</b>	<b>64.66</b>	<b>64.66</b>

e) Changes in the Fair Value of the Plan Assets are as Follows:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended April 01, 2021	
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
<b>Fair value of plan assets at the beginning</b>	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-
Employer's Contribution	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Actuarial gains / (losses) on the Plan Assets	-	-	-	-	-	-
<b>Fair Value of Plan Assets at the End</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

f) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Particulars	As At March 31, 2023		As At March 31, 2022		As At April 01, 2021	
	As At March 31, 2023	As At March 31, 2022	As At March 31, 2022	As At March 31, 2022	As At April 01, 2021	As At April 01, 2021
1) Amount recognised in OCI, (Gain) / Loss Beginning of period	-12.66	12.92	12.92	12.92	-	-
2) <b>Remeasurement Due to:</b>						
Effect of Change in Financial Assumptions	-82.95	-12.33	-12.33	-12.33	-	-
Effect of Change in Demographic Assumption	-	-	-	-	-	-
Effect of Experience Adjustment	50.42	-13.25	-13.25	-13.25	12.92	12.92
(Gain)/Loss on Curtailments/Settlements	-	-	-	-	-	-
Return on Plan Assets (Excluding Interest)	-	-	-	-	-	-
Changes in Asset Ceiling	-	-	-	-	-	-
<b>Total amount recognised in OCI (Gain)/Loss, End of Period</b>	<b>-45.19</b>	<b>-12.66</b>	<b>-12.66</b>	<b>-12.66</b>	<b>12.92</b>	<b>12.92</b>

g) Principal actuarial assumptions at the balance sheet date are as follows:

Particulars	As At March 31, 2023		As At March 31, 2022		As At April 01, 2021	
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
<b>Economic assumptions</b>						
1) Discount rate	7.40%	7.20%	7.20%	7.20%	6.70%	6.70%
2) Rate of Increase in Compensation Levels	5.00%	8.00%	8.00%	8.00%	8.00%	8.00%
3) Expected Rate of Return on Assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Demographic assumptions

- 1 Retirement Age (years)  
2 Mortality Table

	58/60	58/60	58/60
Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

As At March 31, 2023 As At March 31, 2022 As At April 01, 2021

Particulars	As At March 31, 2023		As At March 31, 2022		As At April 01, 2021	
	As	At	As	At	As	At
Present value of Defined Benefit Obligation	282.47	-	268.25	-	236.73	-
Fair value of plan assets	-	-	-	-	-	-
Net Defined Benefit (assets) / liability	282.47	-	268.25	-	236.73	-

i) A Quantitative Sensitivity Analysis for Significant Assumption as is as Shown Below:

Particulars	As At March 31, 2023		As At March 31, 2022		As At April 01, 2021	
	As	At	As	At	As	At
<b>A. Discount rate</b>						
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	-19.24	-	-21.97	-	-20.23	-
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	22.13	-	25.68	-	23.69	-
<b>B. Salary escalation rate</b>						
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	22.44	-	25.07	-	22.93	-
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	-19.82	-	-22.01	-	-20.18	-
<b>Leave Encashment (Unfunded)</b>						
<b>A. Discount rate</b>						
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	-3.28	-	-3.20	-	-3.95	-
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	3.74	-	3.70	-	4.59	-
<b>B. Salary escalation rate</b>						
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	3.79	-	3.63	-	4.49	-
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	-3.38	-	-3.20	-	-3.94	-



The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



## Synergy Steels Limited

### Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

Sensitivities due to morality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

#### j) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Morality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

#### C. Maturity Profile of Defined Benefit Obligation is as Follows:

##### Gratuity (Funded)

Particulars	As At March 31, 2023		As At March 31, 2023		As At April 01, 2021	
	As	At	As	At	As	At
Within the next 12 months (next annual reporting period)	43.12		30.92		18.25	
Between 2 and 5 years	106.20		90.62		87.44	
Between 6 and 10 years	422.59		488.95		410.68	



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 36 : Leases

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

<u>Right-of-use assets: movements in carrying value of assets</u>	<u>Buildings</u>
<b>Gross Block as at April 01, 2021</b>	<b>136.65</b>
Add: Additions during the year	-
Less: Disposals / adjustments during the year	-
<b>Gross Block As at March 31, 2022</b>	<b>136.65</b>
<b>Gross Block as at April 01, 2022</b>	<b>136.65</b>
Add: Additions during the year	502.63
Less: Disposals / adjustments during the year	-
<b>Gross Block As at March 31, 2023</b>	<b>639.28</b>
<b>Accumulated Depreciation :</b>	
<b>As at April 01, 2021</b>	<b>-</b>
Add: Depreciation charge for the year	16.24
Less: Disposals/adjustments during the year	-
<b>As at March 31, 2022</b>	<b>16.24</b>
<b>As at April 01, 2022</b>	<b>16.24</b>
Add: Depreciation charge for the year	67.25
Less: Disposals/adjustments during the year	-
<b>As at March 31, 2023</b>	<b>83.49</b>
<b>Net Block :</b>	
<b>As at March 31, 2023</b>	<b>555.79</b>
<b>As at March 31, 2022</b>	<b>120.41</b>
<b>As at April 01, 2021</b>	<b>136.65</b>

In 2022-23 and 2021-22, there were no impairment charges recorded for right-of-use assets.

<u>Leases: movements in carrying value of recognised liabilities</u>	<u>As</u> <u>March 31, 2023</u>	<u>At</u> <u>March 31, 2022</u>	<u>As</u> <u>March 31, 2022</u>	<u>At</u> <u>April 01, 2021</u>
<b>Balance at the beginning of year</b>		<b>133.60</b>	<b>144.69</b>	-
Addition in lease liabilities		488.20	-	144.69
Interest expense on lease liabilities		24.84	11.71	-
Repayment of lease liabilities		77.78	22.80	-
<b>Balance at the end of the year</b>		<b>568.86</b>	<b>133.60</b>	<b>144.69</b>
Non-current lease liabilities		490.04	121.53	133.60
Current lease liabilities		78.82	12.07	11.09
<b>Total lease liabilities</b>		<b>568.86</b>	<b>133.60</b>	<b>144.69</b>

The maturity analysis of lease liabilities is given in Note 44 in the 'Liquidity risk' section.

### Leases: Cash Flows

Included in cash flows from operating activities is ₹ 303.27 lakh (March 31, 2022: ₹ 254.00 lakh) and Included in cash flows from financing activities ₹ 77.78 lakh (March 31, 2022: ₹ 22.80 lakh).

Cash flows from operating activities include cash flows from short-term lease and leases of low-value assets. Cash flows from financing activities include the payment of interest and the principal portion of lease liabilities .

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 37 : Contingent Liabilities (to the extent not provided for) and Commitments

#### (I) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 46.39 lakh (March 31, 2022: ₹ 316.22 lakh and April 01, 2021: ₹ 856.72 lakh ). The Company does not have any other long term commitments or material non-cancellable Contractual Commitments, which may have a material impact on the standalone financial statements.

#### (II) Contingent Liabilities

##### i) Claims against the Company not acknowledged as debts:

The Company had filed an appeal before the Customs, Excise and Service tax Appellate Tribunal, New Delhi, against demand order of Rs. 273.45 Lakh, including penalty, issued by the Commissioner, Central Excise, Alwar, Rajasthan which was decided by the Appellate Tribunal in favour of the Company and the demand had been dropped. The Company had received a refund of Rs. 53.13 Lakh, including interest on 05.05.2020. However, the department has filed an appeal before the Hon'ble Supreme Court of India against the order and above order and is currently pending adjudication as at March 31, 2023.

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. 14 to the financial statements) ₹.1.26 lakh (March 31, 2022: ₹ 1.26 lakh and April 01, 2021: ₹ 67.96 lakh).

The Company has reviewed the above pending claim/ litigation and has adequately provided for wherever required. The Company does not expect the outcome of the above proceeding to have a material or adverse effect on financial position of the Company. The Company does not expect any reimbursements in respect of the above contingent liability.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 38: Capital Management

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital structure using Gearing Ratio, which is calculated as under:

	As March 31, 2023	At March 31, 2022	As April 01, 2021
Borrowings	1,622.19	3,216.26	3,387.18
Lease Liabilities	568.86	133.60	144.69
Less: Cash and Bank Balance	(1,576.37)	(1,943.16)	(967.61)
<b>Adjusted Net Debt (A)</b>	<b>614.68</b>	<b>1,406.70</b>	<b>2,564.26</b>
Equity Share Capital	1,322.73	1,322.73	1,322.73
Other Equity	29,802.32	28,063.61	21,047.01
<b>Total Capital (B)</b>	<b>31,125.05</b>	<b>29,386.34</b>	<b>22,369.74</b>
<b>Net Debt and Capital (C= A+B)</b>	<b>31,739.73</b>	<b>30,793.03</b>	<b>24,934.00</b>
<b>Gearing ratio</b>	<b>0.02</b>	<b>0.05</b>	<b>0.10</b>

a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

### Note 39: Unhedged Foreign Currency Exposures

The details of foreign currency balances which are not hedged as at the end of the year are as follows:

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	As	At	As	At	As	At
<b>Payables</b>						
- in USD	130.75		84.34		-	
- in Euro	70.24		3.06		-	
- INR (₹) equivalent as per books	<b>16,949.00</b>		<b>6,651.55</b>		<b>5,952.13</b>	
<b>Receivables</b>						
- in USD	21.49		36.26		-	
- in Euro	9.57		63.00		-	
- in GBP	0.61		-		-	
- INR (₹) equivalent as per books	<b>3,183.79</b>		<b>8,076.45</b>		<b>2,860.16</b>	

### Note 40: Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage its exposure to risks associated with foreign currency price. These derivative contracts are not designated as hedging instrument in cash flow hedge and are entered into for periods consistent with foreign currency price exposure of the underlying transactions, generally from one to twelve months.

The company has the following derivative instruments (forward contracts) outstanding as at the year end against its foreign currency exposures:

S. No.	Details of Derivatives	Currency	Forward contract outstanding			MTM (Gain)/ Loss		Purpose
			Amount 2023	Amount 2022	Amount 2021	Amount 2023	Amount 2022	
1	Sale	EURO	15.00	-	-	-15.04	-	Hedging against Trade Receivables
2	Sale	USD	6.05	-	-	-0.52	-	Hedging against Trade Receivables

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# Synergy Steels Limited

Notes to standalone financial statements for the year ended March 31, 2023 (All amounts in ₹ lakh, unless otherwise stated)

Note 41: Related Party Disclosure

a) List of related parties

Name of Related Party	Nature of Relationship
Antia International*	
S.C. Kathuria (HUF)**	
Alwar Rolling Mills Pvt. Ltd.	
Chamak Holdings Limited	
Geetanjali Properties Pvt. Ltd.	
Himalaya Estate Pvt. Ltd.	
Kathuria Castings Pvt. Ltd.	
Providentia Tech***	
Life Medicare & Biotech Pvt. Ltd.	
Ramnika Estates Pvt. Ltd.	
Surya Invest Pvt. Ltd.	
Synergy Global Steels Pvt. Ltd.	
Synergy Ispat Pvt. Ltd.	
Subhash Chander Kathuria - Managing Director	
Subhash Kathuria - Director	
Subhash Jain - Director	
Ajay Kumar Mohanty - Independent Director	
Surbhi Narang - Chief Financial Officer (Resigned on July, 31, 2021)	
Yugal Kishor Garg - Chief Financial Officer (Appointed on July 31, 2021)	
Arvind Kumar Tiwari-Company Secretary	
Antia Kathuria - Wife of Managing Director	
* 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.	

b) Transactions with related parties (including bifurcation of material transaction)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Subhash Chander Kathuria	Key Managerial Personnel	Short term borrowings received	-	390.00
Antia International	Enterprises owned or significantly influenced by KMP or their relatives	Rent paid	100.80	84.00
Himalaya Estate Pvt. Ltd.		Advances adjusted against Rent	-	47.99
Antia International		Interest Payments	28.53	-
Ramnika Estates Pvt. Ltd.		Loan Received	128.00	128.94
Ramnika Estates Pvt. Ltd.		Loan Repaid	-128.00	-128.94
Synergy Ispat Pvt. Ltd.		Loan given	64.63	77.48
Synergy Ispat Pvt. Ltd.		Interest Income	37.42	36.07
Synergy Global Steels Pvt. Ltd.		Sales (net of return)	4,263.06	7,774.64
Alwar Rolling Mills Pvt. Ltd.		Job Work Charges	1,262.20	1,150.90
Arvind Tiwari		Managerial Remuneration	31.44	24.00
Surbhi Narang			-	3.20
Yugal Kishor Garg			31.09	18.00

c) Loans from banks are secured against guarantee given by the directors.

d) Year end balances of related parties

Name of Related Party	Nature of Balance	As At March 31, 2023	As At March 31, 2022	As At April 01, 2021
Synergy Global Steels Pvt. Ltd.	Trade Receivables	679.33	1,953.36	239.37
Yugal Kishor Garg	Remuneration Payable	2.50	1.98	-
Surbhi Narang		-	-	0.37
Arvind Tiwari		2.55	-	2.20
Alwar Rolling Mills Pvt. Ltd.	Advance recoverable in cash or kind	580.58	235.16	194.89
Providentia Tech		372.34	566.00	-
Surya Invest Pvt. Ltd.		4.03	-	-
Synergy Ispat Pvt. Ltd.		488.05	389.73	264.31
Chamak Holdings Limited	Trade Payables (Net)	505.15	2,691.30	1,591.01
Geetanjali Properties Pvt. Ltd.	Long term borrowings (including equity component of loan)	46.00	46.00	46.00
Antia International	Trade Payables (Net)	44.14	2,193.12	2,243.33
Himalaya Estate Pvt. Ltd.	Long term borrowings	325.00	-	-
Synergy Global Steels Pvt. Ltd.	Security deposit (Given)	50.00	124.00	124.00
Other Payable	Other Payable	-	9.98	128.94

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

f) The remuneration of Key Managerial Personnel does not include amount in respect of Gratuity and Leave Encashment payable as the same are not determinable as individual basis for the KMP. The aforesaid liabilities of Gratuity and Leave Encashment are provided for company as whole.

**Note 42: First time adoption of Ind AS**

As stated in note 2, the financial statements for the year ended March 31, 2023 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2022, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended March 31, 2023, together with the comparative period data as at and for the year ended March 31, 2022, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2021, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2021 and the financial statements as at and for the year ended March 31, 2022.

**Exemptions applied**

The company has prepared the opening balance sheet as per Ind AS as of April 01, 2021 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However this principle is subject to certain exception and certain optional exemption availed by the company. The company has applied the following exemptions apart from mandatory exceptions in Ind AS 101:

**a) Mandatory exceptions**

**i) Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or as at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the I GAAP unless there is a objective evidence that those estimates were in error. However the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under I GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of comparative period, as the case may be.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the I GAAP are as follows:

- Determination of the discounted value for financial instruments carried at amortized cost

**ii) Classification and measurement of financial assets:**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

**b) Optional exemptions**

**i. Property, plant and equipment and intangible assets**

As permitted by Ind AS 101 - First-time Adoption of Indian Accounting Standards, the Company has elected to continue with carrying values under IGAAP for all items of property, plant and equipment and intangible assets.

**ii. Leases**

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2021. The Company has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Short-term leases are leases with lease term of 12 months or less. The Company has applied the practical expedient and thus not reassessed whether or not a contract meets the definition of lease on transition. Accordingly Ind AS 116 is applied to all the lease contracts entered before 1 April 2021 on the initial date of application of IndAS 116.

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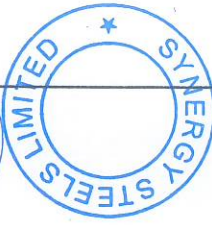
# Synergy Steels Limited

Notes to financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

(c) Reconciliation of Balance Sheet as at April 01, 2021 (date of transition to Ind AS)

Particulars	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS
<b>I ASSETS</b>				
(1) Non-current assets				
(a) Property, Plant and Equipment		14,038.30	-	14,038.30
(b) Capital work-in-progress		4,754.30	-	4,754.30
(c) Right of Use Asset		0.00	136.65	136.65
(d) Intangible assets		43.37	-	43.37
(e) Financial assets		30.38	-	30.38
(i) Investment		30.38	-	30.38
(ii) Others		194.82	(1.62)	193.20
(f) Non current tax asset (Net)		-	-	-
(g) Other non-current assets		595.44	-	595.44
<b>Total Non-current Assets</b>		<b>19,656.61</b>	<b>135.03</b>	<b>19,791.64</b>
(2) Current assets				
(a) Inventories		16,498.24	-	16,498.24
(b) Financial assets		-	-	-
(i) Investment		-	-	-
(ii) Trade receivables		14,262.37	-	14,262.37
(iii) Cash and cash equivalents		227.94	-	227.94
(iv) Other bank balances		739.67	-	739.67
(v) Loans		734.62	-	734.62
(vi) Others		3,015.28	-	3,015.28
(c) Other current assets		3,288.10	-	3,288.10
<b>Total Current Assets</b>		<b>38,766.22</b>	<b>-</b>	<b>38,766.22</b>
<b>Total Assets</b>		<b>58,422.84</b>	<b>135.03</b>	<b>58,557.86</b>
<b>II EQUITY AND LIABILITIES</b>				
(1) Equity				
(a) Equity Share capital		1,322.73	-	1,322.73
(b) Other Equity		-	-	-
(i) Securities Premium		8,231.27	-	8,231.27
(ii) Capital Reserve		12.59	-	12.59
(iii) Revaluation Reserve		-	-	-
(iv) Equity Component of Loan		-	21.24	21.24
(v) Retained earnings		12,789.13	(7.23)	12,781.91
<b>Total Equity</b>		<b>22,355.72</b>	<b>14.01</b>	<b>22,369.73</b>
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,721.54	(21.24)	1,700.30
(ii) Lease Liability		-	133.60	133.60
(iii) Other Financial Liabilities		75.00	-	75.00
(b) Provisions		265.04	-	265.04
(c) Deferred tax liability (net)		2,142.05	(2.43)	2,139.62
(d) Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>4,203.62</b>	<b>109.94</b>	<b>4,313.56</b>





# Synergy Steels Limited

Notes to financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings		20,040.10	
(ii) Trade payables		150.67	
- Total outstanding dues of micro enterprises and small enterprises		150.67	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		10,262.41	
(iv) Lease Liability	11.09	-	
(iii) Other financial liabilities		288.69	
(b) Other current liabilities		777.83	
(c) Provisions		24.14	
(d) Current Tax Liabilities		319.63	
Total Current liabilities	11.09	31,863.47	31,874.55
Total Equity and Liabilities	135.03	58,422.84	58,557.86

(d) Reconciliation of Balance Sheet as at March 31, 2022

Particulars	Foot	Indian GAAP	Ind AS	Ind AS
<b>I ASSETS</b>				
(1) Non-current assets				
(a) Property, Plant and Equipment	1 & 8	19,916.84	-	19,916.84
(b) Capital work-in-progress		0.00	120.41	120.41
(c) Right of Use Asset		-	-	-
(d) Intangible assets		235.98	-	235.98
(e) Financial assets		-	-	-
(i) Investment		30.38	-	30.38
(ii) Others	1	194.82	(1.47)	193.35
(f) Non current tax asset (Net)		794.58	-	794.58
(g) Other non-current assets		17.50	-	17.50
Total Non-current Assets		21,190.10	118.95	21,309.05
(2) Current assets				
(a) Inventories		23,114.51	-	23,114.51
(b) Financial assets		-	-	-
(i) Investments		21,555.30	-	21,555.30
(ii) Trade receivables	6	664.42	(130.71)	533.71
(iii) Cash and cash equivalents		1,409.45	-	1,409.45
(iv) Bank balances other than (iii) above		389.73	-	389.73
(vi) Others		3,207.03	-	3,207.03
(c) Other current assets		6,176.49	-	6,176.49
Total Current Assets		56,516.93	(130.71)	56,386.22
Total Assets		77,707.03	(11.76)	77,695.26
<b>II EQUITY AND LIABILITIES</b>				
(1) Equity				
(a) Equity Share capital		1,322.73	-	1,322.73
(b) Other Equity		-	-	-
(i) Securities Premium		8,231.27	-	8,231.27
(ii) Capital Reserve		12.59	-	12.59
(iii) Equity Component of Loan	7	-	21.24	21.24
(iv) Retained earnings	1, 3, 5, 6, 7 & 8	19,915.56	(117.06)	19,798.51
Total Equity		29,482.15	(95.82)	29,386.32



# Synergy Steels Limited

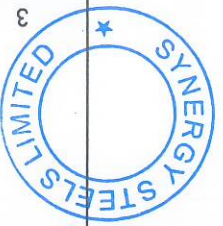
Notes to financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

LIABILITIES				
(1) Non-current liabilities	(a) Financial Liabilities	7	1,001.33	(18.24)
	(i) Borrowings			
	(iii) Lease Liability	8	(0.01)	121.54
	(iiii) Other Financial Liabilities			
	(b) Provisions		277.24	-
	(c) Deferred tax liability (net)	3	1,680.75	(37.34)
Total Non-current liabilities			3,284.31	65.95
(2) Current liabilities	(a) Financial liabilities			
	(i) Borrowing			
	(ii) Trade payables		24,042.19	-
	- Total outstanding dues of micro enterprises and small enterprises		266.21	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		18,639.02	-
	(iii) Lease Liability	8	-	12.07
	(iv) Other financial liabilities		379.07	-
	(b) Other current liabilities			
	(c) Provisions	5	38.17	6.04
	(d) Current Tax Liabilities		903.88	-
Total Current liabilities			44,940.53	18.11
Total Equity and Liabilities			77,707.03	(11.76)
				77,695.26

(e) Reconciliation of profit or loss for the year ended March 31, 2022:

Particulars	Foot notes	Indian GAAP	Ind AS	Ind AS
I Revenue from operations	2 & 5	2,24,803.39	(1,453.16)	2,23,350.23
II Other Income	1	603.43	0.15	603.59
III Total Income ( I + II )		2,25,406.82	(1,453.00)	2,23,953.82
IV Expenses				
(a) Cost of Materials Consumed		1,73,912.77	-	1,73,912.77
(b) Purchases of Stock-in-Trade		7,255.84	-	7,255.84
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade		(869.95)	-	(869.95)
(d) Employee benefits expense	4	2,623.73	25.58	2,649.31
(e) Finance Costs	7 & 8	1,879.97	14.70	1,894.68
(f) Depreciation and amortization expense	1 & 8	1,378.19	16.24	1,394.43
(g) Other expenses	2, 6 & 8	30,637.41	(1,339.21)	29,298.20
Total expenses (IV)		2,16,817.97	(1,282.69)	2,15,535.28
V Profit (loss) before exceptional items and tax (III-IV)		8,588.85	(170.31)	8,418.54
VI Exceptional Items		-	-	-
VII Profit (loss) before tax (V-VI)		8,588.85	(170.31)	8,418.54
VIII Tax expense:				
Current Tax		1,996.77	-	1,996.77
Adjustment of tax relating to earlier years		(73.04)	(41.34)	(73.04)
Deferred Tax	3	(461.31)	(41.34)	(502.65)
Total tax expense (VIII)		1,462.42	(41.34)	1,421.07
IX Profit/ (loss) for the year from continuing operations (VII-VIII)		7,126.43	(128.97)	6,997.46



Other Comprehensive Income		Total Comprehensive Income for the period	
A. Items that will not be reclassified to profit or loss	B. Items that will be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	Income tax effect		
25.58	(6.44)	7,126.43	(109.83)
4			7,016.60

f) Reconciliation of Statement of Cash Flow for the year ended March 31, 2022

Particulars	Previous GAAP	Effect of Transition to Ind AS
Net Cash flow from/(used in) operating activities	(10,881.46)	(2,788.84)
Net Cash flow from/(used in) investing activities	(3,775.89)	16.24
Net Cash flow from/(used in) financing activities	11,841.73	14.70
Net Increase/(Decrease) in cash and cash equivalents	(2,815.63)	(2,757.90)
Cash and Cash equivalents at the beginning of the period	533.71	-
Cash and Cash equivalents at the March 31, 2022	(2,281.92)	(2,757.90)

g) Footnotes to the reconciliation of equity as at April 01, 2021 and March 31, 2022 and profit or loss for the year ended March 31, 2022:

1 Security deposit  
Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all such financial liabilities are required to be recognised at fair value and subsequently measured at amortised cost. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as ROU under Ind AS 116.  
As a result, the impact on security deposits as on the date of transition is lower by ₹ 1.62 lakh, whereas Right to Use Asset is higher by ₹ 1.62 lakh and depreciation of ₹ 0.20 lakh and income of ₹ 0.15 lakh has been recognised in the statement of profit and loss for the year ended March 31, 2022.

2 Reclassification of Expenses (Discount Expenses on Sales)

In accordance with Ind AS 115, 'Revenue from Contracts with Customers', quantity discounts given by Company to its customers have been reclassified from Other Expenses to revenue from Operations.

3 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

4 Employee benefits

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the books with a corresponding debit or credit to retained earnings through OCI. The increase in employee benefits expense for the year ended March 31, 2022 is ₹ 25.58 lakh which has been recognised in Other Comprehensive Income gross of tax (₹ 6.44 lakh).

5 Recognition of Sales Return

In accordance with Ind AS 115, 'Revenue from Contracts with Customers', Revenue is recognised after deducting estimated sales return. Accordingly 'Provision for Sales returns' has been created and booked in liability. Provision for Sales returns created for the year ended March 31, 2022 is ₹ 6.04 lakh through Profit and Loss account and recognised as short term provision in liability.



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### 6 Expected Credit Loss

As per Ind AS 109 at each reporting date, an entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Accordingly, provision for expected credit loss to be recognised for the year ended March 31, 2022 is ₹ 130.71 lakh

### 7 Deemed Equity

Under Previous GAAP, Interest free Loan from related party are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of each financial reporting period. Whereas, fair value loss i.e. the difference between the transaction and discounted value of the loan is recognised as Equity Component of Loan under other equity. As a result, the impact on loan as on the date of transition is lower by ₹ 21.24 lakh, whereas Other Equity is higher by ₹ 21.24 lakh and interest expense of ₹ 2.99 lakh has been recognised in the statement of profit and loss for the year ended March 31, 2022.

### 8 Leases

On 1 April 2021, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 1 April 2021 using the Modified Retrospective Method with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application.

Under Previous GAAP, lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over lease term in respect of asset taken on operating lease. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability. Interest expense on the lease liability is a component of finance cost that requires to be presented separately in the statement of profit and loss. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Lessee shall measure the right-of-use asset at cost less accumulated depreciation as per Ind AS 116 and any accumulated impairment losses as per Ind AS 36. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar characteristics.
- Applied the exemption not to recognize rights-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the rights-of-use asset at the date of initial application.
- Applied hindsight approach, for determining the lease term for the contract contains options to extend or terminate the lease.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under previous GAAP.

Accordingly, 'Right of Use' asset of ₹ 118.99 lakh as at 31 March 2022 (₹ 135.03 as at 1 April 2021) and a lease liability of ₹ 133.60 as at 31 March 2022 (₹ 144.69 lakh as at 1 April 2021) have been recognised. The impact on account of interest expense of ₹ 11.71 lakh, amortisation of right of use assets of ₹ 16.04 lakh and reversal of lease expense of ₹ 22.80. Consequently, total equity has been decreased by ₹ 4.95 lakh as at 31 March 2022 (₹ 9.66 lakhs at 1 April 2021).



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# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 42 A: Disclosure as per Ind AS 8 - 'Accounting Policies, changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial Statements'.

In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the company has retrospectively restated its balance sheet as at March 31, 2022, April 01, 2021 (beginning of preceding period) and statement of profit and loss for the year ended March 31, 2022 for the reason as stated below:

- Wrong presentation of GST on Closing stock, Sales and statutory liability.

These are rectified by restating the comparative information presented as at April 01, 2021 and as at end for the year March 31, 2022 in accordance with "Indian Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors" The details is as under:

Reconciliation of restated items of Balance Sheet as at March 31, 2022 and April 01, 2021:

Reconciliation of Balance Sheet as at April 01, 2021

Particulars	Foot notes	Previously Reported	Adjustment	As restated
<b>I ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment		14,038.30	-	14,038.30
(b) Capital work- in- progress		4,754.30	-	4,754.30
(c) Right of Use Asset		0.00	-	0.00
(d) Intangible assets		43.37	-	43.37
(e) Financial assets		-	-	-
(i) Investment		30.38	-	30.38
(ii) Others		194.82	-	194.82
(f) Non current tax asset (Net)		-	-	-
(g) Other non- current assets		595.44	-	595.44
<b>Total Non- current Assets</b>		<b>19,656.61</b>	<b>-</b>	<b>19,656.61</b>
<b>(2) Current assets</b>				
(a) Inventories	a	18,141.65	(1,643.41)	16,498.24
(b) Financial assets		-	-	-
(i) Investment		-	-	-
(ii) Trade receivables		14,262.37	-	14,262.37
(iii) Cash and cash equivalents		227.94	-	227.94
(iv) Other bank balances		739.67	-	739.67
(v) Loans		734.62	-	734.62
(vi) Others		3,015.28	-	3,015.28
(c) Other current assets		3,288.10	-	3,288.10
<b>Total Current Assets</b>		<b>40,409.63</b>	<b>(1,643.41)</b>	<b>38,766.22</b>
<b>Total Assets</b>		<b>60,066.24</b>	<b>(1,643.41)</b>	<b>58,422.84</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share capital		1,322.73	-	1,322.73
(b) Other Equity		-	-	-
(i) Securities Premium		8,231.27	-	8,231.27
(ii) Capital Reserve		12.59	-	12.59
(iii) Revaluation Reserve		-	-	-
(iv) Equity Component of Loan		-	-	-
(v) Retained earnings		12,789.13	-	12,789.13
<b>Total Equity</b>		<b>22,355.72</b>	<b>-</b>	<b>22,355.72</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities		-	-	-
(i) Borrowings		1,721.54	-	1,721.54
(ii) Lease Liability		-	-	-
(iii) Other Financial Liabilities		75.00	-	75.00
(b) Provisions		265.04	-	265.04
(c) Deferred tax liability (net)		2,142.05	-	2,142.05
(d) Other non-current liabilities		-	-	-
<b>Total non- current liabilities</b>		<b>4,203.62</b>	<b>-</b>	<b>4,203.62</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities		-	-	-
(i) Borrowings		20,040.10	-	20,040.10
(ii) Trade payables		-	-	-
- Total outstanding dues of micro enterprises and small enterprises		150.67	-	150.67
- Total outstanding dues of creditors other than micro enterprises and small enterprises		10,262.41	-	10,262.41



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

(iv) Lease Liability		-	-	-
(iii) Other financial liabilities		288.69	-	288.69
(b) Other current liabilities	a	2,421.23	(1,643.41)	777.83
(c) Provisions		24.14	-	24.14
(d) Current Tax Liabilities		319.63	-	319.63
<b>Total Current liabilities</b>		<b>33,506.87</b>	<b>(1,643.41)</b>	<b>31,863.47</b>
<b>Total Equity and Liabilities</b>		<b>60,066.24</b>	<b>(1,643.41)</b>	<b>58,422.84</b>

### Reconciliation of Balance Sheet as at March 31, 2022

Particulars	Foot notes	Previously Reported	Adjustment	As restated
<b>I ASSETS</b>				
(1) <b>Non-current assets</b>				
(a) Property, Plant and Equipment		19,916.84	-	19,916.84
(b) Capital work- in- progress		-	-	-
(c) Right of Use Asset		0.00	-	0.00
(d) Intangible assets		235.98	-	235.98
(e) Financial assets		-	-	-
(i) Investment		30.38	-	30.38
(ii) Others		194.82	-	194.82
(f) Non current tax asset (Net)		794.58	-	794.58
(g) Other non- current assets		17.50	-	17.50
<b>Total Non- current Assets</b>		<b>21,190.10</b>	<b>-</b>	<b>21,190.10</b>
(2) <b>Current assets</b>				
(a) Inventories	a	24,852.98	(1,738.47)	23,114.51
(b) Financial assets				
(i) Investments		21,555.30	-	21,555.30
(ii) Trade receivables		664.42	-	664.42
(ii) Cash and cash equivalents		1,409.45	-	1,409.45
(iv) Bank balances other than (iii) above		389.73	-	389.73
(vi) Others		3,207.03	-	3,207.03
(c) Other current assets		6,176.49	-	6,176.49
<b>Total Current Assets</b>		<b>58,255.39</b>	<b>(1,738.47)</b>	<b>56,516.93</b>
<b>Total Assets</b>		<b>79,445.50</b>	<b>(1,738.47)</b>	<b>77,707.03</b>
<b>II EQUITY AND LIABILITIES</b>				
(1) <b>Equity</b>				
(a) Equity Share capital		1,322.73	-	1,322.73
(b) Other Equity		-	-	-
(i) Securities Premium		8,231.27	-	8,231.27
(ii) Capital Reserve		12.59	-	12.59
(iii) Equity Component of Loan		-	-	-
(iv) Retained earnings		19,915.56	-	19,915.56
<b>Total Equity</b>		<b>29,482.15</b>	<b>-</b>	<b>29,482.14</b>
<b>LIABILITIES</b>				
(1) <b>Non- current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		1,001.33	-	1,001.33
(ii) Lease Liability		(0.01)	-	(0.01)
(iii) Other Financial Liabilities		325.00	-	325.00
(b) Provisions		277.24	-	277.24
(c) Deferred tax liability (net)		1,680.75	-	1,680.75
<b>Total Non- current liabilities</b>		<b>3,284.31</b>	<b>-</b>	<b>3,284.31</b>
(2) <b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowing		24,042.19	-	24,042.19
(ii) Trade payables		-	-	-
- Total outstanding dues of micro enterprises and small		266.21	-	266.21
- Total outstanding dues of creditors other than micro		18,639.02	-	18,639.02
(iii) Lease Liability		-	-	-
(iv) Other financial liabilities		379.07	-	379.07
(b) Other current liabilities	a	2,410.47	(1,738.47)	672.01
(c) Provisions		38.17	-	38.17
(d) Current Tax Liabilities		903.88	-	903.88
<b>Total Current liabilities</b>		<b>46,679.00</b>	<b>(1,738.47)</b>	<b>44,940.53</b>
<b>Total Equity and Liabilities</b>		<b>79,445.50</b>	<b>(1,738.47)</b>	<b>77,707.03</b>



# Synergy Steels Limited

## Notes to financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Reconciliation of profit or loss for the year ended March 31, 2022:

Particulars		Foot notes	Previously Reported	Adjustment	As restated
I	Revenue from operations	a	223,064.92	(1,738.47)	224,803.39
II	Other Income		603.43	-	603.43
III	<b>Total Income ( I +II )</b>		<b>223,668.35</b>	<b>(1,738.47)</b>	<b>225,406.82</b>
IV	<b>Expenses</b>				
	(a) Cost of Materials Consumed		173,912.77	-	173,912.77
	(b) Purchases of Stock-in-Trade		7,255.84	-	7,255.84
	(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	a	(2,608.42)	(1,738.47)	(869.95)
	(d) Employee benefits expense		2,623.73	-	2,623.73
	(e) Finance Costs		1,879.97	-	1,879.97
	(f) Depreciation and amortization expense		1,378.19	-	1,378.19
	(g) Other expenses		30,637.41	-	30,637.41
	<b>Total expenses (IV)</b>		<b>215,079.50</b>	<b>(1,738.47)</b>	<b>216,817.97</b>
V	<b>Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>8,588.85</b>	-	<b>8,588.85</b>
VI	Exceptional Items		-	-	-
VII	<b>Profit/ (loss) before tax (V-VI)</b>		<b>8,588.85</b>	-	<b>8,588.85</b>
VIII	<b>Tax expense:</b>				
	Current Tax		1,996.77	-	1,996.77
	Adjustment of tax relating to earlier years		(73.04)	-	(73.04)
	Deferred Tax		(461.31)	-	(461.31)
	<b>Total tax expense (VIII)</b>		<b>1,462.42</b>	-	<b>1,462.42</b>
IX	<b>Profit/ (loss) for the year from continuing operations (VII-VIII)</b>		<b>7,126.43</b>	-	<b>7,126.43</b>

The following rectification of calculation error has been done:

a. For the reason mentioned above with respect to error in presentation of GST on closing stock, sales and statutory liability, where its correction has resulted in increase in sale by ₹1738.47 lakh for the year ended March 31, 2022 and correspondingly value of inventory and statutory liability reduced by ₹1738.47 lakh & ₹1,643.41 lakh as at March 31, 2022 & April 01, 2021 respectively.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 43 : Fair Values Disclosure

#### a) Financial Instruments by category

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including loans, trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other current financial liabilities etc. which represent the best estimate of fair value

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments and are measured at amortised cost.

#### b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

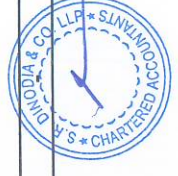
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

### As at March 31, 2023:

Particulars	Carrying amount			Fair value			
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Amortised Cost</b>							
Investments	30.38	-	30.38	-	-	-	-
Trade Receivables	14,544.96	-	14,544.96	-	-	-	-
Loan	488.05	-	488.05	-	-	-	-
Security deposits	1,097.07	-	1,097.07	-	-	-	-
Cash and Cash Equivalents	475.98	-	475.98	-	-	-	-
Bank balance other than Cash and cash equivalent	1,100.39	-	1,100.39	-	-	-	-
Other Financial assets	4,875.87	-	4,875.87	-	-	-	-
<b>Total</b>	<b>22,612.70</b>	<b>-</b>	<b>22,612.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Financial Liabilities Measured at Amortised Cost

Borrowings	-	38,251.82	-	-	-	-
Lease Liabilities	-	568.87	-	-	-	-
Trade Payables	-	9,437.60	-	-	-	-
Trade Deposits	-	325.00	-	-	-	-
Other Financial liabilities	-	206.84	-	-	-	-
	-	48,790.13	-	-	-	-
	-	48,790.13	-	-	-	-

As at March 31, 2022:

### Particulars

Particulars	Carrying amount		Fair value			
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3

### Financial Assets Measured at Amortised Cost

Investments	30.38	-	30.38	-	-	-
Trade Receivables	21,555.30	-	21,555.30	-	-	-
Loans	389.73	-	389.73	-	-	-
Security deposits	845.45	-	845.45	-	-	-
Cash and Cash Equivalents	533.71	-	533.71	-	-	-
Bank balance other than Cash and cash equivalent	1,409.45	-	1,409.45	-	-	-
Other Financial assets	2,554.93	-	2,554.93	-	-	-
<b>Total</b>	<b>27,318.95</b>	-	<b>27,318.95</b>	-	-	-

### Financial Liabilities Measured at Amortised Cost

Borrowings	-	25,025.28	-	-	-	-
Lease Liabilities	-	133.59	-	-	-	-
Trade Payables	-	18,905.23	-	-	-	-
Trade Deposits	-	325.00	-	-	-	-
Other Financial liabilities	-	379.07	-	-	-	-
<b>Total</b>	-	<b>44,768.17</b>	-	-	-	-



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

As at April 01, 2021:

Particulars	Carrying amount			Fair value			
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial Assets Measured at Amortised Cost</b>							
Investments	30.38	-	30.38	-	-	-	-
Trade Receivables	14,262.37	-	14,262.37	-	-	-	-
Loans	734.62	-	734.62	-	-	-	-
Security deposits	829.15	-	829.15	-	-	-	-
Cash and Cash Equivalents	227.94	-	227.94	-	-	-	-
Bank balance other than Cash and cash equivalent	739.67	-	739.67	-	-	-	-
Other Financial assets	2,379.33	-	2,379.33	-	-	-	-
<b>Total</b>	<b>19,203.46</b>	<b>-</b>	<b>19,203.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities Measured at Amortised Cost</b>							
Borrowings	-	21,740.40	21,740.40	-	-	-	-
Lease Liabilities	-	144.69	144.69	-	-	-	-
Trade Payables	-	10,413.08	10,413.08	-	-	-	-
Trade Deposits	-	75.00	75.00	-	-	-	-
Other Financial liabilities	-	288.69	288.69	-	-	-	-
<b>Total</b>	<b>-</b>	<b>32,661.86</b>	<b>32,661.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### c) Discount Rate Used in Determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

The following methods and assumptions were used to estimate the fair values:

a) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 44: Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes loans, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior level oversees the management of these risks.

#### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

##### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

	Increase or decrease in basis points	Effect on profit before tax
<b>31-Mar-23</b>		
INR	+50	(10.81)
INR	-50	10.81
<b>31-Mar-22</b>		
INR	+50	(11.04)
INR	-50	11.04

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

##### ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	Year	Changes in Currency rate	Effect on profit before tax
Trade Payables	31-Mar-23	+5%	(852.21)
		-5%	852.21
Trade Payables	31-Mar-22	+5%	(332.58)
		-5%	332.58

#### B. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

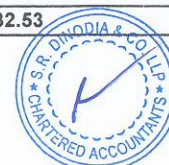
The Company also uses expected credit loss model to assess the impairment loss in loans and Trade Receivables and makes an allowance of doubtful trade receivables using this model.

#### C. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	36,976.55	-	1,128.60	146.67	38,251.82
Lease Liabilities	-	19.06	59.76	303.93	186.12	568.87
Trade payables	-	9,437.60	-	-	-	9,437.60
Other financial liabilities	-	206.84	-	-	325.00	531.84
<b>Total</b>	-	-	<b>59.76</b>	<b>1,432.53</b>	<b>657.79</b>	<b>48,790.13</b>



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

As at March 31, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	24,042.20	-	983.08	-	25,025.28
Lease Liabilities	-	2.91	9.15	87.94	33.60	133.59
Trade payables	-	18,905.23	-	-	-	18,905.23
Other financial liabilities	-	379.07	-	-	325.00	704.07
<b>Total</b>	<b>-</b>	<b>43,329.40</b>	<b>9.15</b>	<b>1,071.02</b>	<b>358.60</b>	<b>44,768.17</b>

As at April 01, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	20,040.10	-	1,700.30	-	21,740.40
Lease Liabilities	-	2.68	8.40	78.60	55.00	144.69
Trade payables	-	10,413.08	-	-	-	10,413.08
Other financial liabilities	-	288.69	-	-	75.00	363.69
<b>Total</b>	<b>-</b>	<b>30,744.55</b>	<b>8.40</b>	<b>1,778.90</b>	<b>130.00</b>	<b>32,661.86</b>



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

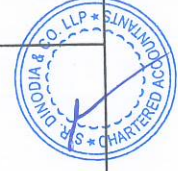
### 45 Segment reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. In Synergy Steels Limited, the decision makers view the operating results internal division wise (Stainless Steel Products). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence, the Company considered Business Segment as Secondary Segment. Further, the Company sells its products within India and outside India, accordingly, Geographical Segment has been considered as Primary Segment and disclosure related to segment is as given below:

- 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.

Particulars	March 31, 2023		March 31, 2022	
	Within India	Outside India	Within India	Outside India
<b>Segment Revenue (Gross)</b>				
Total Revenue	185,430.13	25,289.29	184,919.29	38,430.94
Less: Inter Segment Sales				-
External Sales	185,430.13	25,289.29	184,919.29	38,430.94
<b>Segment Results</b>				
Segment Results before unallocated Corporate	7,316.29	(1,002.33)	11,551.58	945.58
Less: Unallocated Corporate Expenses				12,497.16
<b>Segment Results before Interest and Taxes</b>				2,344.58
Less: Finance costs				10,152.58
Add: Interest income				1,896.14
<b>Profit Before tax and Exceptional Items</b>				162.08
Add/Less: Exceptional items				8,418.52
<b>Profit Before tax</b>				8,418.52
Less: Current tax				1,923.72
Add/Less: Deferred tax				(502.65)
<b>Profit after tax</b>				6,997.45
<b>Other Information</b>				
Segment Assets	74,861.26	3,640.42	66,455.20	9,752.10
Unallocated Corporate Assets				1,487.96
<b>Total Assets</b>				77,695.26
Segment Liabilities			30,070.12	30,070.12
Unallocated Corporate Liabilities				18,238.80
<b>Total Liabilities</b>				48,308.92
Capital expenditure incurred during the year				2,695.04
Depreciation and Amortisation during the year				1,394.43

Major Customer: There are 3 customers which contributed 10% or more to the Company's revenue for both March 31, 2023 and March 31, 2022.



# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 46: Ratio Analysis

Description	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.23	1.25	-2.09%	NA
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.25	0.86	45.68%	Due to increase in working capital loan.
Debt Service Coverage ratio	Earnings available for debt service *	Debt Service **	2.11	4.96	-57.55%	Due to decrease in profit.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	5.67%	27.04%	-79.04%	Due to decrease in profit.
Inventory Turnover ratio	Revenue	Average Inventory	6.17	9.10	-32.28%	Due to decrease in revenue and increase in stock.
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable:	11.67	12.47	-6.39%	NA
Trade Payable Turnover Ratio	Purchases of goods and services	Average Trade Payables	14.58	14.41	1.16%	NA
Net Capital Turnover Ratio	Revenue	Working capital ***	19.66	19.54	0.56%	NA
Net Profit ratio	Net Profit after tax.	Revenue	0.81%	3.13%	-74.03%	Due to decrease in profit.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed ****	7.02%	7.99%	-12.13%	NA

\* Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

\*\* Interest, Lease Payments and Principal Repayments

\*\*\* Current assets – Current liabilities

\*\*\*\* Tangible Net Worth + Total Debt + Deferred Tax Liability

Note: Reasons have been explained for variance in which % of change is more than 25% as compared to comparative year.



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# Synergy Steels Limited

## Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ lakh, unless otherwise stated)

### Note 47:

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 or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### Note 48: Other Statutory Information

(a) The company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 neither in the current financial year nor in the previous financial year.

(b) The Company does not have any Benami property, where any proceeding under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder has been initiated or pending against the company.

(c) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency.

(e) The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### Note 49:

Details of disclosure pursuant to section 186(4) of the Act:

Particulars	As	at	As	at	As	at
	March 31, 2023	March 31, 2022	March 31, 2022	March 31, 2021	April 01, 2021	April 01, 2021
Loan given to related parties:						
Loan at the beginning of the year		389.73		734.62		-
Loan given during the year		98.32		389.73		734.62
Loan repaid		-		734.62		-
Loan at the end of the year		488.05		389.73		734.62

There are no investments made and guarantees given to the aforementioned related party.

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

(Subhash Chander Kathuria)

Director  
DIN 00125337

(Yugal Kishor Garg)  
Chief Financial Officer

(Anubhav Kathuria)

Director  
DIN 01198916

(Arvind Kumar Tiwari)

Company Secretary  
ICSI Membership No F-6421

Place of Signature: New Delhi

Date: - 2 SEP 2023

