

NOTICE

NOTICE is hereby given that the **49th(Forty Ninth)** Annual General Meeting of **MOHAN STEELS LIMITED** will be held on Thursday, the **30th September, 2021 at 2.00 P.M** through Video Conferencing/Other Audio Visual Means (OAVM). No physical meeting of members will be held, however, the meeting will be deemed to have been held at the Registered Office of the Company at Plot-1, Site-1, Gazauli Industrial Area, Unnao, UP 209801 to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2021 including audited Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss Account along with the notes and explanations forming part thereof for the year ended on that date and the reports of the Board of Directors ("the Board") and the Auditors thereon.
2. To appoint a Director in place of Shri Pradeep Gautam(DIN: 01172119), who retires by rotation in terms of sec 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**BY ORDER OF THE BOARD OF DIRECTORS
MOHAN STEELS LIMITED**

DATE: 31.08.2021

PLACE: UNNAO

**CHETNA DWIVEDI
COMPANY SECRETARY& COMPLIANCE OFFICER**

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video

conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. As the no of members is less than 1000 this year so no e voting facility is given to any member.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM.
4. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the company a certified copy of the relevant Board Resolution authorizing their representative to attend and vote on their behalf at the meeting together with the specimen signature of the representative authorized under the said Board Resolution.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. Pursuant to section 91 of the Companies Act, 2013 read with Companies (Management & Administration) Rules 2014 and Regulation 42 of the SEBI (LODR) Regulations 2015, The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday 23rd September 2021 to Wednesday 29th September 2021** (both days inclusive).

9. Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ("NECS") mandates, etc. under the signature of the registered holder(s) at any of at e-mail address admin@skylinerta.com.
10. Notice of the AGM and the Annual Report for the Financial Year 2020-21 are being sent electronically to the Members whose E-mail IDs are registered with the Depository Participant(s) and / or RTA. Any member, who has not registered his Email id, may register his /her Email ID with RTA for getting registered and may also request for a copy of Annual Report electronically.
11. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in Physical form can submit their PAN details to the RTA i.e Skyline Financial Services Private Limited or to the Company.
12. All the documents referred to in the accompanying Notice will be available for inspection at the Registered Office of the Company during business hours (10:00 A.M. to 6:00 P.M.) on all working days up to the date of declaration of the result of 49th Annual General Meeting of the Company.
13. Pursuant to the Circular No. 14/2020 dated April 08, 2020 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013 ("the Act"), representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
14. Members holding shares in physical form are requested to register /update their e-mail address with our Registrar and Transfer Agent (RTA), M/s Skyline Financial Services Private Limited.
15. Brief resume of Directors/persons proposed to be appointed/re-appointed, as stipulated under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards issued by The Institute of Company Secretaries of India is provided after the explanatory statement to this notice.
16. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
 - (i) Members of the Company will be able to attend the AGM through VC / OAVM through link sent through email.

- (ii) Members are encouraged to join the Meeting through Laptops for better experience.
- (iii) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at info@mohansteels.com
- (vi) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Email id: info@mohansteels.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Email id: info@mohansteels.com. These queries will be replied to by the company suitably by email.
- (vii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

17. In order to ascertain the list of shareholders, who are eligible to receive notice of the Annual General Meeting, company had determined **3rd day of September 2021** as cut-off date, A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the notice. A person, who is not a member as on the cut-off date, should treat this Notice for information purpose only.
18. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off Date, i.e. **28th day of September 2021**.
19. AGM will be held through VC in accordance with the Circulars, the route map and attendance slip are not attached to this Notice.
20. Details of directors retiring by rotation and proposed to be reappointed at the ensuing meeting are provided after the explanatory statement to this notice pursuant to the provisions of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
21. The requirement to place the matter relating to appointment of the Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide

notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of the Statutory Auditors, who were appointed in the Annual General Meeting held on 15th November, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS
MOHAN STEELS LIMITED**

DATE: 31.08.2021

PLACE: UNNAO

**CHETNA DWIVEDI
COMPANY SECRETARY& COMPLIANCE OFFICER**

INFORMATION ABOUT THE DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,2015

Particulars	Director
Name of the Director	Pradeep Gautam
Qualification	BA
Experience	41
Date of first Appointment	09.08.2004
(a)Terms & Conditions of Re-Appointment along with Remuneration sought to be paid (b)Remuneration Last drawn (c) Relationship with other Directors, manager and other key managerial personnel of the Company	Being re-appointed as a Whole time Director liable to retire by rotation. None of the other Directors and Key Managerial Personnel are related to Pradeep Gautam
Brief Resume and expertise in specific functional area	Sri Pradeep Gautam has been associated with the Company since 1991 as Director. He heads our manufacturing and operations. He has vast experience spanning around 45 years in the steel industry.
Number of meetings of the Board attended during the year	4
Names of other companies in which directorship(s) is held	NIL
Names of other companies in which holds the membership of Committees of the Board	NIL
No. of Equity Shares of `10/- each held in the Company as on 31st March, 2021	NIL

**BY ORDER OF THE BOARD OF DIRECTORS
MOHAN STEELS LIMITED**

DATE: 31.08.2021

PLACE: UNNAO

**CHETNA DWIVEDI
COMPANY SECRETARY& COMPLIANCE OFFICER**

DIRECTOR'S REPORT

To,
The Members of
MOHAN STEELS LIMITED

Your Directors have pleasure in presenting herewith the 49th Annual Report along with Audited Accounts of the company for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The summarized financial position of the Company for the financial year ended on 31st March, 2021 as compared to Previous Year is as under:

(Amount in Lakhs)

PARTICULARS	FY ended on 31 st March, 2021	FY ended on 31 st March, 2020
Revenue From Operations		
- Export Sales		
Total Revenue from Operations		
Other Revenue	26.99	35.42
Total Revenue	26.99	35.42
Total Expenditure	114.43	189.74
Profit/(loss) before Interest, Depreciation and Tax (PBIDT)	(87.44)	(154.32)
- Interest	00.00	00.00
- Depreciation	55.60	61.61
Profit/(loss) Before Tax (PBT)	(143.04)	(215.93)
- Deferred Tax	48.46	104.31
Earlier year tax		
- Current Tax		-
Profit /(loss) After Tax (PAT)	(94.58)	(111.62)

OPERATIONS

Your company used to manufacture TMT bars for conversion contract with SAIL. The domestic production plant operations were closed on 10/02/2015 and there is no production of TMT BARS during the financial year ended on 31st March, 2021. But company is evaluating new business opportunities in coming years and restart the steel manufacturing.

FINANCE

The Company has made a loss of Rs. 94.58 Lacs during the year in comparison to last year's loss of Rs.111.62 lacs as the steel mill operations remain affected. A large amount of money remains outstanding with two customers overseas against the mercantile trade. Mr. Uday Desai and Mr Sunil Verma, (of FROST GROUP) ex Directors of the company, had exclusively carried out all the mercantile trades in the company, which is now doubtful for recovery. The alleged dues of both Frost Group companies are now disputed in NCLT as the same are directly linked to the pending mercantile trade receivables by MSL. Company has issued legal notices to both the overseas mercantile parties and has filed case in Mumbai HC against one of the customer, and his taking additional advice of solicitors as regard second customer.

FIXED DEPOSITS:

The Company has not accepted any deposit from public/shareholders as stipulated in section 73 of the Companies Act, 2013 (hereinafter referred to as 'Act') and, as such no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required by the Listing Regulations is incorporated herein by reference and forms an integral part of this report and is annexed as **Annexure H**.

DIVIDEND

Due to heavy loss in the previous years and in order to conserve the resources of the company, the Board of Directors has decided not to declare any dividend during the financial year under review.

TRANSFER TO RESERVES

During the year under review, the Board of Directors did not propose to transfer any amount to the reserves.

CHANGES IN SHARE CAPITAL

During the period Share Capital of the Company does not change. As on the financial year end date Authorized Capital of the Company is Rs. 20,00,00,000.00 and Paid-up Capital of the Company is Rs. 17,53,95,540/-

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by Rotation:

In accordance with the provisions of Section 152 of The Companies Act, 2013 read with the Articles of Association of the Company, Mr. Pradeep Gautam, the Director of the company liable to retire by rotation at the ensuing Annual General Meeting and being eligible has consented for re-appointment as Director. His re-appointment is recommended to the members.

DETAILS OF DIRECTORS AND KMP'S APPOINTED AND RESIGNED DURING THE YEAR

a) APPOINTMENTS AND RESIGNATION OF DIRECTORS

During the financial year 2020-21, there was no change in directorship of company.

b) APPOINTMENTS OF KEY MANAGERIAL PERSONNEL

No new appointment was made during the year.

ANNUAL EVALUATION OF BOARD OF ITS OWN PERFORMANCE, OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 stipulates the performance evaluation of the Directors including Chairman, Board and its Committees. Considering the said provisions, the Company has devised the process and the criteria for the performance evaluation.

The Nomination & Remuneration Committee evaluates the performance of the Independent Directors, Non- Independent Directors and the Chairman of the Company. Structured questionnaires to evaluate and assess the quality, quantity and timeliness of the flow of information between the Company management and the Board to see the (i) Board Effectiveness, (ii) Evaluation of Non-independent Directors, (iii) Evaluation of Independent Directors, (iv) Evaluation of Committees (Audit, NRC, Stakeholder Relationship Committee & Corporate Social Responsibility and (v) Evaluation of Chairperson

The Board would use the results of evaluation process constructively to improve its effectiveness, maximize strengths of individual directors and deliver performance & overall growth for the company.

COMMITTEES TO THE BOARD

The Company has 4 (Four) Committees which have been established in Compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

PERFORMANCE & FINANCIAL POSITION OF EACH OF THE SUBSIDIARY, ASSOCIATES AND CONSOLIDATED FINANCIALS:

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with the Accounting Standard AS-23 on Accounting for Investments in Associates notified under Section 129(3) of the Companies Act, 2013, the audited Consolidated Financial Statements are not provided in the Annual Report as there is no transaction to report.

The Company has no joint venture companies.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION:

The company would like to inform that material changes and commitments affecting the financial position of the company have occurred in the financial year ending 31st March 2021 namely mercantile trade which was wound up earlier due to being non remunerative & credit risk & credit outstanding increasing in the business, the recovery of the balance out standings from the two overseas parties, namely Gulf Distribution Ltd., Hong Kong and Surya Global FZC, Sharjah seems doubtful.

RELATED PARTY CONTRACT AND ARRANGEMENT OF THE COMPANY:

All related party transactions that were entered during the financial year were in the ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

All such Related Party Transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The details of all the related party transactions entered into by the company are provided in the accompanying financial statements and also provided in separate **Form AOC-2** as **ANNEXURE C**.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the process or operation was observed.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement

LEGAL FRAMEWORK AND REPORTING STRUCTURE:

The Company would like to inform that a legal compliance framework is there within the organization for monitoring and complying all laws applicable to the Company. This framework is being overseen and supervised by the office of the Company Secretary. Further the Company Secretary has also been cast the responsibility of providing a compliance certificate at every Board meeting including the key non-compliances during the quarter.

RISK MANAGEMENT POLICY AND IDENTIFICATION OF KEY RISKS:

The Company would like to inform that the risks which threaten the existence of the Company have been identified and accordingly a risk management framework has been created and adopted by the company. Further the internal auditors of the Company have been cast with the responsibility of monitoring this framework and report to the management the key risks affecting the business from time to time. The company had wound up the mercantile trade business due to increased credit & forex risk and non remunerative margins in the same as also due to Mr. Uday Desai & Sunil Verma's resignation who were exclusively looking after the mercantile trade.

CSR ACTIVITIES:

The Company has adopted the CSR policy keeping into account section 135 of Companies Act, 2013. The CSR Policy is also uploaded on the corporate website. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013, is annexed to this report as

ANNEXURE B.**DISCLOSURES****(i) MEETINGS OF THE BOARD**

During the Financial Year 2020-21 Four Board Meetings were held on the following date(s) i.e. 26th Sep, 2020, 31st Dec, 2020, 1st Feb 2021 and 31st March, 2021.

(ii) ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM

The Company promotes ethical behavior in all its business activities and in line with the best practices for corporate governance. It has established a system through which directors & employees may report breach of code of conduct, unethical business practices, illegality, fraud, and corruption etc at work place without fear of reprisal. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blowers have been denied access to the Audit Committee of the Board.

During the Financial Year 2020-2021, there was no complaint reported by any Director or employee of the company under this mechanism.

(iii) EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2021 to be set out in **ANNEXURE G** to the Directors' Report.

(iv) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee of the Board comprises of following:

S.N.	Name of the Director	Designation
1.	Mr. Bhaskar Ray	Chairman and Independent Director
2.	Mr. Pradeep Gautam	Member and Whole-time Director

Policy of CSR Committee

ANNEXED AS **ANNEXURE D**

AUDITORS & AUDITORS' REPORT

STATUTORY AUDITORS AND AUDIT REPORT

Pursuant to the provisions of section 139 of the Act and rules made there under M/s. RISHABH & CO, Chartered Accountants, Kanpur were appointed as the statutory Auditors of the Company for a term of five years, to hold the office from the conclusion of the 45th AGM till the conclusion of the 50th AGM to be held in the year 2022, subject to ratification by members at every AGM.

As the first proviso to sub-section (1) of Section 139 requiring ratification has been omitted by the Companies (Amendment Act) 2017, as notified by the Ministry of Corporate Affairs on May 7, 2018 resolution seeking ratification of their appointment is not required. Accordingly, no resolution is proposed for ratification of appointment of the Statutory Auditors, who were appointed in the Annual General Meeting, held on 15th November, 2017

Directors Reply to Auditors remark

Auditor's remarks in their audit report are self explanatory and need no further comments.

SECRETARIAL AUDIT & SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Adesh Tandon & Associates, Practicing Company Secretaries, Kanpur to conduct Secretarial Audit for the financial year 2021-2022

The Secretarial Audit Report has been annexed as **ANNEXURE E** to the Directors' Report.

The remarks given by the board on the observations of Secretarial Auditor as given in Secretarial Audit report is mentioned in **ANNEXURE F**.

INTERNAL AUDITOR

The Directors have appointed M/S Rajiv Girdhar & Co., Practicing Chartered Accountants, as Internal Auditor for the financial year 2021-22 in pursuance of provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of The Companies (Accounts) Rules, 2013.

STATUTORY INFORMATION

A. PARTICULARS OF EMPLOYEES

As none of the Employees of the Company was in receipt of remuneration in excess of the limits prescribed, information as per 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given.

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

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in **Annexure-A** hereto forming part of this Report.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

During the year 2020-21, the Company has received no complaints.

COST AUDIT AND COST RECORD MAINTENANCE

Cost Audit provisions are now not applicable to company.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:-

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; 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.

OTHER DISCLOSURES

- i. No Shares (including Sweat Equity Shares) to the employees of the Company under any scheme was issued.
- ii. No Equity Shares with Differential Rights were issued.
- iii. No orders were passed by any regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

LISTING INFORMATION

The Uttar Pradesh Stock Exchange Association Limited (UPSE) was de-recognised on 9th June, 2015. As per SEBI policy, the Company was referred to Dissemination board of NSE on 16th April, 2015.

SEBI notified the Listing Regulations and the same were effective December 1, 2015. The Listing Regulations aim to consolidate and streamline the provisions of the erstwhile listing agreement for different segments of capital markets to ensure better enforceability. In terms of the Listing Regulations, all listed entities were required to enter into a new listing agreement with the stock exchanges/take SEBI mandated step for delisting of the Company.

Since the company is in NCLT so the Company is not making compliances under various provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

PROCEEDINGS at NCLT

Rs. 291.15 Cr. And Rs. 167.76 Cr. Is recoverable from M/s Gulf Distribution Ltd and M/s Surya Global FZC respectively aggregating to Rs. 458.91 Cr. It was assured orally by ex Directors who are also the Promoters of the company namely Mr. Uday Desai and Mr. Sunil Verma who also belongs to the Frost Group to ensure the repayment thereof to the company. Since the promise made has yet not been materialised the management feels that the recovery of the amount is doubtful and has decided to take the necessary remedial action as per the legal advice given to it by Lakshmikumaran & Sridharan, Senior Legal Counsel, New Delhi at Mumbai High Court. The Board believes that both overseas debtors' parties are linked to the Frost Group, which has also claimed Rs. 361.19 Cr. from Mohan Steels Limited. This is reflected in company's affidavit filed in NCLT, Allahabad Case No380/ALD/2018 at Allahabad which is pending. The recoverable amount is not written off as yet pending due legal procedure & process.

Company has secured loans of Rs. 5.65 crores (previous year 5.65 crore) and unsecured loan of Rs. 11.59 crores (previous year 11.59 crore) of Rotomac Exports Pvt.Ltd. Said Company was co-owned by Kothari and Desai Group (Co-promoters).Liquidator of Rotomac Exports Pvt.Ltd. has filed petition under Section 7 of IBC,2016 before Hon'ble National Company Law Tribunal against Mohan Steels Ltd. for recovery of loan. Proceedings are pending

INDUSTRIAL RELATIONS

Relations with the Employees continued to be cordial. The Directors wish to place on record their appreciation of the co-operation and contribution made by the Employees at all levels.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation for the continued cooperation and support extended by the Employees and specially the Shareholders of the Company and bankers of the company for reposing trust and confidence in Company's management.

**FOR AND ON BEHALF OF THE BOARD
MOHAN STEELS LIMITED**

	(Prem Shanker Mishra) Director (DIN: 02354691)	(Pradeep Gautam) Whole Time Director (DIN:01172119)
Place: Unnao	ADDRESS:Mohan Steels Limited,,	Mohan Steels Limited,
Date:31st August,2021	Gazauli, Industrial Area	Gazauli, Industrial Area
	Kanpur - Lucknow Hwy,	Kanpur - Lucknow Hwy,
	Unnao – 209801 (UP)	Unnao – 209801 (UP)

ANNEXURE-A'**ANNEXURE TO THE DIRECTORS REPORT**

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure-A forming part of the Director's Report for the year ended 31st March 2021.

	2019-21	2019-20
I.CONSERVATION OF ENERGY		
(a) Energy Conservation measures taken during the year	Nil	Nil
(b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy	Nil	Nil
(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	Nil	Nil
(d) Total energy consumption & energy consumption per unit of production as per Form 'A' of the Annexure to the Rules, are as under:		
A. Power and Fuel consumption:		
(1) Electricity		
Purchased Units	Nil	Nil
Total Amount (Rs)	Nil	Nil
Average Rate/Unit (Rs./KVAH)	Nil	Nil
(2)Fuel Consumption (Furnace Oil)		
Qty. (KG)	Nil	Nil
Total Amount (Rs) *	Nil	Nil
Average Rate (Kg) Rs.	Nil	Nil
(3)Fuel consumption (Steam coal)		
Quantity (Kg)	Nil	Nil
Total Amount (Rs)	Nil	Nil
Average Rate (Kg.) Rs.	Nil	Nil
B. Consumption per unit of production		

Electricity KVAH/PMT	Nil	Nil
Furnace Oil Kg./PMT	Nil	Nil
Steam Coal Kg / PMT	Nil	Nil
II. TECHNOLOGY ABSORPTION		
(1) Research Development (R & D)		
(a) Specific areas in which R&D carried out by the Company	Nil	Nil
(b) Benefits derived as result of the above R & D	Nil	Nil
(c) Future plan of action	Nil	Nil
(d) Expenditure on R&D (Rs.in lacs):		
(i) Capital	Nil	Nil
(ii) Recurring	Nil	Nil
(iii) Total	Nil	Nil
(iv) Total R & D Expenditure and % of turnover	Nil	Nil
(2)Technology absorption, adoption and innovation	Nil	Nil
III. FOREIGN EXCHANGE EARNINGS AND OUTGO		
(a) Activities relating to exports, initiatives taken to increase export development of New markets for products and services and export plans	Nil	Nil
(b)Total Foreign Exchange used	Nil	Nil

FOR AND ON BEHALF OF THE BOARD

MOHAN STEELS LIMITED

(Prem Shanker Mishra)

Director

(DIN: 02354691)

Place: Unnao

Date:31st August,2021

**ADDRESS:Mohan Steels Limited,,
Gazauli, Industrial Area
Kanpur - Lucknow Hwy,
Unnao – 209801 (UP)**

(Pradeep Gautam)

Whole Time Director

(DIN:01172119)

**Mohan Steels Limited,
Gazauli, Industrial Area
Kanpur - Lucknow Hwy,
Unnao – 209801 (UP)**

ANNEXURE-B'

ANNEXURE TO THE DIRECTORS REPORT

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. To direct Co's CSR Programs, inter alia, towards achieving one or more of the following:
 - Enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports
 - To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
 - To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
 - To pursue CSR Programs primarily in areas that falls within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact. The Company did not placed the csr policy on the website of the company.
2. The Composition of the CSR Committee.
 1. Shri Bhasker Roy Independent Director
 2. Shri Pradeep Gautam Whole Time Director
 3. Shri P S Mishra Independent Director
3. Average net profit of the company for last three financial years -32304589/-
4. Prescribed CSR Expenditure (Two per cent of the amount as in item 3 above): LOSS
5. Details of CSR spent during the financial year: As there is no profit for last 3 years csr provisions are not applicable to us.
 - (a) Total amount to be spent for the financial year; Rs. 00/-
 - (b) Amount unspent, if any; Rs. 00/-
 - (c) Manner in which the amount spent during the financial year

1	2	3	4	5	6		8
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes 1)Local area or other 2)Specify the state and district where projects or programs was undertaken	Amount outlay (budge) project or program wise	Amount spent on the projects or programs Sub-heads: 1)Direct Expenditures on projects or programs 2)Overheads	Cumul ative Expen diture up to the reporti ng period.	7
1							
2							
3							
	TOTAL						

6. 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 in its Board report. The amount spent during the year is NIL.

7. Responsibility statement: The CSR committee confirms that the implementation and monitoring of the CSR Policy, is in compliance of the objectives of the CSR policy.

Sd/- Whole Time Director PRADEEP GAUTAM	Sd/- (Chairman of CSR committee) BHASKER ROY	Sd/-N/A (Person specified under Clause (d) of Sub- section (1) of Section 380 of the act) (wherever applicable)
--	---	--

Date: 31st August, 2021

ANNEXURE-C'**ANNEXURE TO THE DIRECTORS REPORT**
FORM 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 arm's length transaction under third proviso is given below :

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	ROTOMAC EXPORTS PVT LTD /ASSOCIATE COMPANY
b)	Nature of contracts/arrangements/transactions	1
c)	Duration of the contracts / arrangements/transactions	CONTINUOUS
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	SECURED LOAN
e)	Justification for entering into such contracts or arrangements or transactions	BIFR ORDER
f)	date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	OLD LOAN

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party	NIL
b)	Nature of Relation ship	NIL
c)	Nature of contracts / arrangements /transaction	NIL
d)	Duration of the contracts / arrangements/transactions	NIL
e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
f)	Date(s) of approval by the Board, if any:	NIL
g)	Amount paid as advances, if any:	NIL

For and on behalf of the Board
MOHAN STEELS LIMITED

Place: Unnao

Date: 31st August,2021

(Pradeep Gautam)
Whole Time Director
(DIN:01172119)
Mohan Steels Limited,
Gazauli, Industrial
Area, Lucknow Road,
Unnao – 209801 (UP)

ANNEXURE TO THE DIRECTORS REPORT

Corporate Social Responsibility Policy

Philosophy

Recognizing that business enterprises are economic organs of society and draw on societal resources, Company will continue crafting unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are the subject matter of this Policy.

CSR Policy

It is MSL's policy:

To direct Co's CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports;

To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;

To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;

To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;

To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies towards "Enterprise Social Responsibility (ESR)" activities and to spend such monies through ESR/CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;

To provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit;

Implementation

To implement the Company's CSR Programmes through Company personnel or through external implementing Trusts in accordance with their Objects and

administrative and accounting processes laid down in the respective Trust Deeds/ Memorandum and Articles of Association.

Governance

Every year, the CSR and Sustainability Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The Corporate Management Committee (CMC) will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.

The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CMC within the specified budgets and timeframes and report back to the CMC on the progress thereon at such frequency as the CMC may direct.

The CMC shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.

Once every six months the CMC will provide a status update to the CSR and Sustainability Committee on the progress of implementation of the approved CSR Programmes carried out during the six month period. It shall be the responsibility of the CSR and Sustainability Committee to review such reports and keep the Board apprised of the status of implementation of the same.

At the end of every financial year, the CSR and Sustainability Committee will submit its report to the Board.

CSR Expenditure

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

FOR AND ON BEHALF OF THE BOARD

MOHAN STEELS LIMITED

	(Prem Shanker Mishra)	(Pradeep Gautam)
	Director	Whole Time Director
Place: Unnao	(DIN: 02354691)	(DIN:01172119)
Date: 31st August,2021	ADDRESS:Mohan Steels Limited,	Mohan Steels Limited,
	Gazauli, Industrial Area	Gazauli, Industrial Area
	Kanpur - Lucknow Hwy,	Kanpur - Lucknow Hwy,
	Unnao – 209801 (UP)	Unnao – 209801 (UP)
	Kanpur - Lucknow Hwy,	Kanpur - Lucknow Hwy,
	Unnao – 209801 (UP)	Unnao – 209801 (UP)

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2021

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
MOHAN STEELS LIMITED,
Gazauli Industrial Area,
Unnao, Uttar Pradesh-209 801

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mohan Steels Limited** (hereinafter called 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, however on account of Pandemic “Covid-19”, the audit process has been modified wherein all the documents/records etc were verified in electronic mode and have relied upon the representation received from the Company for its accuracy and authenticity, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 (“Audit Period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **(Not applicable to the Company during the Audit Period)**;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**.

However, the company was listed under Uttar Pradesh Stock Exchange (UPSE), which was de-recognized and Exit order was passed vide order dated 9th June, 2015 and consequently the company was sent to the Dissemination Board of National Stock Exchange by UPSE with effect from 17th April, 2015. Therefore, the Company has not made any compliance under the provisions of the Securities and Exchange Board of India Act, 1992 and Regulations and Guidelines made there under.

We further report that two applications by the parties as financial creditors have been filed for initiation of proceeding u/s 7 of IBC Code 2016 but at the date of signing of this report the proceedings are pending at concerned bench of NCLT.

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on text check basis there are no specific laws applicable to the company.

We have also examined compliance with the applicable clauses of the

Secretarial Standards issued by the Institute of Company Secretaries of India (as amended from time to time).

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

1. The constitution of board is not proper in terms of executive and non executive directors and therefore, the committees could not be constituted properly as per the provisions of the Companies Act, 2013
2. The Company has not complied with the General Circular No. 14/2020 dated 08.04.2020 regarding the filing of all the resolution passed in the annual General Meeting with the Registrar of Company.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at the Board Meeting and Committee Meeting are carried out with the majority as recorded in the minutes of the meetings of the board or Committee of the Board as the case may be.

We further report that:-

There exist 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. However, the same is needed to be further strengthened.

We further report that, during the audit period there were no instances of:

- (i) issue of public / right / Preferential Issue of shares / sweat equity, debentures etc;
- (ii) Redemption / Buyback of securities;
- (iii) Major decisions were taken by the members in pursuance to section 180 of the Act;
- (iv) Merger / amalgamation / re-construction, etc; and
- (v) Foreign technical collaborations.

For ADESH TANDON & ASSOCIATES
Company Secretaries

UDIN:F002253C000866270

Place: Kanpur

Date: August 31, 2021

(ADESH TANDON)

Proprietor

FCS No. 2253

C.P. No. 1121

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 F

ADDENDUM TO DIRECTORS REPORT FOR AUDITOR REMARKS

The statutory auditor report is self explanatory.

In respect of secretarial auditor report following explanation given by management to two points raised by secretarial auditor of company:-

Point 1- the constitution of board is proper in terms of the provisions of Companies Act 2013 however the company is in process to appoint one more non executive director in order to comply with the provision of section 178 of Companies Act 2013.

Point 2- The form MGT-14 was filed in accordance with the provision of section 117 of Companies Act 2013 however due to inadvertence one ordinary resolution could not be filed. The company will take care of the same in future if so required.

FOR AND ON BEHALF OF THE BOARD

MOHAN STEELS LIMITED

	(Prem Shanker Mishra)	(Pradeep Gautam)
	Director	Whole Time Director
Place: Unnao	(DIN: 02354691)	(DIN:01172119)
Date: 31st August,2021	ADDRESS:Mohan Steels Limited,	Mohan Steels Limited,
	Gazauli, Industrial Area	Gazauli, Industrial Area
	Kanpur - Lucknow Hwy,	Kanpur - Lucknow Hwy,
	Unnao – 209801 (UP)	Unnao – 209801 (UP)

MOHAN STEELS LIMITED

ANNEXURE-G'

ANNEXURE TO THE DIRECTORS REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2021

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

I. REGISTRATION AND OTHER DETAILS:

- i. CIN:- L27107UP1971PLC003442
- ii. Registration Date: 22/07/1971
- iii. Name of the Company: Mohan Steels Limited
- iv. Category / Sub-Category of the Company: Public Company/ Limited by shares
- v. Address of the Registered office and contact details: Gazuli Industrial Area , Unnao, Uttar Pradesh, India, 209801
- Vi Whether listed company: Referred to dissemination board of NSE
- vi. Name, Address and Contact details of Registrar and Transfer Agent,
Skyline Financial services private limited
D-153/A, first floor,
okhla Industrial area, phase – I ,
NEW DELHI – 110020
TEL: + 91 11 64732681 -88
Fax: + 91 1126812682
Web: www.skylinerta.com

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	TMT BARS		0.00

Regd.Off. & Works:

Site No.1, Gazauli Industrial Area, Kanpur-Lucknow Road, Unnao 209 801 U.P. (INDIA).

Ph. : 0515-2829592, 3299177, Fax: 0515-2829777,

U.P.T.T.No. KR-0120140, C.S.T.No. KR-5080101, TIN 09841500018 Excise Regn. No.AAACM9592QXM001

e-mail: info@mohansteels.com, sales@mohansteels.com web: www.mohansteels.com

MOHAN STEELS LIMITED

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES nil

Sl. No.	name and address of the company	cin/gln	holding/subsidiary/ associate	% of shares	applicable section
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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 2020-2021				No. of Shares held at the end of the year 2020-2021				% Change during The year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
<i>1) Indian</i>									
a) Individual/ HUF	8979590	545270	9524860	54.31	8979590	545270	9524860	54.31	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	107537	7600000	7707537	43.94	107537	7600000	7707537	43.94	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(1):-	9087127	8145270	17232397	98.25	9087127	8145270	17232397	98.25	0.00
<i>2) Foreign</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Regd. Off. & Works:

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U.P.T.T.No. KR-0120140, C.S.T.No. KR-5080101, TIN 09841500018 Excise Regn. No.AAACM9592QXM001

e-mail: info@mohansteels.com, sales@mohansteels.com web: www.mohansteels.com

MOHAN STEELS LIMITED

i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(2):-									
Total(A)(1+2)	9087127	8145270	17232397	98.25	9087127	8145270	17232397	98.25	0.00
B. Public Shareholding									
<i>1. Institutions</i>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	0	0	0	0	0	0	0	0	
Sub-total(B)(1)									
<i>2. Non Institutions</i>									
a) Bodies Corp.									-
(i) Indian	1302	2200	3502	.02	1302	2200	3502	.02	0.00
(ii) Overseas									
b) Individuals									

Regd.Off. & Works:

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e-mail: info@mohansteels.com, sales@mohansteels.com web: www.mohansteels.com

MOHAN STEELS LIMITED

(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	41961	96695	138656	0.79	41961	96695	138656	0.79	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	129040	34925	163965	0.93	129040	34925	163965	0.93	0.00
c) Others(Specify)HUF	1034	0	1034	0.01	1034	0	1034	0.01	0.00
d) NRI	0	0	0	00	0	0	0	00	-
Sub-total(B)(2)	173337	133820	307157	1.75	173337	133820	307157	1.75	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	173337	133820	307157	1.75	173337	133820	307157	1.75	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	9260464	8279090	17539554	100.00	9260464	8279090	17539554	100.00	NIL

Regd.Off. & Works:

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e-mail: info@mohansteels.com, sales@mohansteels.com web: www.mohansteels.com

MOHAN STEELS LIMITED

ii. Shareholding of Promoter Groups

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change In share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / Encumbered to total shares	
1	Rahul Kothari	5450	0.03	NIL-	5450	0.03	NIL-	NIL-
2	Vikram Kothari	212652	1.21	-	212652	1.21	-	-
3	Sadhana Kothari	327168	1.87	-	327168	1.87	-	-
4	Rotomac Exports Pvt. Limited	7707537	43.94		7707537	43.94		
5	Uday J. Desai	50000	0.29	-	50000	0.29	-	-
6	Sunil Verma	90856	0.52	-	90856	0.52	-	-
7	Nilima U Desai	102256	0.58	-	102256	0.58	-	-
8	Rita Verma	90900	0.52		90900	0.52		
9	Anita Tibrewala	29500	0.17		29500	0.17		

Regd.Off. & Works:

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MOHAN STEELS LIMITED

10	Mohan Krishna Kejriwal HUF	368252	2.10	-	368252	2.10	-	-
11	Mohan Krishna Kejriwal	1816230	10.36	-	1816230	10.36	-	-
12	Gopal Krishna Kejriwal	1770566	10.09	-	2142564	12.21	-	-
13	Gopal Krishna Kejriwal HUF	372000	2.12	-	0	2.12	-	-
14	Sri Krishna Kejriwal	1770495	10.09	-	2141765	12.21	-	-
15	Madhav Krishna Kejriwal	1880267	10.72	-	1880267	10.72	-	-
16	Madhav Krishna Kejriwal (HUF)	267000	1.52	-	267000	1.52	-	-
	Total	17232399	98.25		17232397	98.25	0	0.00

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

Regd.Off. & Works:

Site No.1, Gazauli Industrial Area, Kanpur-Lucknow Road, Unnao 209 801 U.P. (INDIA).

Ph. : 0515-2829592, 3299177, Fax: 0515-2829777,

U.P.T.T.No. KR-0120140, C.S.T.No. KR-5080101, TIN 09841500018 Excise Regn. No.AAACM9592QXM001

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MOHAN STEELS LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	17232399	98.25	17232397	98.25
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment /transfer /bonus/ sweat equity etc):*				
	At the End of the year	17232399	98.25	17232397	98.25

Regd.Off. & Works:

Site No.1, Gazauli Industrial Area, Kanpur-Lucknow Road, Unnao 209 801 U.P. (INDIA).

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e-mail: info@mohansteels.com, sales@mohansteels.com web: www.mohansteels.com

MOHAN STEELS LIMITED

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

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease During 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	SHISHIR B NEVATIA	34925	0.20	-	34925	0.20
2	KANTI BANSAL	34925	0.20	-	34925	0.20
3	DEVENDRA KUMAR GUPTA	34925	0.20		34925	0.20
4	SANDHYA V RATHI	34925	0.20	-	34925	0.20
5	MANISHA CHANDRA	24265	0.14	-	24265	0.14
6	MADHUBALA P TRIVEDI	7410	0.04	-	7410	0.04
7	NIRALI JIGNESH GOHEL	5900	0.03	-	5900	0.03
8	VARSHA RAJNI SANGHVI	5250	0.03		5250	0.03
9	PARESH AMRUTLAL TRIVEDI	2900	0.02		2900	0.02

Regd.Off. & Works:

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Ph. : 0515-2829592, 3299177, Fax: 0515-2829777,

U.P.T.T.No. KR-0120140, C.S.T.No. KR-5080101, TIN 09841500018 Excise Regn. No.AAACM9592QXM001

e-mail: info@mohansteels.com, sales@mohansteels.com web: www.mohansteels.com

MOHAN STEELS LIMITED

10.	MOHAN NARAYANDAS AHUJA	1750	0.01	-	1750	0.01
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ii. Shareholding of Directors and Key Managerial Personnel (AS 31st March 2021):

Sl. No	Name	Shareholding at the beginning of the year		Change in shareholding		Cumulative shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	PRADEEP GAUTAM	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year(01.04.2020)				

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MOHAN STEELS LIMITED

i) Principal Amount	5,65,00,000	3,72,77,65,243	-	3,78,42,65,243
ii) Interest due but not paid	1,48,52,873	2,11,17,034	-	3,59,69,907
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,13,52,873	3,74,88,82,277	-	3,82,02,35,150
Change in Indebtedness during the financial year				
• Addition	-	-	-	
• Reduction	-		-	
Net Change			-	
Indebtedness at the end of the financial year(31.03.2021)				
i) Principal Amount	5,65,00,000	3,72,77,65,243	-	3,78,42,65,243
ii) Interest due but not paid	1,48,52,873	2,11,17,034	-	3,59,69,907

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MOHAN STEELS LIMITED

iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,13,52,873	3,74,88,82,277	-	3,82,02,35,150

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

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Pradeep Gautam	Total amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	3,00,000	3,00,000
		NIL	NIL
		NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission (as % of profit/others)	NIL	NIL
5	Others, please specify	0.00	0.00

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MOHAN STEELS LIMITED

	Total (A)	3,00,000	3,00,000
	Ceiling as per the Act	Being Rs. 42 lacs per annum per director as per section 197 read with Schedule V and all other applicable provisions, if any of the companies	

B.Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of directors		
		PREM SHANKER MISHRA	BHASKER RAY	Total
1	Independent Directors • Fee for attending board /committee meetings • Commission	10000	10000	20000

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MOHAN STEELS LIMITED

	• Others, please specify			
	Total (1)	10000	10000	20000
2	Other Non-Executive Directors • Fee for attending board / committee Meetings • Commission • Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	10000	10000	20000
	Total Managerial Remuneration	10000	10000	20000
Ceiling as per the Act	Being Rs 1 Lac per meeting per Director as per Section 197(5) and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014			

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MOHAN STEELS LIMITED

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	4,80,000	NIL	4,80,000
		Nil	Nil	Nil
		Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission (as % of profit/others)	Nil	Nil	Nil
5	Others, please Specify	Nil	Nil	Nil
	Total	4,80,000	NIL	4,80,000

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MOHAN STEELS LIMITED

B. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES UNDER COMPANIES ACT, 2013 : NIL

C.

**FOR AND ON BEHALF OF THE BOARD
MOHAN STEELS LIMITED**

Place: Unnao

Date: 31ST August, 2021

**(Prem Shanker Mishra)
Director**

(DIN: 02354691)

**ADDRESS: Mohan Steels Limited,
Gazauli, Industrial Area
Kanpur - Lucknow Hwy,
Unnao – 209801 (UP)**

(Pradeep Gautam)

Whole Time Director

(DIN: 01172119)

**Mohan Steels Limited,
Gazauli, Industrial Area
Kanpur - Lucknow Hwy,
Unnao – 209801 (UP)**

Regd. Off. & Works:

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ANNEXURE TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Company is engaged in the business of Steel Rebar Manufacturing.

Steel manufacturing Industry is amongst the most stable sectors in India and there is a huge requirement to meet the needs of the growing populations.

Company was founded in 1971 as a manufacturer of Steel ingots and is now diversified in to rolling of steel billets over the years..

2. OPPORTUNITIES AND THREATS

As the Company is in business of manufacturing of steel rebars by rolling .your company foresees great opportunity in the rolling business as steel imports from China have been curtailed and infrastructure demand is large ..

There is always a risk attached in the manufacturing sector . But your company, having the knowledge of this fact, always tries to control the risk associated with the type of business but emerging consumer market is enough to ensure the growth of the Company.

As indicated above there is a huge scope for growth. The perceptible threat in the business is from integrated steel producers .However as they are mostly located in eastern region there is a niche market in our region due to demand for quality steel rebars. The company is eminently placed to fulfil this demand due to its geographical location..The Company has decade of experience in this sector and is confident of gaining the market on resumption of production. Company will also evaluate steel manufacturing related new opportunities that arise.

3. SEGMENT WISE OR PRODUCT WISE OR PRODUCT WISE PERFORMANCE

The Company is engaged in only one segment i.e., in Steel rolling of TMT Rebars. Production is closed from march 2015 and company is trying level best to revive its production.

4. OUTLOOK

In near future your company sees tremendous growth in Steel sectors of the economy which will strengthen the position in market.

4.RISK AND CONCERNS

The business in which your company deals is based on the infrastructure and does not see any risk except imports . The company always endeavours to follow the market trend and risk and benefits attached to it before introducing different products in the market, so as to minimize the risk and maximize the returns.

5. INTERNALCONTROL SYSTEM AND THEIR ADEQUACY

Your company has proper and adequate internal control system which aims at conducting the business in an orderly and efficient manner, safeguarding the assets and resources of the company. It ensures the timely flow of financial

and management information, effective and efficient implementation of policies and plans, completeness of accounting records and proper check on errors, frauds. The Board has framed a risk management plan for the company and suitably incorporated procedures in it for assessing and minimizing the prospective risks to which the company may be exposed. The Audit committee also monitors and evaluates the risk management plan placed in the company from time to time.

The company has appointed a firm of Internal Auditors. The internal auditors of the company keep a follow up on the internal financial reporting and information dissemination of the company between the departments. The Audit committee of the company interacts from time to time with the internal auditors of the company regarding the adequacy of internal financial control system placed in the company.

Further, the Company has adopted a Vigil Mechanism for directors and employees of the company to report their genuine concern for any unethical conduct or malpractice, violation of code of conduct observed by them in the company.

6. DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

REVENUE

Total revenue of the company is Rs. 26.99 Lakhs in financial year 2020-21 as compared to Rs. 35.42 Lakhs in financial year 2019-20.

The Loss after Tax is Rs. 94.58 Lakhs in financial year 2020-21 as compared to Loss after Tax of Rs 111.62 Lakhs in financial year 2019-20.

TOTAL EXPENSES

Total expenses of the company is Rs 114.43 Lakhs in financial year 2020-21 as compared to Rs. 189.74 Lakhs in financial year 2019-20 .

DEPRECIATION

Depreciation for the Financial Year 2020-2021 is Rs.55.60 Lakhs as compared to Rs. 61.61 Lakhs in Financial year 2019-20

TAX EXPENSES

The current tax is Rs. 0.00 lakhs in Financial Year 2020-21 as compared to Rs. 0.00 lakhs in the Financial Year 2019-20.

NET PROFIT

The Net loss for the Financial Year 2020-21 is Rs. 94.58 Lakhs as compared to Net loss of Rs. 111.62 Lakhs in financial year 2019-20.

7. MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Company has formulated an evaluation criteria for the performance evaluation of its Board of Directors, committees of board of the company, and for Independent Directors and for each individual directors. The Board of Directors evaluate the performance of the directors on individual basis and on whole from time to time to judge the capability of its directors and to check if they need training.

The company has adopted a practice of conducting familiarization programme as and when the company appoints an Independent Director in its board in order to familiarize him with the company, its working culture, its operations, management team, code of conduct for directors, the role and duties of independent directors.

Towards the end of the financial year, a discussion session was also arranged in the Board Meeting for knowing the experience of the independent directors in the entire year, achievement of compliance related and other targets of the company, making them aware of new rules, regulations to be implemented by the company.

The relations between the employees and the management have remained cordial and harmonious during the year under review..

8. CAUTIONARY STATEMENT

Statements in the 'Management Discussion and Analysis' describing the Company's objective, projections, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. These statements are subject to known and unknown risks, uncertainties and other factors such as change in the government regulations, tax laws, economic conditions and other incidental factors

**FOR AND ON BEHALF OF THE BOARD
MOHAN STEELS LIMITED**

Place: Unnao	(Prem Shanker Mishra)	(Pradeep Gautam)
Date: 31st August,2021	Director	Whole Time Director
	(DIN: 02354691)	(DIN:01172119)
	ADDRESS:Mohan Steels Limited,	Mohan Steels Limited,
	Gazauli, Industrial Area	Gazauli, Industrial Area
	Kanpur - Lucknow Hwy,	Kanpur - Lucknow Hwy,
	Unnao – 209801 (UP)	Unnao – 209801 (UP)

To

The Members of

Report on the audit of the financial statements

1. Qualified Opinion

We have audited the accompanying financial statements of Mohan Steels Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Loss and Cash Flows for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to Note 2.21, 2.24, 2.25, 2.26, 2.27, 2.28 and 2.29 to the financial statements. The Company's trade receivables as at 31st March 2021 include foreign debtors aggregating Rs.458.91 crores (Previous Year 458.91 crores). As informed by the management and taken on records in the Board minutes dated 05.02.2019, the company has doubt in recoverability of these foreign debtors, as there is no recovery/movement from foreign debtors since last 5 years. It was further informed that company has filed suit in Hon'ble Bombay High Court against one of its foreign debtors for recovery. Company also has advance from customer Rs 11.56 crores (Previous Year 11.56 crores) which was adjusted against said debtors as per past practice of company. In view of the facts that recoverability of these debtors is doubtful and the recoverable amount thereof cannot be defined with reasonable accuracy. The company has not reported the foreign currency debtors and advance from customers using the closing rate at the balance sheet date, pursuant to Para 11(a) of Accounting Standard 11 on "The Effects of Changes in Foreign Exchange Rates". Also, the Company has not made provisions for the sum of Rs. 447.35 Crores as the recovery from the foreign debtors is doubtful. Due to non-provisioning of foreign debtors in the books of the company, the loss is understated by Rs. 447.35 crores and current assets is overstated by same amount.

Due to above net worth of company would become Negative to Rs 5.34 crores (Previous Year 4.39 crores)

Our audit opinion on the financial statements for the year ended 31st March 2021 is qualified in respect of these above matter.



We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Our opinion is not modified in respect of this matter.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

4. Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

5. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Other Matters

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

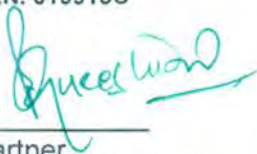


Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, as same is not provided to us by the management.

7. Report on other legal and regulatory requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Rishabh & CO.
Chartered Accountants
FRN. 010915C


Partner



UDIN : 21422045AAAABE1324

Place: Unnao
Date : 31-08-2021

Annexure "A" to the Independent Auditor's Report*

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Mohan Steels Limited of even date)

- (i) In respect of its fixed assets,
 - (a) The Company has maintained proper records showing full particulars including its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable. As informed to us no discrepancy was noticed on such physical verification
 - (c) According to the information and explanation given to us and on the basis of examination of the records of the Company, Land is taken on lease of 90 years from UPSIDC which is in name of Mohan Steels Ltd.
- (ii) In respect of its inventories,
 - (a) As explained to us the inventories have been physically verified by the management at regular interval during the year and the frequency of physical verification is reasonable., the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business the discrepancies between the physical stocks and the book stock.
 - (b) The Company has maintained proper records of inventories. As explained to us, the discrepancies between the physical stocks and the book stocks were not material and properly dealt with in the books of accounts.
- (iii) According to information and explanation given to us the Company has taken long term loans from its associate company and the amount outstanding as on 31 March, 2021 is Rs 17.24 crores (Previous Year Rs 17.24 crores), which is non-interest bearing. The terms and condition of the loans are not prejudicial to interest of the company. No schedule of repayment of principal and interest has been stipulated.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect loans, investments, guarantee and securities made.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit within the meaning of section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Income Tax, Provident Fund, Employees' State Insurance, Goods & Service Tax, Custom Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities.



(b) In our opinion and according to the information and explanations given to us, there is no undisputed dues payable in respect of above which were outstanding as at 31.03.2021 for a period of more than six months from the date they became payable.

- (viii) Based on our audit procedures and according to the information and explanation given by the management, the Company has not defaulted in repayment of loans from bank.
- (ix) In our opinion and according to the information and the explanation given to us, the company has not raised money by way of Initial Public Offer (IPO) or further public offer (including debt instruments) during the year. According to information and explanation given to us; term loans were broadly applied for the purposes for which those are raised.
- (x) According to the information and explanations given by the management and to the best of our knowledge and belief, no fraud by the company or on the company by its officer or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and therefore paragraph 3(xii) of the companies (Auditor's Report) Order 2016 is not applicable.
- (xiii) According to the information and explanation give to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.
- (xv) According to the information and explanation give to us and based on our examination of the records of the Company, the company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Rishabh & CO.
Chartered Accountants
FRN. 010915C

Partner

UDIN : 21422045AAAAABE1324



Place: Unnao

Date: 31-08-2021

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Mohan Steels Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Mohan Steels Limited (“the Company”) as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of internal financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



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

Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For
Rishabh & CO.
Chartered Accountants
FRN.010915C




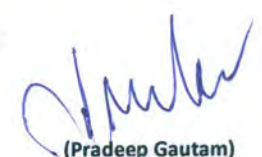


Partner.
UDIN: 21422045AAAABE1324

Place: Unnao
Date: 31-08-2021

MOHAN STEELS LIMITED
BALANCE SHEET AS AT 31st MARCH 2021

(Amount in rupees)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	175,395,540	175,395,540
Reserves and surplus	2.2	632,850,705	642,308,232
Non-current liabilities			
Long-term borrowings	2.3	172,372,422	172,372,422
Long-term provisions	2.4	35,969,907	35,969,907
Current liabilities			
Short-term borrowings	2.5	3,611,892,821	3,611,892,821
Trade payables	2.6	238,413	392,285
Other current liabilities	2.7	37,423,762	37,235,783
TOTAL		4,666,143,570	4,675,566,990
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	2.8	54,356,258	60,140,830
-Capital work-in-progress	2.8	97,766,366	97,766,366
Non-current investments	2.90	36,847	36,847
Deferred tax Assets (Net)	2.10	14,455,000	9,609,000
Long-term loans and advances	2.11	7,622,983	7,622,983
Other non-current assets	2.12	4,473,500,752	4,473,500,752
Current assets			
Current investments	2.13	0	3,814,675
Inventories	2.14	3,324,141	3,324,141
Cash and cash equivalents	2.15	530,980	4,871,716
Short-term loans and advances	2.16	14,483,831	14,813,998
Other current assets	2.17	66,412	65,682
Significant accounting policies	1		
Notes to accounts	2		
TOTAL		4,666,143,570	4,675,566,990
Auditor's Report :			
As per our report of even date attached			
For Rishabh & Co.			
Chartered Accountants			
(Regd. No. 10915C)			
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  (Rajneesh Dixit) Partner (Membership No. 422045) </div> <div style="text-align: center;">  (Chetna Dwivedi) Company Secretary </div> <div style="text-align: center;">  (Prem Shanker Mishra) Director DIN-02354691 </div> <div style="text-align: center;">  (Pradeep Gautam) Director DIN-01172119 </div> </div>			
Place : Unnao			
Dated : 31st August 2021			

MOHAN STEELS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in rupees)

Particulars	Note No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Income :			
Other income	2.18	2,699,096	3,541,740
Total Revenue		2,699,096	3,541,740
Expenses:			
Employee benefits expense	2.19	4,054,416	5,999,394
Depreciation & Amortisation	2.8	5,559,842	6,160,800
Other expenses	2.20	7,388,365	12,974,113
Total expenses		17,002,623	25,134,307
Profit before tax		(14303527)	(21592567)
Tax expense			
-Current tax		0	0
-Earlier year tax		0	0
-Deferred tax		4846000	10431000
Profit after tax		(9457527)	(11161567)
Earnings per equity share			
Basic & diluted - Par value Rs.10 per share	2.22	(0.54)	(0.64)
Auditor's Report :			
As per our report of even date attached			
For Rishabh & Co.			
Chartered Accountants			
(Regd. No. 10915C)			
(Rajneesh Dixit)		(Chetna Dwivedi)	(Prem Shanker Mishra)
Partner		Company Secretary	Director
(Membership No. 422045)			DIN-02354691
Place : Unnao			DIN-01172119
Dated : 31st August 2021			

MOHAN STEELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

PARTICULARS	FOR THE YEAR ENDED 31.03.2021 (Rs. In lacs)	FOR THE YEAR ENDED 31.03.2020 (Rs. In lacs)
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Loss before Tax	(143.04)	(215.93)
Adjustments:		
Depreciation	55.60	61.61
Loss/(Profit) on sale of Fixed assets	(20.52)	6.73
Profit on sale of Mutual Fund	(2.53)	(0.59)
Operating Profit before working capital changes	(110.48)	(148.18)
Trade & other receivables	0.00	0.00
Inventories	0.00	0.00
Loans & Advances	3.29	233.19
Trade Payables & Other liabilities	0.34	(15.75)
NET CASH FROM OPERATING ACTIVITIES	(106.84)	69.26
B. NET CASH FROM INVESTING ACTIVITIES :		
Investment in Mutual fund	(49.00)	(150.00)
Redemption of Mutual fund	89.67	112.45
Purchase of Fixed Assets	(0.72)	(0.14)
Sale of Fixed Assets	23.48	16.93
NET CASH FROM INVESTING ACTIVITIES:	63.44	(20.76)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase of short term loan	0.00	0.00
Repayment of short term loan	0.00	0.00
NET CASH USED IN FINANCIAL ACTIVITIES	0.00	0.00
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS (A+B+C)	(43.41)	48.50
Opening Cash & Bank Balance	48.72	0.22
Closing Cash & Bank Balance	5.31	48.72

Auditor's Report :

As per our report of even date attached

For Rishabh & Co.

Chartered Accountants

(Regd. No. 10915C)

(Rajneesh Dixit)

Partner

(Membership No. 422045)

(Chetna Dwivedi)

Company Secretary

(Prem Shanker Mishra)

Director

DIN-02354691

(Pradeep Gautam)

Director

DIN-01172119

Place : Unnao

Dated : 31st August 2021

MOHAN STEELS LIMITED

1.SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial statements

The financial statements are prepared under historical cost convention on accrual basis, in accordance with Generally Accepted Accounting principles in India and Accounting Standards notified u/s 133 and other relevant provisions of the Companies Act 2013.

1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

1.3 Own Fixed Assets

Fixed Assets are stated at cost net of GST credits, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the assets to working condition for its intended use.

1.4 Leased Assets

Finance Leases – Present value of the minimum lease rental is capitalized as fixed assets with corresponding amount shown the lease liability. The principal component of repayment of lease rental is adjusted against the lease liability and the interest component is charged to Profit & Loss Account.

1.5 Depreciation

Depreciation on owned & leased Assets is provided for 'on straight line method' based on useful life of Fixed Assets as per Schedule II of the Companies Act 2013.

1.6 Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impaired loss is charged in the Profit & Loss Account in the year in which an asset is identified as impaired. The impaired loss recognized in the prior accounting period is reversed if there has been change in the estimate of recoverable amount.



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1.7 Foreign Currency Transactions

- 1.7.1 Transactions denominated in Foreign Currencies are recorded at the exchange rates prevailing on the date of transaction.
- 1.7.2 Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items covered by forward exchange contracts, the difference between yearend rates and the rate on the date of contract is recognized as exchange difference.
- 1.7.3 Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Account.

1.8 Investments

Long term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

1.9 Inventories

Items of inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchases (net of GST credit), cost of conversion and other costs incurred in bringing them to present condition. Cost is determined on weighted average basis. By-products are valued at realizable value.

1.10 Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Domestic sales is net of returns, rebate and discounts. Sales are recognized on dispatch to customers. Interest income is recognized on time proportion basis. Dividend income is recognized on receipt.

1.11 Goods & Services tax.

GST is accounted for on the basis of payments made in respect of goods cleared from the Company.

1.12 Employee Benefit

- 1.12.1 Short term employee benefits are recognized as an expense in the Profit & Loss Account of the year in which the related service is rendered.
- 1.12.2 Post retirement benefits i.e. Earned Leave and gratuity are accounted for on payment basis.



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1.13 Financial Derivatives

In respect of derivative contracts, gains / losses on settlement are recognized in Profit & Loss Account.

1.14 Provision for Current tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the income tax Act, 1961. Deferred tax resulting from 'timing difference' between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the date of balance sheet. The deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

1.15 Provisions, Contingent Liabilities and Contingent assets

Provision involving substantial degree of estimation in measurement is recognized when there is present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.



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MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS

(Amount in rupees)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
2.1 : SHARE CAPITAL		
AUTHORISED :		
2,00,00,000 Equity shares of Rs.10/- each.	20,00,00,000	20,00,00,000
ISSUED		
1,75,39,554 Equity Shares of Rs. 10/- fully paid	175,395,540	175,395,540
SUBSCRIBED, CALLED & PAID-UP		
1,75,39,554 Equity Shares of Rs. 10/- fully paid	175,395,540	175,395,540
TOTAL	175,395,540	175,395,540

2.1.1 : The reconciliation of the number of equity shares outstanding is set out below:

Particulars	AS AT 31 MARCH 2021		AS AT 31 MARCH 2020	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
Shares outstanding at the beginning of the year	17,539,554	175,395,540	17,539,554	175,395,540
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	17,539,554	175,395,540	17,539,554	175,395,540

2.1.2 : The details of shareholder holding more than 5% equity shares is set out below:

Particulars	AS AT 31 MARCH 2021		AS AT 31 MARCH 2020	
	Number of shares held	% of Holding	Number of shares held	% of Holding
*Rotomac Exports Pvt. Ltd.	7,707,537	43.94	7,707,537	43.94
Mohan Krishna Kejriwal	1,816,230	10.36	1,816,230	10.36
Gopal Krishna Kejriwal	2,142,564	12.22	1,770,564	10.09
Sri Krishna Kejriwal	2,141,765	12.21	2,067,511	11.79
Madhav Krishna Kejriwal	1,880,267	10.72	1,880,267	10.72
Total	15,688,363	89.45	15,242,109	86.90

*Rotomac Exports Pvt. Ltd. Is under NCLT liquidation.

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
2.2 - RESERVES & SURPLUS		
General Reserve	710,000,000	710,000,000
Surplus		
Opening Balance	(67,691,768)	(56,530,201)
Add : Loss for the year	(9,457,527)	(11,161,567)
Closing Balance	(77,149,295)	(67,691,768)
Total	632,850,705	642,308,232



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MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
2.3 - LONG TERM BORROWING		
<u>Secured</u>		
*From Co-Promoter	56,500,000	56,500,000
(Secured against charge on fixed assets in the form of capital work in progress of Melting Unit to the extent of sale proceeds not exceeding Rs. 5.65 Cores.)		
<u>Unsecured</u>		
<u>Loans & Advances form related parties</u>		
*Co-Promoter's group	115,872,422	115,872,422
	<u>172,372,422</u>	<u>172,372,422</u>
* Secured & unsecured loan relates to Rotomac Exports Pvt. Ltd., Which is under liquidation.		
2.4 - Long-term provisions		
Interest payable	35,969,907	35,969,907
	<u>35,969,907</u>	<u>35,969,907</u>
2.5 - SHORT TERM BORROWING		
<u>Unsecured</u>		
Loans & Advances	3,611,892,821	3,611,892,821
	<u>3,611,892,821</u>	<u>3,611,892,821</u>
2.6 - Trade Payables		
Trade Payables		
- Due to Other than micro and small enterprises	238,413	392,285
	<u>238,413</u>	<u>392,285</u>
2.7 - Other current liabilities		
Advances from customers	29,410	0
Statutory liabilities	23,264	31,059
Payable to employees	318,005	339,383
Liabilities for expenses	37,048,083	36,850,341
Other liabilities	5,000	15,000
	<u>37,423,762</u>	<u>37,235,783</u>



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MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

2.8 - FIXED ASSETS

(Amount in rupees)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions During the year	Sale/Adj.	As at 31.03.2021	Upto 01.04.2020	For the year	Adjustment	Total Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
1. Tangible assets										
Lease hold land (25.4 acres)	462359	0	0	462359	0	0	0	0	462359	462359
Factory Building	23074123	0	134774	22939349	16924118	453396	128035	17249479	5689870	6150005
Plant & Machinery	231095402	0	3682783	227412619	179303526	4555878	3393014	180466390	46946229	51791876
Furniture & Fixtures	1447448	0	0	1447448	1356148	3972	0	1360120	87328	91300
Office Equipments	4829487	71778	0	4901265	4510052	39690	0	4549742	351523	319435
Vehicles	16379026	0	0	16379026	15053171	506906	0	15560077	818949	1325855
Total	277287845	71778	3817557	273542066	217147015	5559842	3521049	219185808	54356258	60140830
2. Capital work in progress										
Melting shop -factory shed	16910228	0	0	16910228	0	0	0	0	16910228	16910228
Melting shop -Plant	55525371	0	0	55525371	0	0	0	0	55525371	55525371
Rolling mill-Plant	25330767	0	0	25330767	0	0	0	0	25330767	25330767
Total	97766366	0	0	97766366	0	0	0	0	97766366	97766366
Total (1+2)	375054211	71778	3817557	371308432	217147015	5559842	3521049	219185808	152122624	157907196
Previous year	386459172	13398	11418359	375054211	220039238	6160800	9053023	217147015	157907196	166419934

Note :

- Depreciation on fixed assets are charged as per schedule II of the Companies Act 2013 on useful life basis.
- Company owns 25.4 acres leasehold land in UPSIDC Industrial area, Gazauli, Unnao

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MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

(Amount in rupees)

Particulars	AS AT 31.03.2021		AS AT 31.03.2020	
2.9 - Non current investment				
Investment in equity instruments				
Trade investment (Quoted)				
Investment in Indian companies (At cost)		36,847		36,847
Name of Company	Face Value	No. of Shares	Cost	Cost
Usha Martin Ltd.	1	165	3,052	3,052
Tata Steels Ltd.	10	30	8,779	8,779
Tata Steels Ltd.	10	6	1,800	1,800
Mukand Ltd.	10	80	15,224	15,224
Mukand Ltd. (Pref. Shares)	8	20	3,766	3,766
Ganesh Benzoplast Ltd.	10	100	4,226	4,226
Total			36,847	36,847
(Quoted value in aggregate as on 31.03.2021 was Rs. 47729/- (Previous year Rs. 17,777/-)				
			36,847	36,847
2.10 - Deferred tax assets (Net)				
Deferred tax Assets			21,805,000	16,798,000
Less : Deferred tax liabilities			7,350,000	7,189,000
			14,455,000	9,609,000
2.11 - Long term loans and advances				
Security deposit			7,622,983	7,622,983
			7,622,983	7,622,983
2.12 - Other non-current assets				
(Unsecured, Considered doubtful)				
Trade exports receivable (net)			4,473,500,752	4,473,500,752
(Refer to note 2.28)			4,473,500,752	4,473,500,752
2.13 - Current investment				
Mirae Assets Short Term Fund			0	3,814,675
			0	3,814,675
2.14 - Inventories				
Stores & spares (At cost)			3,324,141	3,324,141
			3,324,141	3,324,141
2.15 - Cash and cash equivalents				
Balance with bank				
- Current account			374,047	105,223
- Cash on hand			156,933	68,304
- Demand draft/ Cheque in hand			0	4,698,189
			530,980	4,871,716
2.16 - Short-term loans and advances				
Advances recoverable in cash or in kind or for value to be received (Unsecured, Considered good)			11,899,058	11,913,456
Advances with government, public bodies and others			2,583,973	2,794,768
GST receivable			800	105,774
			14,483,831	14,813,998
2.17 - Other current assets				
Prepaid Expenses			66,412	65,682
			66,412	65,682



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MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

(Amount in rupees)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
2.18 - Other income		
Dividend received	40	468
Interest received (Gross) from others	0	2,820,520
Profit on sale of Mutual Fund	252,730	59,411
Profit on sale of Fixed Assets	2,051,548	0
Miscellaneous receipt	394,778	661,341
	2,699,096	3,541,740
2.19 - Employee benefits expenses		
Salary ,Wages & Bonus	3,732,003	5,594,376
Contribution to Provident Fund & ESIC	288,196	370,575
Staff Welfare Expenses	34,217	34,443
	4,054,416	5,999,394
2.20 - Other expenses		
Insurance Charges	114,753	274,470
Lease Rent	6,747	5,717
Printing & Stationery	49,758	68,239
Repairs & Maintenance		
- Building	189,370	1,508,450
- Machinery	492,076	1,867,883
- Others	23,016	202,825
Legal & professional charges	2,338,025	2,347,940
Director's Remuneration	300,000	552,419
Director's sitting fee	20,000	20,000
Filing & Other Fees	23,469	5,619
Books & Periodicals	1,591	36,386
Loss on sale of fixed assets	0	672,544
Security service charges	2,454,509	2,825,279
Bank Charges	2,242	8,095
Interest paid	1,942	838
Telephone & internet charges	26,005	39,796
Travelling expenses	148,692	353,592
Vehicle running & maintenance	843,513	1,384,666
Auditors Remuneration	100,000	100,000
Miscellaneous Expenses	252,657	699,355
	7,388,365	12,974,113



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2.21: There is a dispute between the company and Madhyanchal VidyutVitaran Nigam Ltd (MVVNL) for reduction of electricity load from 3000 KVA to 100 KVA. Hon'ble High Court Lucknow bench appointed Hon'ble Justice B.K. Srivastava-II (Retd.) as Sole Arbitrator in this matter. Ld. Arbitrator vide their award dated 22.07.2017 ordered MVNL to reduce electricity load from 3000 KVA to 100 KVA w.e.f. 01.12.2015. Subsequently MVVNL approached to Hon'ble District Court Unnao (U.P.) against the award of the Arbitrator and eventually the case was transferred by the Hon'ble District Court Unnao (U.P.) to Hon'ble Commercial Court Lucknow. During the year no provision for power charges has been made by the company because power connection of factory has been disconnected by MVNL due to above reason. If in future any demand of minimum charges arises after reduction of electricity load (case of which is pending before the Commercial Court, Lucknow) the same shall be accounted for in the year of accrual of liability. Presently electricity load of 100 KVA is sufficient for general maintenance purposes and the same can be increased to 3000 KVA as and when the company decides to restart operations of the Rolling Mill as the security deposit for electricity load of 3000 KVA is already deposited with MVVNL.

2.22: As company is in NSE Dissemination board and is not listed in any stock exchange presently therefore provisions of Security of Exchange Board of India Act.1992 are not applicable.

2.23: Company had filed civil suits before Delhi High Court and Saket District Court, New Delhi against Steel Authority of India Ltd. (SAIL) for recovery of outstanding amount of Rs. 7874189/- & Rs.3684501/- respectively. Hon'ble Delhi High Court has decided the case in company's favour vide Order dated 04.03.2020. SAIL had filed an Appeal against the said judgment and the same was heard and dismissed by the Division Bench of the Hon'ble Delhi High Court vide judgment dated 12.04.2021 and had held that Mohan Steels Ltd. is entitled for refund of said amount from the date of recovery along with simple interest @ 9% per annum till the amount is repaid by them. However SAIL has approached Hon'ble Supreme court of India against said order which is pending.

2.24.: The company has foreign debtors of Rs. 458.91 crores (Previous Year Rs.458.91 crores), Rs. 167.76 crores from Surya Global FZC and Rs. 291.15 crores from Gulf Distribution Ltd. Said amount has been considered by the company as doubtful as per Board Meeting dt. 5th Feb,2019.However, no provision has been made against said amount, for the under mentioned reasons.

- i. Company has filed suit against Surya Global FZC before Hon'ble Bombay High Court on 18.11.2019 for recovery of debts. Proceeding are still pending before the Hon'ble Court.
- ii. In the case of Gulf Distribution Ltd., Company approached London, UK based Solicitors, for consultation and taking legal action for recovery of debt from the said company, as the contracts conferred exclusive jurisdiction in the Courts of England & Wales. However the solicitor firm informed that due to high cost of litigation in London and uncertain chances of recovery of the debt from the said party, any legal proceedings in London are to be treated with caution. However, the company is also taking opinion from other solicitors in this regard.

2.25: Company has loans from Frost International Limited, amounting to Rs.250.48 crores and from Frost Infrastructure and Energy Pvt Ltd amounting to Rs.110.71 crores total Rs. 361.19 crores (Previous Year Rs. 361.19crores). Frost group has filed case before Hon'ble National Company Law Tribunal for recovery of said loans. In response, the Company has filed Affidavit before the Hon'ble National Company Law Tribunal(Case No.380/ALD/2018) stating that foreign debtors of Rs. 458.91 crores are linked with Frost group ,therefore loan amount of Rs.361.19crores should be adjusted against the amount receivable from Foreign debtors. Case is still pending before the Hon'ble NCLT, Allahabad. Company also has advances from customer of Rs 11.56 crores (Previous Year 11.56 crores). As per past practice, said advance has been adjusted against foreign debtors and the company has shown balances of debtor's net of advances i.e. Rs 447.35 crores (Previous Year 447.35 crores) in



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the balance sheet. The matter is subjudice.

2.26: Company has secured loans of Rs. 5.65 crores (previous year 5.65 crore) and unsecured loan of Rs. 11.59 crores (previous year 11.59 crore) of Rotomac Exports Pvt.Ltd. Said Company was co-owned by Kothari and Desai Group (Co-promoters). Liquidator of Rotomac Exports Pvt.Ltd. has filed petition under Section 7 of IBC,2016 before Hon'ble National Company Law Tribunal against Mohan Steels Ltd. for recovery of loan. Proceedings are pending.

2.27: The Company reviewed the present financial and operational status of the company .The Board noted that the overall economic scenario for steel sector appears positive, due to buoyant demand for steel and heavy spending on infrastructure. Company is making efforts to commence rolling mill operations either on own account, on job basis for conversion, or in association with other parties. The technology of rolling mill plant is viable and still functional. The maintenance team of the company has maintained the Rolling Mill plant in revivable condition and MSL can revive the operations on finalizing the modalities.

2.28: Company is having an old oxygen plant of X GEN PSA OXYGEN BRAND of 150m3/hr capacity lying in factory premises which is not in use since long. Due to sudden surge in demand of oxygen in the country, the company in its board meeting decided looking into reviving the oxygen plant and start production of oxygen with some investment. Company is making efforts to raise liquidity of the company for commencing rolling operations and running of oxygen plant.

2.29: Serious Fraud Investigation Office (SFIO) has filed a Criminal complaint (ST.No. 577/2020 on dt.15.05.2020) before 9th court of Ld. Additional District and Session Judge, Kanpur Nagar, Special Judge (Companies Act) against the Rotomac Group and its directors, Frost Group and its directors, Mohan Steels Ltd., and others. The proceedings are pending before the court as on date.

2.30 :The Current Assets, loans and advances are taken at a value that they shall realize in ordinary course of business.

2.31: Company has not made provision for interest on unsecured loans due to dispute pending before NCLT.

2.32 : Earning per Share (EPS)

Particulars	2020-21	2019-20
Net Loss as per statement of Profit & Loss attributable to Equity Share holders.	(9457527)	(11161567)
Weighted Average number of Equity Shares	17539554	17539554
Basic & Diluted Earnings per share for the year	(0.54)	Rs. (0.64)
Face Value of Shares	Rs.10	Rs.10

2.33 : Deferred tax Assets

Deferred tax assets comprise the following :(Rs.in Lacs)

Deferred Tax Assets	2020-21	2019-20
Carried forward Business Loss & Unabsorbed Depreciation	218.05	167.98
	218.05	167.98
Deferred Tax Liabilities		
Related to Fixed Assets	73.50	71.89
Net Deferred Tax Assets	144.55	96.09



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2.34 : Employees Benefits

a. Defined Contribution Plan	<u>2020-21</u>	<u>2019-20</u>
Employer's Contribution to PF	201006	279837
Employer's Contribution to ESI	87190	90738
b. Bonus	-	170693
c. Gratuity **	-	1982079
d. Earned Leave**	-	89140

**Earned leave encashment & Gratuity is accounted for on payment basis.

2.35 : Related Party transaction in terms of accounting standard 18 is given below :**A. Key Management Personnel**

- | | |
|-------------------|-------------------|
| 1. Pradeep Gautam | Director |
| 2. Chetna Dwivedi | Company Secretary |

B. Transaction with related party

(Amount in Rs.)

Particulars	Key Management Personnel
Remuneration	780000

2.36 : Auditors Remunerations (excluding GST)

	<u>F.Y.</u>	<u>F.Y.</u>
	<u>2020-21</u>	<u>2019-20</u>
Audit fee	90000	90000
Other Services	10000	10000
	<u>100000</u>	<u>100000</u>

2.37: Contingent Liability:

Legal formalities of leasehold land sold in FY 2004-05 as per BIFR Order are pending. Since UPSIDC levy sub-division charges before grant of approval, as sub-division of land is as per the BIFR order so company has requested to UPSIDC for charging sub-division charges at concessional rate. Company has not received any demand notice in this regard from UPSIDC, hence company has shown a sum of Rs.1.15 crore as contingent liability as per present UPSIDC rates.

Land sub-division charges to UPSIDC - Rs.1.15 Crore (Prev. Year- Rs.0.46 Crore)

2.38: Previous year figures have been regrouped/reclassified wherever necessary.

2.39: Notes to Accounts form part of Balance Sheet and statement of Profit & Loss Account.

For Rishabh & Co.
Chartered Accountants
(Registration No.10915C)


(Rajneesh Dixit)
Partner
(M.No.422045)


(Chetna Dwivedi)
Company Secretary


(PremShanker Mishra)
Director
DIN-02354691


(Pradeep Gautam)
Director
DIN-01172119

Place : Unnao
Dated : 31st August 2021