

RAJIV GUPTA & CO.

Chartered Accountants

C-1, South Extension Part – I,
New Delhi – 110 049 (India).

Email: rajivteam@gmail.com

Ph: +91 11 4247 4863

COMPLIANCE CERTIFICATE

We have conducted the audit of the accounts of M/s. Chhattisgarh Mega Steel Limited for the year ended March 31, 2024 in accordance with the directions/sub-directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all directions / sub directions issued.

For Rajiv Gupta & Co.,
Chartered Accountants
[Firm Regn.No. 003188N]



Rajiv Gupta
Partner
M.Ship No. 082060

New Delhi
18th September 2024



INDEPENDENT AUDITORS' REPORT**To the Member(s) of Chhattisgarh Mega Steel Limited****Report on the audit of the Ind AS Financial Statements****Opinion**

1. We have audited the accompanying Ind AS Financial Statements of **Chhattisgarh Mega Steel Limited (CIN: U27100CT2015GOI001627)** (the Company), which comprise the Balance Sheet as at 31st March 2024, the statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year then ended and a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statement").

In our opinion, and to the best of our information, and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India Including the Ind AS, of the state of affairs of the Company as at **31st March, 2024**, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act. 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

4. (a) The company, Chhattisgarh Mega Steel Ltd (CMSL), is a subsidiary company of Steel Authority of India Limited (SAIL), having a paid up share capital of Rs.5,00,000/- comprising of 50,000 Equity Shares of the face value of Rs.10/- each fully paid up. Out of this 37,000 Equity shares (74%) are held by SAIL and 13,000 Equity shares (26%) are held by NMDC Ltd.

(b) The company was incorporated on 20th January 2015 as company limited by shares under the Companies Act, 2013, in the state of Chhattisgarh vide CIN: U27100CT2015GOI001627, and is having its registered office at Ispat Bhawan Bhilai, Sector-1, Durg, Bhilai, Chhattisgarh-490 001. The company has not commenced any business activity yet since its incorporation. The company has maintained its books of account at its registered office at Bhilai and produced the same for audit at our Delhi office.

Contd...2/-



(c) The Board of Directors of the company comprises of the employees of SAIL, who are nominated as directors of the company from time to time. The company does not have any office or employees of its own or any office infrastructure. The employees, office and the resources belonging to the holding company SAIL are used by the company for various compliances, for which no cost is charged or debited by the holding company, to the CMSL, and hence no accounting for the same is done in the books of account maintained by the company.

Management's Responsibility for the Standalone Ind AS Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including Indian accounting standards (Ind AS) 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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.

Contd...3/-



Independent Auditors' Report (2023-24)

Chhattisgarh Mega Steel Limited

-: 3 :-

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinions. 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's 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.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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, except for the matters stated in subparagraph (f) below and para 13(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account [and with the returns received from branches not visited by us];

Contd...4/-



Independent Auditors' Report (2023-24)

Chhattisgarh Mega Steel Limited

-: 4 :-

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rule of the Companies (Accounts) Rules, 2014;

(e) On the basis of the information provided none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of section 164(2) of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;

(f) The company has maintained its books of account for the year under audit using accounting software tally which does not have the feature of edit log as required under the amended provisions of the Companies Act, 2013, applicable from financial years commencing on or after 1st April 2023.

(g) 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**; and

13. 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) There are no pending litigations impacting financial position of the Company as on 31st March, 2024.
- b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.

Contd...5/-



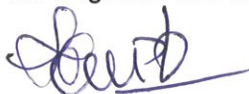
Independent Auditors' Report (2023-24)

Chhattisgarh Mega Steel Limited

-: 5 :-

- e) There was no dividend either declared or Paid by the company.
- f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.
Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which does not have a feature of recording audit trail (edit log) facility at the database level for maintenance of all accounting records.
14. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:
- To the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year under audit.
- The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
15. As required by Section 143 (5) of the Act, we give in Annexure-C, a statement on the directions issued by the Comptroller and Auditor General of India.

For Rajiv Gupta & Co.,
Chartered Accountants
[Firm Regn.No. 003188N]



Rajiv Gupta
Partner
M.Ship No. 082060

UDIN:24082060BK E U H S U 20



New Delhi
18th September 2024

Chhattisgarh Mega Steel Limited

**Annexure 'A' to the Independent Auditor's Report for 2023-24 dated 18th September 2024
(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements)**

SI NO	Particulars	Auditors Remarks
i(a)	(A) Whether the Company is maintaining proper records showing full particulars including quantitative details and situation Property, Plant and Equipment;	Not Applicable, as the company do not possess any Property, Plant and Equipment.
	(B) Whether the Company is maintaining proper records showing full particulars of intangible assets	Not Applicable, as the company do not possess any Intangible Assets.
i(b)	Whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals. Whether material discrepancies have been noticed on such verification and if so, whether the same have been properly dealt with in the Books of the Company.	Not Applicable, as the company do not possess any Property, Plant and Equipment.
i(c)	Whether the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company. If not provide the details thereof;	Not Applicable, as the company do not possess any Immovable Property.
i(d)	whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;	Not Applicable, as the company do not possess any Property, Plant and Equipment.
i(e)	whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements.	No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the company.
ii(a)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of	Not Applicable, as the company do not possess any inventory.



	10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account	
ii(b)	whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;	Not Applicable, as the company does not have any Working Capital Limits Sanctioned/availed.
iii	whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so, give details.	According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
iv	In respect of loans, investments, guarantees and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us and on the basis of our examination of the books of account, the company is not given/ made any loans, investments, guarantees and securities.
v	in respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits from the public.
vi	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, and whether such accounts and records have been so made and maintained.	The company did not start any business operations during the periods. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government.



vii	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable. shall be indicated.	According to information and explanations given to us, the company did not conduct any business operations during the year and there were no statutory dues paid / payable therefore Para (vii) is not applicable.
	(b) where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute)	According to information and explanations given to us, the company did not start any business operations during the periods and there were no statutory dues paid / payable therefore Para (vii) is not applicable.
viii	whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;	According to information and explanations given to us, the company has not surrendered or disclosed any income during the year in the tax assessments under the Income tax Act 1961.
ix	(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format. (b) whether the company is a declared wilful defaulter by any bank or financial institution or other lender; (c) whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported; (d) whether funds raised on short term basis have been utilized for long term purposes, if yes, the nature and amount to be indicated; (e) whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case; (f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;	The company did not have any loans or borrowings from any lender, during the period, hence not applicable.



x	<p>(a) Whether money raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as maybe applicable, be reported;</p> <p>(b) whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;</p>	Not Applicable, since the company has not raised money from the public.
xi	<p>(a) Whether any fraud by the company or any fraud on the Company by its officers, employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;</p> <p>(b) whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;</p> <p>(c) whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;</p>	During the course of examination of the books and records of the Company and according to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported nor has been informed by management during the course of our audit.
xii	<p>(a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;</p> <p>(b) whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</p> <p>(c) whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;:</p>	Not Applicable, since company is not a Nidhi Company.
xiii	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Not Applicable The company has not started business or entered into any transactions.
xiv	<p>(a) whether the company has an internal audit system commensurate with the size and nature of its business;</p> <p>(b) whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;</p>	The Company has not started any operations, hence there is no Internal Audit Department in the Company.



xv	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;	There have been no non-cash transactions with directors or persons connected with him.
xvi	(a) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained; (b) whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; (c) whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria; (d) whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;	Not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
xvii	whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;	Yes. There has been a cash loss of Rs.33,689/- in F.Y. 2023-24 and Rs.33,650/- in F.Y. 2022-23.
xviii	whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors	There has been no such case.
xix	On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.	On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



xx	(a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act; (b) whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;	The Company has not started its operations, hence there is no such case.
xxi	whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks.	The present report is in respect of standalone financial statements and hence the relevant clause is not applicable.

For Rajiv Gupta & Co.,
Chartered Accountants
[Firm Regn.No. 003188N]


Rajiv Gupta
Partner
M.Ship No. 082060



UDIN: 24082060BKEUDY5490

New Delhi
18th September 2024

Chhattisgarh Mega Steel Limited

Annexure 'B' to the Independent Auditor's Report for 2023-24 dated 18th September 2024

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

We have audited the internal financial controls over financial reporting of **Chhattisgarh Mega Steel Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

Contd...2/-



Independent Auditors' Report (2023-24)

Chhattisgarh Mega Steel Limited

-: 2 :-

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, 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, except that the Company has used accounting software for maintaining its books of account, which does not have a feature of recording audit trail (edit log) facility at the database level for maintenance of all accounting records.

For Rajiv Gupta & Co.,
Chartered Accountants
[Firm Regn.No. 003188N]



Rajiv Gupta
Partner
M.Ship No. 082060



UDIN: 24082060BKEUDH5490

New Delhi
18th September 2024

Chhattisgarh Mega Steel Limited

Annexure 'C' to the Independent Auditor's Report for 2023-24 dated 18th September 2024

	Directions under section 143(5) of Companies Act 2013	
	QUESTIONS	AUDITOR'S COMMENTS
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company is yet to commence operations and as such do not have many accounting transactions. The Company has used accounting software for maintaining its books of account, which does not have a feature of recording audit trail (edit log) facility at the database level for maintenance of all accounting records.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by the lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? In case, lender is a government company, then the Direction is also applicable for Statutory Auditor of lender Company	The company has not raised any loans from any entity, hence reporting under this clause is not applicable.
3.	Whether funds (grant/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The company has not received any grant/ subsidy from central/ state government or any of its agency hence, not-applicable.

We have not received any additional Company/ Sector specific directions issued under section 143(5) if the Companies Act, 2013, for reporting.

For Rajiv Gupta & Co.,
Chartered Accountants
[Firm Regn.No. 003188N]



Rajiv Gupta
Partner
M.Ship No. 082060



UDIN: 24082060BK EUDH5490

New Delhi
18th September 2024

CHHATTISGARH MEGA STEEL LIMITED

Balance Sheet as at 31st March 2024

	Note	31 March 2024	31 March 2023
--	------	---------------	---------------

(All amounts in ₹'000)

ASSETS**Current assets**

Financial assets

Cash and cash equivalents	4	25.66	26.31
		<u>25.66</u>	<u>26.31</u>
		<u>25.66</u>	<u>26.31</u>

EQUITY AND LIABILITIES**Equity**

Equity share capital	5	500.00	500.00
Other equity	6	(610.88)	(577.19)
		<u>(110.88)</u>	<u>(77.19)</u>

Current liabilities

Financial Liabilities

Other financial liabilities-Current	7	136.54	103.50
		<u>136.54</u>	<u>103.50</u>
		<u>25.66</u>	<u>26.31</u>

Summary of significant accounting policies 3


The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For Rajiv Gupta & Company

Chartered Accountants

Firm Regn. No. 003188N


(Rajiv Gupta)**Partner**

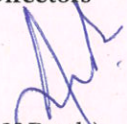
M. No. 082060

For and on behalf of the Board of Directors

(Samir Swarup)

Director

[DIN:09689739]



(A.K. Panda)

Chairman

[DIN: 08532039]

Place: New Delhi

Date: 18 SEP 2024



CHHATTISGARH MEGA STEEL LIMITED**Statement of Profit and Loss for the year ended 31 March 2024**

	Note	31 March 2024	31 March 2023
(All amounts in ₹'000)			
Revenue			
Revenue from operations		-	-
Other income		-	-
		<u>-</u>	<u>-</u>
Expenses			
Finance costs	8	0.65	0.65
Other expenses	9	33.04	33.00
		<u>33.69</u>	<u>33.65</u>
Profit before tax		(33.69)	(33.65)
Tax expense		-	-
Profit after tax for the year		(33.69)	(33.65)
Other Comprehensive Income			
A i) Items that will not be reclassified to profit and loss		-	-
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		(33.69)	(33.65)

Earnings per equity share

Basic (₹RS.)	10	(0.00)	(0.00)
Diluted (₹RS.)	10	(0.00)	(0.00)

The accompanying notes are integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For Rajiv Gupta & Company

Chartered Accountants

Firm Regn. No. 003188N

(Rajiv Gupta)

Partner

M. No. 082060

For and on behalf of the Board of Directors

(Samir Swarup)

Director

[DIN:09689739]

(A.K. Panda)

Chairman

[DIN: 08532039]

Place: New Delhi

Date: 18 SEP 2024



CHHATTISGARH MEGA STEEL LIMITED
Cash Flow Statement for the year ended 31 Mar 2024

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(All amounts in ₹'000)		
Cash flow from operating activities		
Net profit before tax	(33.69)	(33.65)
Adjustments :	-	-
Operating cash flows before working capital changes	(33.69)	(33.65)
Changes in operating assets and liabilities		
Increase/(Decrease) Other financial liabilities	33.04	33.00
Increase/(Decrease) in Current Liabilities	-	-
Cash flow generated from operations	(0.65)	(0.65)
Income taxes paid (net of refunds)	-	-
Net cash flow from operating activities	A (0.65)	(0.65)
Cash flow from investing activities		
Net cash generated from investing activities	B -	-
Cash flow from financing activities		
Share Capital received from Promoters	-	-
Net cash used by financing activities	C -	-
Net cash increase in cash and cash equivalents (A+B+C)	(0.65)	(0.65)
Cash and cash equivalents at the beginning of the year	26.31	26.96
Cash and cash equivalents at the end of the year	25.66	26.31
Movement in cash balance	(0.65)	(0.65)
Reconciliation of cash and cash equivalents as per cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balances with banks	25.66	26.31
On current accounts	25.66	26.31

For Rajiv Gupta & Company

Chartered Accountants

Firm Regn. No. 003188N



(Rajiv Gupta)

Partner

M. No. 082060

Place: New Delhi

Date: 18 SEP 2024


For and on behalf of the Board of Directors


(Samir Swarup)

Director

[DIN:09689739]



(A.K. Panda)

Chairman

[DIN: 08532039]

Chhattisgarh Mega Steel Limited

Summary of Material Accounting Policies and other explanatory information for the year ended 31 March 2024

1. Corporate and General Information

Chhattisgarh Mega Steel Limited ("the Company") is a subsidiary of Steel Authority of India Limited (SAIL). The Company is domiciled in India, incorporated in Chhattisgarh, India in 2015 under the provisions of Companies Act, 2013. The Company has not commenced business activities as yet. The registered office of the Company is situated at Ispat Bhawan Bhilai, Sector -1, Bhilai Durg, Chhattisgarh – 490-001, India.

2. Basis of preparation

2.1. Statement of Compliance

The financial statements of the Company have been prepared on accrual basis of accounting in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The Company has uniformly applied the accounting policies during the periods presented.

2.2. Basis of Measurement

The financial statements are prepared on a historical cost basis.

2.3. Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ have been rounded off to the nearest two decimals of thousands unless otherwise stated.

2.4 Use of Estimates and Management Judgement

In preparing the financial statements in conformity with Company's accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amounts of revenue and expenses during the reported period and notes to the financial statements. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

3. Significant accounting policies

3.1 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Amortised cost



Chhattisgarh Mega Steel Limited

Summary of Material Accounting Policies and other explanatory information for the year ended 31 March 2024

- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL will be subject to review for impairment at least at each reporting date.

Amortised cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

3.2 Equity and Reserves

Share Capital represents the nominal value of shares that have been issued. Securities premium includes any premium received on issue of Share Capital. Any transaction costs associated with the issuing of shares are deducted from Securities premium account, net of any related income tax benefits.

Other components of equity include retained earnings include all current and prior period retained profits.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into cash and subject to an insignificant risk of changes in value.

3.4 Provisions, contingent liabilities and contingent assets

Provisions and Contingent Liabilities:

A Provision is recognised when the Company has present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as a separate asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

In cases where the possible outflow of economic resources as a result of present obligation is considered improbable or remote, no Provision is recognised or disclosure is made.



Chhattisgarh Mega Steel Limited

Summary of Material Accounting Policies and other explanatory information for the year ended 31 March 2024

Contingent assets:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

3.5 Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (MAT Credit entitlement) or deductible temporary difference will be utilised against future taxable income. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

3.6 Significant judgement and estimates in applying Accounting policy

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

Provision and contingencies – The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



CHHATTISGARH MEGA STEEL LIMITED

Statement of changes in equity for the year ended 31 March 2024

(All amounts in ₹'000)

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Redemption of equity share capital during the year	Balance at the end of reporting period
Equity Share Capital	500.00	-	500.00

B Other Equity

	Reserves and Surplus	Total
	Statement of profit and loss	
Balance as at 1 April 2022	(543.54)	(543.54)
Profit/(Loss) for the year	(33.65)	(33.65)
Remeasurement gain/loss during the year	-	-
Balance as at 31 March 2023	(577.19)	(577.19)
Profit/(Loss) for the year	(33.69)	(33.69)
Balance as at 31 March 2024	(610.88)	(610.88)

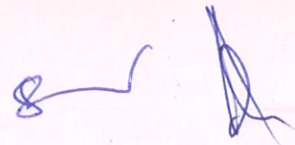


CHHATTISGARH MEGA STEEL LIMITED**Notes to the Financial Statements for the year ended 31 March 2024****(All amounts in ₹'000)**

	31 March 2024	31 March 2023
4. Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
Current accounts	25.66	26.31
	<u>25.66</u>	<u>26.31</u>

(i) There are no repatriation restrictions with respect to cash and bank balances available with the Company.

(ii) Closing Balances have been rounded off for reporting purpose.



CHHATTISGARH MEGA STEEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2024

(All amounts in ₹'000)

5. Equity share capital

Authorised capital

50,000 (previous year 50,000) equity shares of ₹ 10 each

31 March 2024	31 March 2023
500.00	500.00
500.00	500.00

Issued, subscribed and Paid-up capital

50,000 (previous year 50,000) equity shares of ₹ 10 each

500.00	500.00
500.00	500.00

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31 March 2024		31 March 2023	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	50000	500.00	50,000	500.00
Issued during the year	-	0.00	-	0.00
Equity shares at the end of the year	50,000	500.00	50,000	500.00

b) Rights/preferences/restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. All equity shares have been issued for consideration received in cash. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	31 March 2024		31 March 2023	
	No of shares	% holding	No of shares	% holding
Equity shares of ₹ 10 each fully paid up				
Steel Authority of India limited	37,000	74.00%	37,000	74.00%
NMDC Limited	13,000	26.00%	13,000	26.00%

i) There are no other individual shareholders holding 5% or more in the issued share capital of the Company.

c) Details of promoter's shareholders

Shares held by promoters at the end of the year				% Change during the year***
S.No.	Promoter Name	No. of Shares	% of total shares	
1	Steel Authority of India limited	37,000	74%	Nil
2	NMDC Limited	13,000	26%	Nil



CHHATTISGARH MEGA STEEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2024

(All amounts in ₹'000)

6. Other equity**Statement of profit and loss**

Opening balance

Add : Net profit for the year

Net surplus in statement of profit and loss

31 March 2024	31 March 2023
-577.19	-543.54
-33.69	-33.65
-610.88	-577.19

7. Other financial liabilities-Current

Audit fees payable

Expenses Payable

94.04	61.00
42.50	42.50
136.54	103.50



CHHATTISGARH MEGA STEEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2024

(All amounts in ₹'000)

	31 March 2024	31 March 2023
8. Finance costs		
Bank charges	0.65	0.65
	<u>0.65</u>	<u>0.65</u>
9. Other expenses		
Audit fee	33.04	33.00
Taxes and Charges	0.00	0.00
Filing Fees	0.00	0.00
Professional fees	0.00	0.00
	<u>33.04</u>	<u>33.00</u>



CHHATTISGARH MEGA STEEL LIMITED**Notes to the Financial Statements for the year ended 31 March 2024****10. Earnings per equity share**

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

	31 Mar 2024	31 Mar 2023
Net profit attributable to equity shareholders		
Profit after tax	<u>(33.69)</u>	<u>(33.65)</u>
Profit attributable to equity holders of the parent adjusted for the effect of dilution	<u>(33.69)</u>	<u>(33.65)</u>
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basic EPS	50,000	50,000
Basic/Diluted earnings per share (₹)	(0.00)	(0.00)



CHHATTISGARH MEGA STEEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2024

(All amounts in ₹)

11 Financial risk management**i) Financial instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31 March 2024		31 March 2023	
	FVTPL	Amortised cost*	FVTPL	Amortised cost*
Financial assets				
Cash and cash equivalents	-	25.66	-	26.31
Total	-	25.66	-	26.31
Financial liabilities				
Other financial liabilities	-	136.54	-	103.50
Total	-	136.54	-	103.50

*All financial assets/liabilities stated above are measured at amortised cost and their respective carrying values are not considered to be materially different from their fair values.

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Cross currency fix rate swaps
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

The finance function of the company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Secured
- B: Unsecured
- C: Partly Secured
- D: Doubtful

The company continuously monitors defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The company's policy is to deal only with creditworthy counterparties.

a) Credit risk management*Cash and cash equivalent*

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.



Derivative financial instruments

Credit risk related to derivative financial instruments is also managed by only entering into such arrangement with highly rated banks or financial institutions as counterparties. The company diversifies its holdings with multiple counterparties.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors and only sells goods to credit-worthy parties. The company's internal systems are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Company provides expected credit losses based on the following

Loans advances and other than trade receivables

Company provides for expected credit losses on "loans advances and other than trade receivables" by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draw to apply for such financial assets. The company provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant consistently to entire population increase in credit risk.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity Company based on their contractual maturities for all non-derivative financial. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant



Contractual maturities of financial liabilities as at 31st March, 2024	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Other financial liabilities	33.04	33.00	70.50	-	136.54
Total					

Contractual maturities of financial liabilities as at 31st March, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Other financial liabilities	33.00	70.50	-	-	103.50
Total					

12 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	31 March 2024	31 March 2023
Net debts	-	-
Total equity	-110.88	-77.19
Net debt to equity ratio	0%	0%

Loan covenants

(b) Particulars	31 March 2024	31 March 2023
(i) Equity shares		
Final dividend for the year ended 31 March 2024	-	-
(ii) Dividends not recognised at the end of the reporting period	-	-



[Handwritten signature]

13 Ratios

S.No.	Ratios	Current Year	Previous Year	Deviation
a	Current Ratio	0.19	0.25	(26.07)
b	Debt-Equity Ratio	N.A.	N.A.	-
c	Debt Service Coverage Ratio	N.A.	N.A.	N.A.
d	Return on Equity Ratio	Numerator and Denominator both negative	Numerator and Denominator both negative	N.A.
e	Inventory Turnover Ratio	N.A.	N.A.	N.A.
f	Trade Receivable Turnover Ratio	N.A.	N.A.	N.A.
g	Trade Payable turnover Ratio	N.A.	N.A.	N.A.
h	Net Capital Turnover Ratio	N.A.	N.A.	N.A.
i	Net Profit Ratio	N.A.	N.A.	N.A.
j	Return on Capital Employed	Numerator and Denominator both negative	Numerator and Denominator both negative	N.A.
k	Return on Investment	Numerator and Denominator both negative	Numerator and Denominator both negative	N.A.

Notes to Ratio Analysis

S.No.	Ratios	Items Included in		Reason for Variation (In case Deviation is more than +/-25%)
		Numerator	Denominator	
a	Current Ratio	Current Assets	Current Liabilities	Decrease in Bank balance in Current year
b	Debt-Equity Ratio	Short Term Borrowing excl. Working Capital + Long Term Borrowing	Closing Capital of Equity + Closing Reserve & Surplus	No Comment Required
c	Debt Service Coverage Ratio	PAT+Depreciation_Interest	Interest on Term Loan + Installment due during year	No Comment Required
d	Return on Equity Ratio	PAT	Closing Capital of Equity + Closing Reserve & Surplus	No Comment Required
e	Inventory Turnover Ratio	COGS	Average Inventory	No Comment Required
f	Trade Receivable Turnover Ratio	Gross Sales	Average Receivables	No Comment Required
g	Trade Payable turnover Ratio	purchases	Average Trade Payables	No Comment Required
h	Net Capital Turnover Ratio	Gross Sales	Closing Capital of Equity + Closing Reserve & Surplus	No Comment Required
i	Net Profit Ratio	PAT	Gross Sales	No Comment Required
j	Return on Capital Employed	PBIT	Closing Capital of Equity + Closing Reserve & Surplus + Long term and short term debt	No Comment Required
k	Return on Investment	PAT	Closing Capital of Equity + Closing Reserve & Surplus	No Comment Required

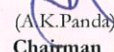
- 14 Related Party Transactions.
There have been no related party transactions during FY-2023-24
- 15 The Company does not own any immovable Property. Hence, there is no case of Title Deeds/ Lease Agreement, not held in the name of the Company.
- 16 There is Nil amount due to Micro and Small Enterprises as defined in the The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
- 17 In compliance to General Financial Rule 238(5) & (6), there are Nil Grants received from Ministry of Steel and it's utilization for Research and Development Projects during last three years
- 18 The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
- 19 The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- 20 There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period
- 21 There is no proceeding pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988.
- 22 There is no foreign currency transaction during the year.
- 23 There is no revaluation of Property, Plant & Equipment.



(Samir Swarup)

Director

[DIN:09689739]


(A.K. Panda)

Chairman

[DIN: 08532039]

Place: New Delhi

Date: 18 SEP 2024

